The Hague International Model United Nations

Forum: Sustainable Development Commission (SDC 2)

Issue: Protecting workers' rights in the context of AI-driven job displacement

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Introduction

Artificial intelligence (AI) is a double-edged sword which has significantly contributed to the development of mankind but has also harmed many different markets, sectors, and industries. In less economically developed countries (L.E.D.C's) the primary sector during which raw materials are extracted and collected dominates the market. In developing countries, the secondary which focuses on the manufacturing of these raw materials is prevalent. Whereas in more economically developed countries (M.E.D.C'S) the tertiary and quaternary sector is dominant. Companies which operate in the primary and secondary sectors look for blue-collar workers on the other hand those which operate in the tertiary and quaternary sectors search for high-skilled employees. Although these sectors operate in different industries, they along with those employed are impacted by AI.

The way in which AI is beginning to impact workers' lives and rights across different sectors has become an undeniable reality. A study conducted by the SEO.AI content team shows that "30% of workers worldwide fear that AI might replace their jobs within the next three years". This fear is a result of AI's ability to perform repetitive tasks more efficiently than humans. The nature of these jobs requires little to no skill which would then lead to mass unemployment in countries and regions which are dominated by the primary sector. This would only contribute to creating a bigger divide between white-collar and blue-collar workers and between different industries. The introduction of AI into the workplace is expected to result in many workers losing their jobs as they are replaced by automation. A report published by the World Economic Forum estimates that by 2025, automation will have replaced 75 million jobs but will have created 133 million new jobs, globally. This shows that AI has the potential to create more than it destroys. Although this means that there will be a net gain of 58 million jobs globally, this minor statistic does not give the international community the green light to ignore the 75 million workers who are suffering from the issue of AI-driven job displacement.

The theme for this year's conference is the "impact of AI on humanity" reflects the opportunity and transformation humans have at their doorstep but also gives them pause to ensure they have the right safeguards in place when using AI. However, the key to unlocking the meaning of this theme is to bring in the third debate "humanity". Meaning that although AI will be transformational to all of us, it can only be powered by humans. Therefore, AI does not replace humanity, which is why it is essential to ensure that workers and employees are protected from the issue of job displacement.

Definition of Key Terms

Artificial intelligence (AI):

AI is a technology which gives computers and machines the ability to solve problems, make decisions, and understand and respond to human language. It does this by stimulating human intelligence in such machines.

Artificial General Intelligence (AGI):

AGI is a theoretical concept which would allow machines to develop cognitive, practical and critical thinking skills which mirror human intelligence. Like humans, machines equipped with AGI would be equally capable at completing broad and general tasks.

Language model:

A language model is an AI system capable of summarizing, translating and generating human-like text based on the inputs it recieves. Language models are used to complete tasks such as proof-reading and content creation.

Automation:

Automation is the use of technology to create machines which can carry out tasks automatically without requiring human assistance or intervention. It provides benefits to manufacturing, facility operations and transportation industries.

AI-driven Job displacement:

AI-driven job displacement refers to workers being released from their duties and let go from their positions due to AI and automation. This is due to AI being able to do these low-skilled jobs more effectively and efficiently than humans.

The job market:

The job market is where individuals who are actively seeking jobs interact with businesses. All job markets follow the supply-demand mechanism which tends to ensure that the number of employees demanded equals the labor force available. Other factors which impact the job market include industry trends and economic activity.

Labor Market Policies:

Governments develop programmes and policies in the labor market designed to support and protect workers' rights. These measures are designed to support the unemployed in their search for employment opportunities to help minimize the impacts of AI-driven job displacement. Additionally, these policies ensure that employment rates increase and contribute to economic growth.

Economic Inequality:

Economic inequality is the unequal distribution between different social classes and even different communities regarding income and opportunities. It is mainly caused by high unemployment rates, which occur when AI replaces low-skilled jobs, therefore widening the economic gap between societies.

Blue-Collar workers:

Blue-collar workers are low-skilled individuals whose occupations may involve skilled or unskilled labour. Their work primarily focuses on manual labour and does not involve working in an office.

White-Collar workers:

White-collar workers are individuals who work in an office and are highly skilled employees. Individuals classified into this category of workers are those in professions which require knowledge, such as IT specialists**.**

Background Information

How does AI cause Job displacement?

