ILO Chair Report

Topic 2: Mitigating Job Loss and Ensuring Stable Employment Opportunities in the Age of AI and Automation

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Personal Statements

Chair – Lokesh Prasad

Dear Delegates,

My name is Lokesh Prasad, and I am an IB student at the International School of Stuttgart. This year, I have the honor of serving as the Chair of the International Labour Organization (ILO), marking this as my 6th MUN conference and my 3rd as a Chair. Our second topic focuses on Mitigating Job Loss and Ensuring Stable Employment Opportunities in the Age of AI and Automation. This report will help you prepare your resolutions, but I encourage further research to better understand your delegation's stance. If you have any questions about the topic, committee, or conference, feel free to contact me at prasal26@issev.de. I look forward to meeting you all!

Kind regards,
Lokesh

Deputy Chair – Maximilian Kurz

Hello delegates, I'm maxi. When it comes to debating, leading, or making sure things don't completely fall apart, I like to keep things sharp, direct, and to the point.

I Expect quick decisions, solid arguments, and maybe a sarcastic remark when the moment calls for it.

Introduction

Artificial intelligence (AI) and automation technologies are advancing at an unpredictable pace, which leads them to reshaping the global labor markets and the nature of work. From self-driving vehicles to AI-powered customer service systems, technological innovation provide enhanced productivity and economic growth while simultaneously threatening widespread job displacement (World Economic Forum 2023). This technological transformation presents a critical challenge for policymakers, businesses, and workers worldwide as they navigate the complex transition towards an increasingly automated or A.I driven economy.

The potential impact of automation on employment is substantial and growing. Research indicates that approximately 18% of jobs worldwide face high probability of displacement using A.I over the next decade, with risk increasing through successive waves of technological advancement and development of A.I Models (International Labour Organization 2024). These changes affect certain sectors in business and demographic groups, potentially accelerating existing socioeconomic inequalities without appropriate intervention measures.

The ILO aims to approach this issue through the development of comprehensive strategies that harness the benefits of technological advancement while ensuring stable employment opportunities and

protecting vulnerable workers. This requires balancing innovation with social protection through policy frameworks that promote workforce transition, skills development, and inclusive economic growth aligned with the United Nations Sustainable Development Goals, particularly SDG 8 (Decent Work and Economic Growth).

Glossary

AI (Artificial Intelligence): Technology enabling machines to simulate human intelligence, learning from data and performing tasks without explicit programming (TechHackPost 2023).

Automation: The implementation of technology to perform tasks previously completed by human workers, often increasing efficiency while reducing labor requirements (World Economic Forum 2023).

ILO (International Labour Organization): United Nations specialized agency dedicated to promoting social justice and internationally recognized human and labor rights (International Labour Organization 2024).

UNDP (United Nations Development Programme): UN agency focused on sustainable development, poverty reduction, and democratic governance in developing nations (United Nations 2023).

Gig Economy: Labor market characterized by short-term/current contracts and freelance work rather than permanent employment, often facilitated through digital platforms (TechHackPost 2023).

Upskilling: Educational process of teaching workers new or advanced skills to adapt to changing job requirements, particularly in response to technological transformation (World Economic Forum 2023).

