INTERNATIONAL LABOUR ORGANISATION

BACKGROUND GUIDE

AGENDA – IMPLICATION OF ARTIFICIAL INTELLIGENCE ON WORKFORCE WITH ITS IMPACT ON JOB SEARCH PROGRESS AND THE NEED TO CREATE AN INCLUSIVE AND EQUITABLE FUTURE OF WORK

LETTER FROM THE EXECUTIVE BOARD

Distinguished Delegates,

We warmly welcome you all to SXMUN'23. It's lovely having you here. The following guide, as its name suggests, is merely a tool to provide you with the background of the agenda and cannot serve as a credible source of information. Your real research lies beyond the contents of this guide and we hope to see some strong content and debate coming our way. In the committee, delegates will have the power to take their own decisions on behalf of their country in line with how the debate progresses. This calls for a very detailed research and understanding of the matter at hand. The situations being stimulated will test your understanding and application of your country's ideology, your research, negotiation skills and foremost your application of mind.

The executive board is here to moderate the committee and will be taking part in substantive debate only via updates and queries directed at you. We will refrain from giving our opinions on matters unless ruling on factual inconsistencies.

This will be a fast-paced committee where going through a bunch of reports and reading out your observations and drawn conclusions is not going to work. What the executive board asks of the delegates is to express an analysis of the information that they have and not to indulge in monologues born out of reading out already published articles/speeches.

In the session, the executive board will encourage you to speak as much as possible, as fluency, diction or oratory skills have very little importance as opposed to the content you deliver. So, just research well and speak, and you are bound to make a lot of sense. The committee being simulated would be unlike most other simulations you must have heard of or been a part of; focus on logical intellect, analytical application of thoughts and strategic application of mind, in addressing the issue at hand. We are certain that we will be learning from you immensely and we also hope that you all will have an equally enriching experience. In case of any queries, kindly do not hesitate to mail me or Sneha. We will try our best to answer the questions with the best of our abilities.

Regards,
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INTRODUCTION OF THE COMMITTEE

The International Labour Organization (ILO) brings together governments, employers and workers of 187 member-states to set labour standards, develop policies and devise programs promoting decent work for all women and men. The driving forces for ILO's creation arose from security, humanitarian, political and economic considerations. There was keen appreciation of the importance of social justice in securing peace, against a background of exploitation of workers in the industrializing nations of that time. There was also an increasing understanding of the world's economic interdependence and the need for cooperation to obtain similar working conditions in countries competing for markets. Before the II World War, the Organization set and implemented international labour standards such as the 8-hour working day. In the post- war period (1948-1970) the number of Member States doubled, and the Organization took on its universal character. Industrialized countries became a minority among developing countries, the budget grew five-fold and the number of officials quadrupled. The Organization won the Nobel Peace Prize on its 50th anniversary in 1969.

HOW DOES THE COMMITTEE FUNCTION?

The unique feature of ILO is that it has a unique tripartite structure which provides a platform not only to the governments, but also to the employers and the workers. It promotes a social dialogue between trade unions and employers in formulating and implementing national policy on social and economic issues. Each Member State is represented by a delegation consisting of two government delegates, an employer delegate, a worker delegate, and their respective advisers. Employer and Worker delegates are nominated in agreement with the most representative national organizations of employers and workers. Every delegate has the same rights, and all can express themselves freely and vote as they wish. So, it happens that the worker and employer delegates sometimes vote against their government or against each other. This diversity of viewpoints, however, does not prevent decisions being adopted by very large majorities, or in some cases even unanimously. Many of the government representatives are cabinet ministers responsible for labour affairs in their own countries. Heads of State and Prime Ministers also take the floor at the Conference. International organizations, both governmental and others, attend as observers.

INTRODUCTION

The world, today, is encountering a remarkable acceleration in technological advancement and usage. Consequently, changes can be seen everywhere. One of the major areas in public life that has overhauled is the jobs market, across sectors and industries. Be it medicine, mining, teaching, refereeing, assembly et al., there is a mechanical shift towards the use of more and more machines. This comes at the cost of human-performed labour, with consequences that run deep into the socio-economics of the family unit. While this has become the rule, a major exception to this can be seen in activities that require a human touch to be performed.

However, technological leaps have made sure that they can imbibe anything and everything a human can do, which is slowly reducing this exception into a very limited set of activities. At the same time, other jobs are experiencing a rapid increase in demand, and some occupations are revising the skill sets they traditionally required. There is a polarizing trend in the way discussions over these matters are carried out, with one side expressing excitement for the opportunity to improve product quality and living standards, while the other side shares concerns relating to the massive dislocation of jobs. However, a proper grasp of this topic requires a sector-specific understanding, as not all sectors are impacted equally by these advances in technology.