AI was an idea first introduced in the mid-1900s and after decades of constant development, AI is now at the forefront of all human activity. Figure 1 shows the decline in the share of the workforce in low-skilled occupations will face globally and across L.E.D. C's, M.E.D. C's and developing countries between 2020 and 2030. This is primarily due to AI being used to complete simple, repetitive day-to-day tasks which helps organizations minimize waste in terms of cost, time and production. Moreover, the strategic objectives and vision of many multinational corporations such as 'British Telecom' aim to replace approximately ten thousand staff members with AI within the next seven years.

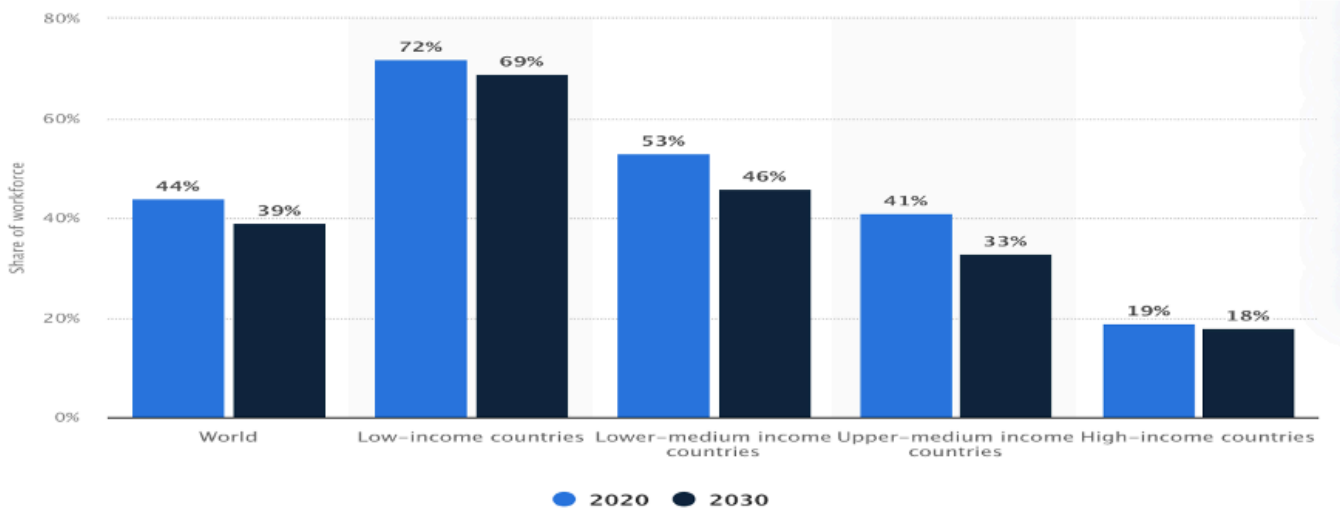

Figure 1: Share of global workforce working in low-skilled occupations 2020-2030

By using AI in their day-to-day operations, British Telecom will be able to operate more effectively and efficiently, however, they would also be contributing to increasing unemployment rates. This is because AI would be replacing low-skilled individuals whose salaries are equal to the minimum wage fee set by the government. However, it is important to note that AI's design gives it the ability to excel in completing certain tasks. AI also drives job displacement since it forces organizations to depend less on human collaboration and interaction and more on technology. Figure 1 also shows how low-income and low-medium-income countries are vulnerable when facing AI due to their inability to re-design labour market policies and adapt to change. Additionally, the latest Department of Economic and Social Affairs (UN DESA) data shows that by 2050, the world's population is expected to reach 9.8

billion, over which 6 billion people will be of working age therefore emphasizing the importance of using AI sustainably and ethically.

Additionally, AI will contribute to the transformation of jobs since AI-programmed software and machines will be able to communicate, collaborate and make decisions just like humans. Therefore, jobs which once required little to no skills will suddenly require more complex skills, which can easily be achieved by AI. However, there are those such as the Chief of Macroeconomic Policies and the job unit at the UN ILO who believe that there will always be a need for cheap human labour. This gives a glimmer of hope that although AI is causing job displacement, it won't be able to replace all jobs.

