

# The role of prudent economic policies in the age of artificial intelligence diffusion

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Artificial intelligence (AI) is increasingly viewed as one of the most transformative technologies of the current era, with the potential to reshape productivity, employment, and the structure of the economy. However, despite this potential, economic research on AI's macroeconomic and labor-market effects remains relatively limited, while much of the analysis is gradually moving beyond universities toward private AI labs, central banks, and government institutions. This creates an important role for independent public research, and this note aims to help fill that research gap by assessing AI's economic implications, its risks and opportunities, and the role of prudent public policies.

The history of economic development has been shaped by long economic cycles known as Kondratiev waves, which last around 40–60 years. Each wave is driven by fundamental technological innovations that, while disrupting existing economic structures, also create new industries and transform labor markets. Since AI is developing at an accelerating pace and has the potential to reshape existing economic structures, we may assume that it could mark the beginning of the sixth Kondratiev wave.

AI differs from previous waves in terms of both its speed and the depth of its impact, transforming not only sectors of the economy but also bringing profound changes to jobs of an intellectual and analytical nature. While earlier technological waves mainly transformed physical labor, AI expands the scope of automation into data processing, decision-making, and creative fields as well, having more systemic impact on the economy. These changes, however, are accompanied by structural challenges. As with previous waves, an initial rise in unemployment and a mismatch of skills are also expected before economies adapt to the new reality. In this context, it is necessary to examine how AI affects employment, in which sectors it complements human labor, and where it

replaces it.

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