The seeming inevitability of automation raises serious concerns for workers in industries with high automation potential. Over the past two decades, automation has transformed factories and the very nature of employment in the manufacturing industry. Rapid advancements in areas such as robotics, artificial intelligence and machine learning have enabled machines to routinely match or even outperform humans in a wide range of work activities. Other contributing factors include an ever-increasing level of computing power and the advent of Big Data.

A BRIEF GLANCE AT THE PROBLEM

In 1997, Deep Blue programme beat the world chess champion, Garry Kasparov, who had claimed to see "glimpses of true intelligence and creativity in some of the computer's moves." In 2002, Scrabble-playing software surpassed the best human players. In 2017, AlphaGo programme developed by Google's DeepMind decimated world champion, Ke Jie, in Go. It keeps training by playing millions of games against itself. AlphaGo is a good example of machine learning: the automation of discovery that enables intelligent robots and computers to program themselves. In Master Algorithm Pedro Domingos dubbed this feature of AI 'a scientific method on steroids.' Algorithms increasingly run our lives, learning from the trails of data we leave in our newly digital world. By now there are hearing aids with algorithms that filter out ambient noise; route-finders that display maps and offer navigation advice to drivers; recommender systems that suggest books and music albums based on a user's previous purchases and ratings; and elaborate medical decision support systems. Modern speech recognition, based on statistical techniques has become sufficiently accurate for practical use. Personal assistants such as Siri and Alexa respond to spoken commands, answer questions and execute commands. Optical character recognition of handwritten and typewritten text is used routinely. Face recognition has improved sufficiently, that it is now used at automated border crossings in Europe and Australia.

In a world of self-driving cars and big data, smart algorithms and Siri, it is inevitable that many jobs will become obsolete. The issue is tackled specifically by Martin Ford in his gloomy 'Rise of the Robots: Technology and the Threat of a Jobless Future.' He believes that accelerating technology will soon disrupt the whole economic system to the point where a fundamental restructuring would be required. Unless we begin to radically reassess the fundamentals of how our economy works, we could have both an enormous population of the unemployed: the truck drivers, warehouse workers, cooks, lawyers, doctors, teachers, programmers, and many more, whose labours have been rendered superfluous by automated and intelligent machines - and a general economy that, bereft of consumers, implodes under the weight of its own contradictions.

Smart robots are stealing even more jobs. Apple and Samsung supplier Foxconn has replaced 60,000 factory workers with robots. Former McDonald's chief executive Ed Rensi told the US's Fox Business Programme that a minimum-wage increase to $15 an hour would make companies consider

robot workers. Changing Precision Technology Company in Dongguan city in China has replaced 90% of its human employees with robots and the factory has seen fewer defects and a higher rate of production. Tesla is on the way to completely automate its automobiles factory. According to Bostrom, as of 2014, the world population of robots has exceeded 10 million. There are robotic pets and cleaning robots, lawn-mowing robots, rescue robots, surgical robots. The ILO reports that by 2015, there were around 1.6 million industrial robots deployed worldwide, more than two thirds of them in the manufacturing sector, and a similar proportion concentrated in developed countries. The report concludes that the growing adoption of industrial robots has the potential to bring about large productivity gains but its effect on societies will depend on how fairly gains from economic growth will be distributed. Eventually, the combination of artificial intelligence and robotics might be the ultimate blow to any work performed by humans today.

Blockchain technology could eliminate all the jobs left. Dan Tapscott believes that blockchain technology, the backbone of cryptocurrencies such as Bitcoin, will change the society as profoundly as the internet did. His predictions have proven right in the past, most prominently when he wrote about Wikinomics, the online revolution in mass collaboration. Now he claims the spot as a leading "blockchain evangelist" having authored, together with his son Alex, 'Blockchain Revolution: How the Technology behind Bitcoin Is Changing Money, Business, and the World.' Blockchain is the first (and ultimate?) medium for peer-to-peer value exchange. It is a vast global platform based on a distributed ledger which establishes the rules in the form of computations and heavy-duty encryption, and thus it enables parties to transact without the need of a third party such as a bank, government or other intermediary.

Taken further, blockchain could act as a ledger of accounts, a database, a notary, a sentry, and clearing house, all by consensus. Although Tapscott's are extremely enthusiast of the blockchain-managed future, applying the technology on a large scale would first eliminate a series of jobs, including in retail, law, management, banking and countless other areas. It could also enforce a new definition of literacy, as the automated smart contracts would eventually be written in code rather than in a human language. It is also necessary to reflect on the nature of money. Bitcoin might have been the first attempt to create a decentralized currency and is now treated by most users like a tradable asset which has a value in fiat currency. But what if cryptocurrencies gradually replace the fiat currencies issued by central banks of nation-states?