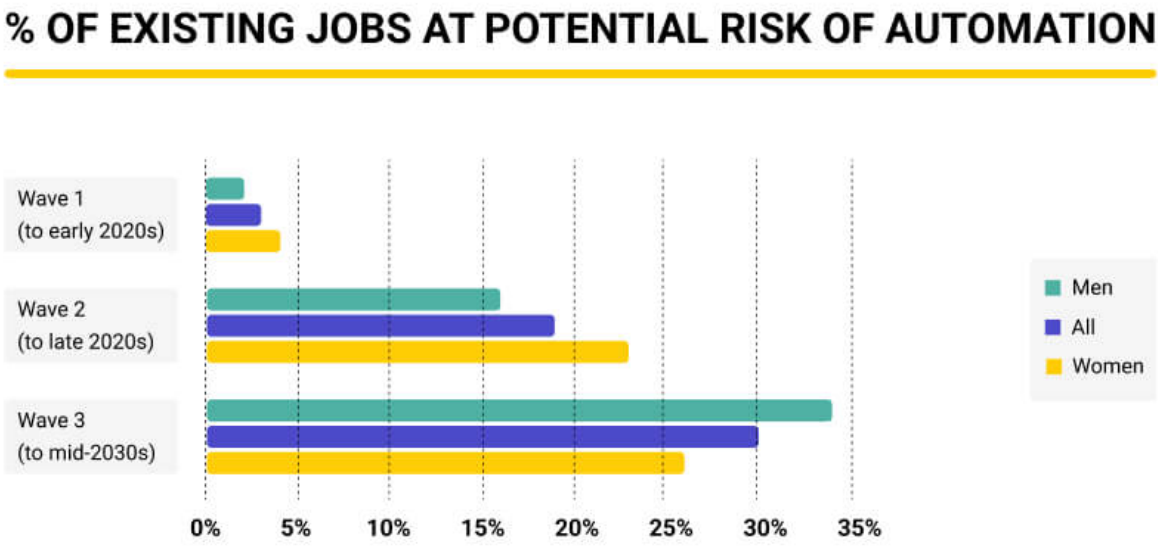
Issue Explanation

The rapid acceleration in the development of AI and automation technologies present profound challenges to global employment stability across numerous sectors. Current projections indicate automation will impact labor markets in three successive waves:

- early 2020s
- late 2020s
- Mid-2030s

It is predicted that the final wave will potentially affect up to 30% of existing jobs (International Labour Organization 2024). This technological transformation threatens particularly severe disruption in transportation, manufacturing, retail, and administrative support sectors, where routine tasks are most susceptible to automation.

The following data shows automation risk increases over time, with highest impact projected for the mid-2030s.



Source for the figure: https://techhackpost.com/ai-and-automation-impact-on-freelancing-in-2024/

The humanitarian and economic consequences of unaddressed automation-driven displacement could be severe and drastic. Widespread job loss without adequate transition pathways or support to adapt the technology, threatens to increase poverty rates, worsen financial insecurity, and widen socioeconomic divisions. As displaced workers struggle to find new employment, reduced consumer spending capacity could trigger negative economic feedback loops, potentially leading to broader economic contraction and social instability (The Guardian 2025). These impacts would significantly challenge the progress made towards the UN

Sustainable Development Goals, particularly SDG 8 (Decent Work and Economic Growth).

Automation also impacts vulnerable populations, including low-skilled workers or workers who are learning/adjusting to the job at a lower rate, younger and older employees, and those in developing economies heavily dependent on routine labor. Women and men face different risk profiles across sectors, reflecting existing occupational or gender segregation patterns. Without targeted intervention or mitigating policies, these impacts threaten to amplify existing inequalities and create new forms of economic marginalization. It should also be noted, that the challenge for policymakers is in developing frameworks that distribute automation's benefits equitably while providing effective support for those facing displacement.

Perspectives of Parties Involved

Governmental approaches to the issue (automation-driven job displacement) vary significantly across nations, due to diverse economic priorities and governance structures. The United States has generally embraced technological innovation with limited regulatory intervention, promoting market-driven solutions while debating proposals like **universal basic income** to address potential displacement (World Economic Forum 2023).

China has approached using strategic national planning for AI development while simultaneously implementing workforce transition programs to mitigate negative employment impacts in its populous economy (The Guardian 2025).

The European Union has developed distinctive regulatory frameworks emphasizing worker protections and corporate social responsibility for managing automation impacts, requiring impact assessments and retraining provisions.