Benefits and Limitations of Using AI in the Workplace

AI is used by different organizations in different industries and like any tool used, it has both its benefits and limitations. The benefits of using AI in the workplace are that it reduces human error and ensures accurate and precise data. Moreover, one key feature of AI is its ability to think like humans, and therefore AI helps organizations make decisions which best suit their interests. AI also helps foster better customer relationships, as it is used to offer customer service which is continuously up and running. It also ensures that companies are always working with the latest software, technologies and innovation. However, the obvious limitation to using AI in the workplace is it can easily lead to job displacement, this is simply because AI starts with replacing blue-collar workers due to its higher efficiency and productivity. Another drawback to having AI in the workplace is it creates a skill gap which refers to a mismatch between the skills of employees and the skills required by organizations to achieve specific roles. This is because the many roles offered by organizations require skills related to AI and technology to be mastered by white-collar individuals. However, a study conducted in 2024 showed that out of the 81% of IT professionals who believed that they could use AI only 12% of them had the skills to do so. Therefore, these skill gaps influence organisations to increase their dependence on AI since desired employees do not have the skills required to perform the job effectively. Additionally, another study shows how the use of AI in organizations leads to the issue of inequality between workers. This is because the training and development of white-collar workers on the uses of AI will be prioritized over others. This issue of inequality will not only be in terms of opportunities but also in terms of salaries since many employees could find themselves moving up the corporate ladder with increased salaries due to access to more working opportunities. AI impacts organizations internally both positively and negatively.

Impact of AI on the job market and the Importance of Protecting Workers' Rights

AI impacts both the job market and labor market policies. As firms adopt the use of AI in their operations the demand for skilled professionals increases. This is the case for white-collar workers, since organizations demand individuals specialized in fields such as science and technology (STEM). Therefore, due to an increase in the number of employees looking to work in AI-driven jobs, the labour force available will increase to ensure that supply and demand are equal. Figure 2 shows how low-income countries have an estimated 75% of jobs which are not exposed to AI which decreases the

need for individuals to re-skill. However, in terms of the job market the number of employees searching for AI-driven jobs decreases and therefore a low amount of AI-driven jobs is made available, seeing that labour markets follow the supply-demand mechanism. A study from Cognizant highlighted a resurgence in the US job market focusing on jobs surrounding AI, as jobs which require AI and automation have seen a 28% increase. Additionally, AI creates jobs as well as occupying them and therefore as AI creates a new demand for workers, individuals recently released are back into the workforce, which increases the demand on the job market. When looking at the limitations of AI on the job market, the most pressing issue is that of AI-driven job displacement. This is because an increase in unemployment rates reduces the demand on the job market and reduces the workplaces made available, which directly influences the economy negatively. Since a reduction in the demand for labour, higher unemployment rates and low job growth tend to indicate a slower-growing economy. Moreover, the secondary/manufacturing sector which has seen over 1.7 million lose their jobs to automation and AI and a study by Team Stage shows that a maximum of 20 million jobs could be lost to robots by 2030. It is also important to remember the important role of governments in developing labor market policies, such as establishing a minimum wage, fiscal policies and labor market institutions.