SECTORAL ANALYSIS

MANUFACTURING

→ Based on the research by McKinsey & Company, 478 of the 749 billion working hours(64%),spent on manufacturing-related activities globally were automatable with currently demonstrable technology. This portion of working hours represents the monetary equivalent of $2.7 trillion out of the $5.1 trillion of labour that could theoretically be eliminated. These numbers suggest that despite already being an industry where automation is highly pervasive, there is significant potential for further automation. McKinsey states that the manufacturing industry is second only to the accommodation and food services industry in terms of automation potential.

FINANCIAL MARKETS

→ One high-stakes and extremely competitive environment in which AI systems operate today is the global financial market. Automated stock-trading systems are widely used by major investing houses. While some of these are simply ways of automating the execution of particular buy or sell orders issued by a human fund manager, others pursue complicated trading strategies that adapt to changing market conditions.

→ From the above two examples, delegates have been provided a general idea as to the importance that automation can play across different sectors in an economy. We advise that the delegates deliberate upon other sectors such as service industries, digital platforms etc., as these have a vast scope for automation throughout the world.

WHAT DOES THE LITERATURE SAY?

A number of recent publications have aimed to estimate which components of existing work could technically be performed by machines in the future. This amounts to estimating for which worker the immediate effects of AI could involve substantial transformation of the tasks performed or job losses, given the technical capabilities of machines. There is broad agreement in the literature that many of the existing jobs (around 50% in the US and UK) have significant potential for automation. However, there is no consensus on what proportion of jobs could be fully automated or radically transformed. There is also uncertainty on the time frame within which the automation described in this literature might be feasible. Scholars have accepted that the types of jobs that are most exposed to automation:

- Jobs that require relatively low levels of formal education (food preparation, machine operators in manufacturing, personal service occupations, administrative support workers). Jobs with higher education requirements (professional, scientific and technical occupations, business and management occupations) are instead consistently found among those with the lowest estimated automation probabilities;

- Occupations that do not involve relatively complex interaction with other people – in particular, influencing or persuading others, assisting and caring for others, training others, and managing other people's work. It is not clear whether face to face interaction per se is linked with lower automation.

- Within physical activities, it is suggested that those performed in 'unpredictable environments' are significantly more likely to be automated than those in 'predictable environments'. Given these patterns, occupations at high risk of automation are concentrated in: The agriculture, manufacturing, postal and courier services, land transport, and food services industries;

- Jobs typically held by younger workers: workers aged under 20 are over-represented in many occupations at high risk of automation (e.g. sales, 'elementary occupations' such as cleaners). But workers under 20 are also at higher risk of automation than older workers who perform the same occupation. This is because, even within occupations, workers under 20 often perform roles that involve manual tasks (linked with greater automatability) and do not involve providing advice, supervising others, performing research (tasks linked with lower automatability).

POTENTIAL JOB CREATION

While studying the job-dislocation is impertinent, we urge the delegates to also think about: What types of jobs may emerge or grow in importance as a result of the adoption of AI; What types of jobs are more likely to be transformed (and are likely to become more productive) as a result of AI, rather than be replaced.

RELATIONSHIP WITH OTHER INDICATORS

Job creation has to be studied through an inter-disciplinary analysis. Along with the development and deployment of new technology, certain other indicators impacting the world jobs market have to be considered. These include:

- Rising consumption in emerging economies;
- Population ageing;
- Investment in infrastructure;
- Investment in renewable energy,
- Energy efficiency, and climate adaptation; and,
- 'Marketisation' of previously unpaid domestic work particularly in developing economies.

Overall, the study suggests that the trends described above can be linked with significant employment growth, at least in the same ballpark as the potential employment losses linked to automation.

GUIDING QUESTIONS

- ★ To what extent has automation affected your country?
- ★ Will automation actually cause large-scale job loss, or is this another example of the 'Luddite Fallacy'?
- ★ What role does Universal Basic Income have to play in an automated future?
- ★ How far can the international community mitigate job losses while balancing the increase in efficiency?
- ★ How can workers be protected from automation without stifling technological advancement?
- ★ What kind of policy measures regarding mitigating automation's effects can/has your country consider or begin to implement?
- ★ Could automation ultimately harm your country's economy due to job loss?

Regards & Happy Researching!

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