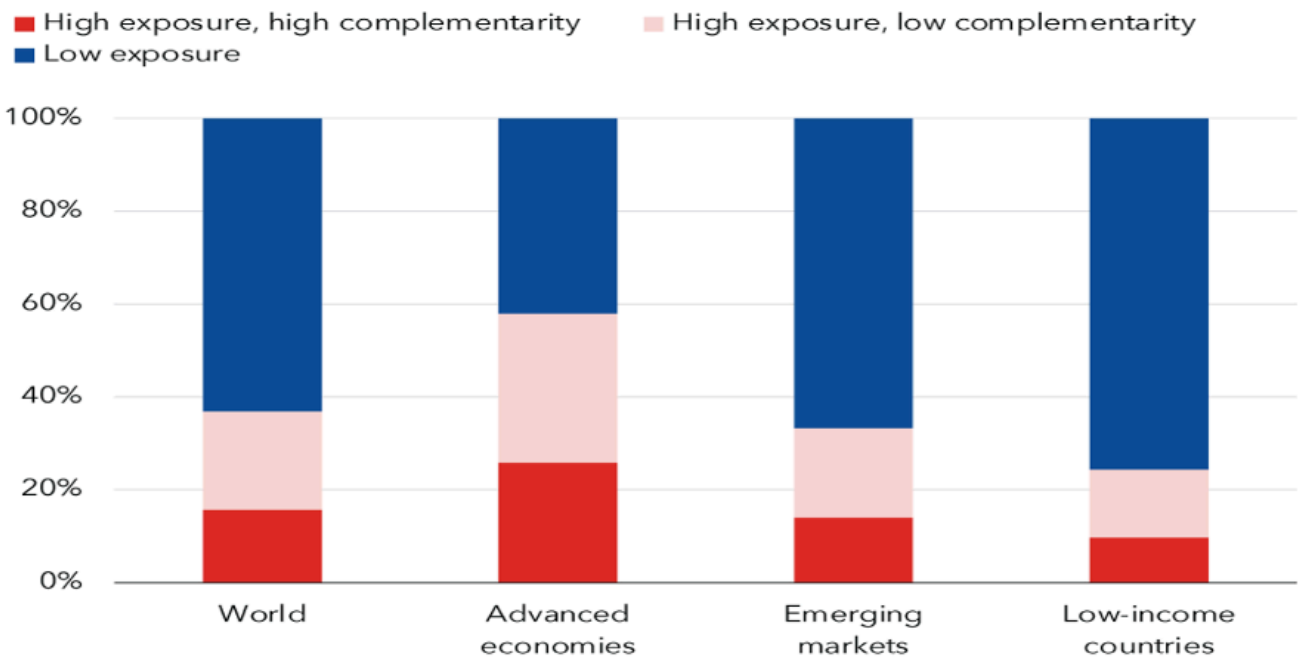

Figure 2: Employment shares by AI exposure and complementarity

The incorporation of AI into the operations, planning and decision-making which goes around in organizations, undermines workers' rights. This is primarily because AI takes away an autonomy which workers have and overrules them in the decision-making process. Moreover, with AI displacing and pushing many people out of their roles, it is important that these individuals are compensated. Displaced workers would also be without health insurance, job security, and be very unstable financially which makes governments even more responsible for protecting them from AI. The international community is also responsible for protecting workers' rights by using AI responsibly, sustainably and ethically.

Major Countries and Organizations Involved

International Labor Organization (ILO)

The ILO is a foundation built on the principles of social dialogue and tripartism is a United Nations agency whose goal is to establish international labour standards, for the purpose of advancing economic and social justice. Although the ILO believes that AI can create unseen change, it is most concerned with protecting workers from the threats and drawbacks of automation and AI, developing policies and devising programs which help promote sustainable and adequate work for everyone.

World Economic Forum (WEF)

The WEF has voiced its concern regarding the impact of AI on existing jobs. The WEF is an international and non-profit or governmental organization which promotes private-public cooperation. The WEF has monitored the situation regarding worker's rights closely and by fostering dialogue and exchanging different viewpoints on the issue with world leaders, the WEF aims to develop a tangible solution. Although, the WEF has already implemented the "Reskilling Revolution" as this program launched in January 2020, aims to tackle the issue of economic inequalities by empowering one billion people with better education, skills and opportunities by 2030.

United Nations Department of Economic and Social Affairs (UN-DESA)

The UN-DESA is responsible for collecting, generating and analyzing a wide range of data, which focuses on economic, social and environmental issues. This data is then used to advise member states on the most prevalent issues which must be tackled. The UNDESA has developed a social protection system to ensure that workers are protected in a future dominated by AI and technology.

The International Trade Union Confederation (ITUC)

The ITUC is a union which works that the fundamental workers' rights which are promoted and established by the IPO are respected universally. They ensure that these rights are enforced, which include the elimination of child and forced labour and the right to collective bargaining. This union represents 191 million workers in 169 countries and achieves its primary goals by cooperating with international trade unions and global campaigning.

United States

The United States has actively been involved in minimizing the impacts of AI in the workplace and automation on workers and the job market. Therefore, the US Department of Labor has established principles to ensure that workers' rights are protected by AI-driven jobs. These principles include, ethically developing AI, being transparent when using AI, ensuring that AI systems do not infringe on labour and employment rights and supporting individuals whose careers and jobs have been impacted by AI. To support organizations in their implementation of these principles, the US Department of Labor has put in place best practices for both the developers and employees.

South Korea

One of the nations most involved in protecting the rights of workers in response to AI-driven job displacement is South Korea. The “smart factory” strategy developed by this nation required significant investment in research and development, automation and AI. The use of AI and technology here will have its limitations, but South Korea will also enjoy benefits such as the creation of more job opportunities.

Germany

The use of AI in the workplace has helped businesses increase the efficiency of their operations. This encourages organizations to replace human labor with automation and AI which is why Germany launched its National AI Strategy during 2018. This strategy aims to protect workers’s rights, as it guarantees a responsible development of AI which serves society while also focusing on integrating AI into society ethically.

Australia

A pressing issue regarding the use of AI in the workplace is that many governments and corporations use it unethically. However, Australia’s policy on AI focuses on ensuring that AI protects individuals human rights, freedom and diversity. This helps minimise the threat of AI being used unethically, as it ensures that AI systems do not discriminate or marginalize certain cultures or ethnicities.

Timeline of Events

Date	Event
1960s – 1970s	The early beginnings of AI were one of the first robots introduced by the AI Centre at the Stanford research initiative. Additionally, the first chatbot was created by one of the MIT computer scientist students
August 4th, 1988	The Worker Adjustment and Retraining Notification Act (WARN ACT) was established to protect workers and employees affected by issues such as mass unemployment and relocation. The WARN Act kept the best interest of workers in mind while also ensuring that it does not hinder development in technology.
2000	Following a quiet spell during the 1980s and 1990s, interest in AI was suddenly renewed during the early years of the 21st century, which many organizations had capitalized on such as Nasa, who created the Nasa Rovers.
2011	It was only until the early 2010s that AI began to develop human-like qualities and intelligence. When Apple first introduced its iPhone product, one of the most captivating features of the product was the

	virtual assistant named Siri. As Siri was able to understand, communicate, respond and make decisions, just like humans.
2017 – 2018	In response to the rising threat of AI on the job market, Finland decided to run the "Finish basic income (BI)" experiment for two years. This trial included the division of 175000 unemployed people into two groups, one who were given BI and the other who did not receive BI. Following the end of the experiment, the Ministry of Social Affairs published a report which indicated that the impact of both groups on the job market was minimal. This ensured Finland that although AI has the potential to cause job displacement its impacts on the labour market in Finland will be minimal.
January 2021 – May 2023	AI was one of the main factors which caused the unemployment of many workers and employees. Industries which dominate the economy, such as finance and technology have announced that hundreds and thousands of workers suffered from job cuts, as seen in Figure 3 due to the further use of AI and automation in the workplace
November 2021	France followed the lead of countries such as Finland, the United States and South Korea who were preparing for the rise of AI. France's response was the creation of the "National Strategy for AI" which aims to improve their skills in industries which are soon to be dominated by AI. The program also aimed to establish France as a leader in AI, which also gradually integrated AI into the economy. The gradual integration of AI into the economy is a small step taken by France to ensure that workers are not all unemployed at once and that they are protected.
November 30th, 2022	The introduction of Chat GPT changed the way in which AI influences human activities. After years of development and programming, Open AI released ChatGPT as a free research preview. This meant that people in every corner of the world were using this AI-driven program, as a report by Open AI's chief shows that ChatGPT attracts over 100 million users on a weekly basis.
July 19th, 2024	The Works Constitution Act of Germany was amended to help protect workers' rights in the context of AI-driven job displacement. Especially, article 1 of the act was altered to ensure that work councils are elected in any organization which has five or more permanent workers. This gives workers a platform to make

	decisions instead of AI. Additionally, articles 10 and 12 of the act were also cancelled.
2030	With AI continuing to infiltrate industries and organizations, it is expected to replace 2.4 million US jobs by 2030. Globally, it is expected that between 400 to 800 million people will be forcibly displaced from their jobs due to AI.

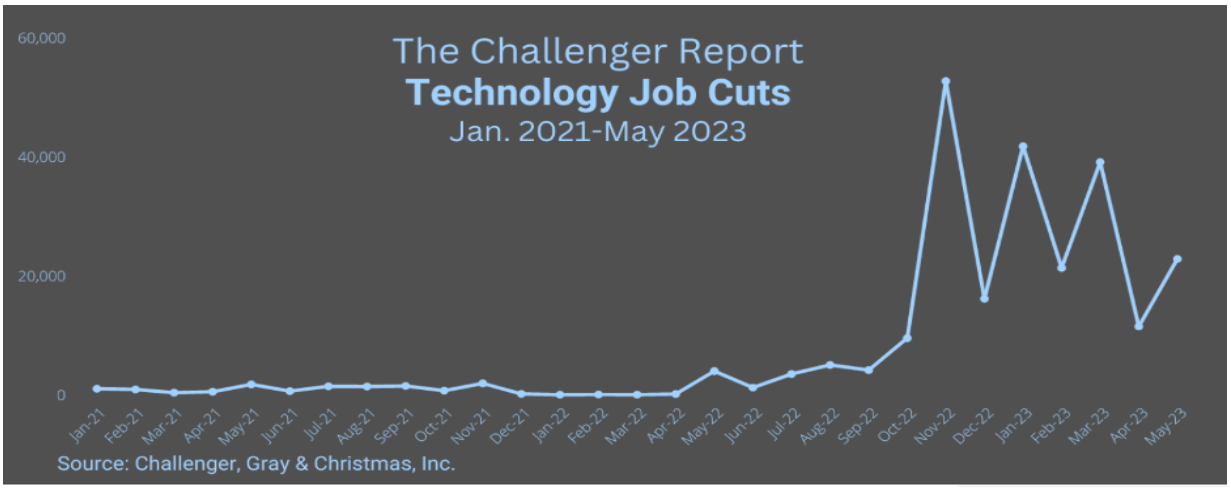

Figure 3: Technology Job Cuts Jan.2021 - May 2023

Previous Attempts to solve the Issue

Promotion and protection of all human rights, civil, economic, social and cultural rights, including the right to development (2024, October 24) A/HRC/57/L.5

This resolution focuses on the vital role which governments play in supporting workers who are displaced from the workplace due to AI. It expresses how AI widens the skill gap between blue-collar and white-collar workers while also contributing to economic inequality and instability in the government. This solution proposed by the Human Rights Commission (HRC) encourages the states and governments to push for collaboration between private and public sector companies, to help create employment opportunities which would support workers while also positively impacting the job market. This resolution also accepts the commitments made by all states in the 2030 Agenda which focuses on sustainable development, as it emphasizes the importance of protecting workers' rights.

Artificial intelligence governance to reinforce the 2030 Agenda and leave no one behind (2024, April 15). E/C.16/2024/7

With AI continuously developing and dominating different markets and industries, it is of utmost importance that workers and employees are not left to fall behind. Therefore, the Committee of Experts on Public Administration weighed the benefits and limitations of using AI in the workplace in the long term. As AI has the potential not only to eliminate blue-collar jobs but also white-collar jobs which are dependent on creativity content generation, this can also lead to a lack of many middle-income job

opportunities. As in the “Future of Jobs Report 2020” published by the WEF, it is estimated that 85 million jobs may be lost in 2025 because of the latest developments in AI.

This resolution calls for governments to use AI ethically and responsibly. This can be achieved by focusing on not only protecting workers’ rights in creating job opportunities for them but also looking to preserve employee’s digital rights such as giving them access to AI software and machines. Additionally, this resolution has proposed the inclusion of AI in the workplace not to replace workers but to support them in tertiary and quaternary sectors (sectors which require high skills and knowledge). The 2030 Agenda also aims to identify and support groups which are most vulnerable to poverty because of job displacement.

European Commission's Skills Agenda for Europe

The European Union (EU) had established the European Commission’s Skills Agenda for people in Europe. This attempt to protect workers’ rights from AI-driven job displacement will take place over five years to support individuals, organizations and governments to develop skills to close the skill gap which is a result of AI’s influence on the economy and workforce. The skill gap between unskilled and skilled employees has only increased. This agenda also includes programs like European Solidarity Corps which are focused on providing opportunities for young people to develop AI-related skills through providing them with internships and job opportunities. This program also focuses on developing the digital skills of people to help close the skill gap and provide them with job opportunities.

Possible Solutions

Workers’ rights must be protected effectively as the excessive use of AI in the workplace harms them. There are many tangible solutions that can help solve this pressing issue. The first solution focuses on having governments establish laws and policies regarding the use of AI in different industries. These policies focus on the gradual introduction of AI into industries which impacts the economy and would ensure that AI is being used ethically. This is because the use of AI to complete repetitive and day-to-day tasks is inevitable, therefore this gradual introduction would ensure that communities do not suffer from high mass unemployment rates. These policies would also ensure that the job market is not impacted negatively, as it will always be able to meet the demand of workers and employees. Additionally, governments can also ensure that workers are compensated fairly and monitor the development of AI in organizations to ensure that this tool is not being developed at the expense of humanity.

Moreover, taking into consideration that AI would decrease the demand for blue-collar workers, it is important that the government works with companies in the primary and secondary sectors to create employment opportunities. These sectors are most common in L.E.D.Cs and developing countries and ensure that individuals would not be left without pay. It is vital here that the government work with organizations and labour unions to develop training programs which close the skills gap. This would

ensure that workers are not marginalized and are instead protected. A close in the skill gap would ensure that there is economic inequality and would also contribute to the growth of the economy.

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