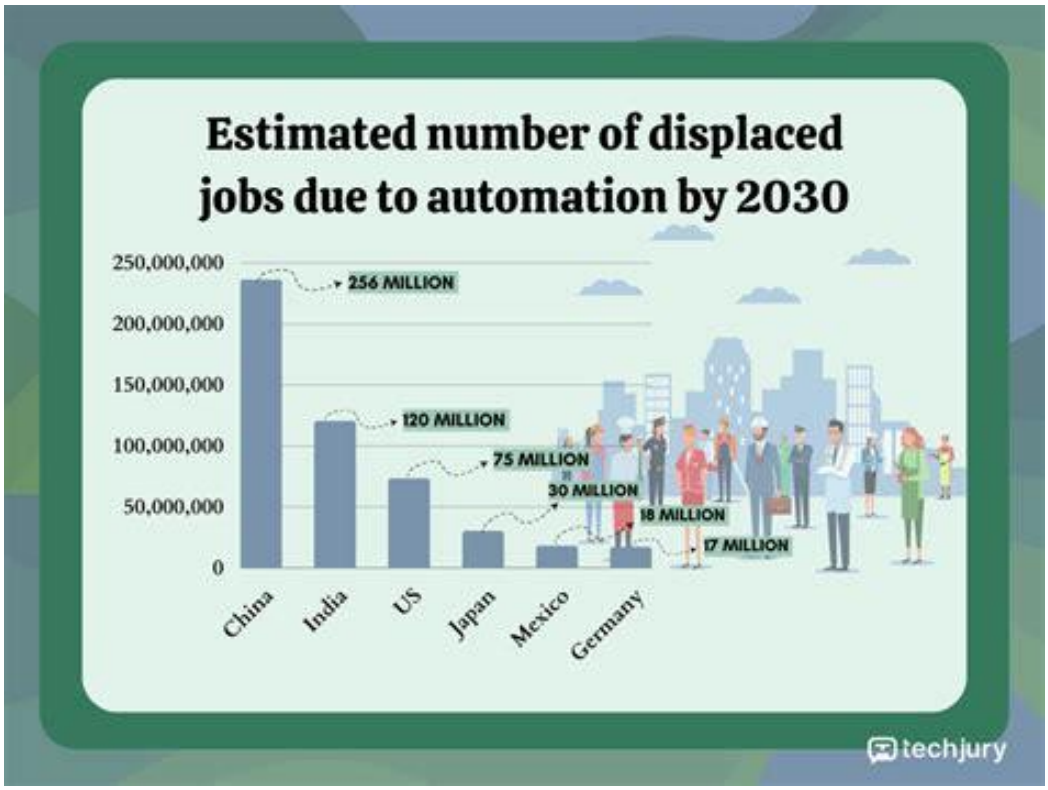
Private sector stakeholders demonstrate varying perspectives on automation responsibility. Many corporations or businesses prioritize efficiency and competitive advantage through technological adoption(as they are profit driven), though some progressive companies have implemented voluntary responsibility initiatives including retraining programs and gradual implementation strategies (TechHackPost 2023). Labor organizations emphasize the vulnerability of workers, particularly in low-skilled positions, advocating for stronger protections and worker representation in automation implementation decisions.

Developing nations face particular challenges as automation threatens traditional pathways to industrialization and economic development.

Countries such as India and the Philippines, which have leveraged labor cost advantages to develop outsourcing industries, now face existential threats from automated alternatives (International Labour Organization 2024). This vulnerability highlights the importance of

international coordination to ensure technological benefits are distributed globally rather than concentrated in advanced economies.

Source for the figure:
https://www.theguardian.com/business/2025/jan/27/ai-automation-jobs-could-increase-inequality-uk-report



History of the Topic

The relationship between technological advancement and labor market disruption has deep historical roots dating far back to the Industrial Revolution of the 18th and 19th centuries. The introduction of mechanized manufacturing processes sparked significant worker protests, including the Luddite movement in early 1800s England, as traditional craftsmen faced displacement by machines (World Economic Forum 2023). Throughout successive waves of industrialization, technological change has consistently generated productivity improvements while simultaneously disrupting existing employment patterns, requiring workforce adaptation and economic restructuring.

The early 21st century witnessed acceleration in automation capabilities with the development of advanced computing, robotics, and artificial intelligence systems. Since 2000, increasingly sophisticated algorithms have enabled automation to expand beyond routine physical tasks to encompass cognitive functions previously considered exclusively human domains (such as innovation, solutions to issues etc.) (The Guardian 2025). This evolution has an impact across multiple sectors, with self-driving technology(autonomous cars) threatening transportation employment while AI-powered systems(such as chatbots) replace traditional customer service operations.

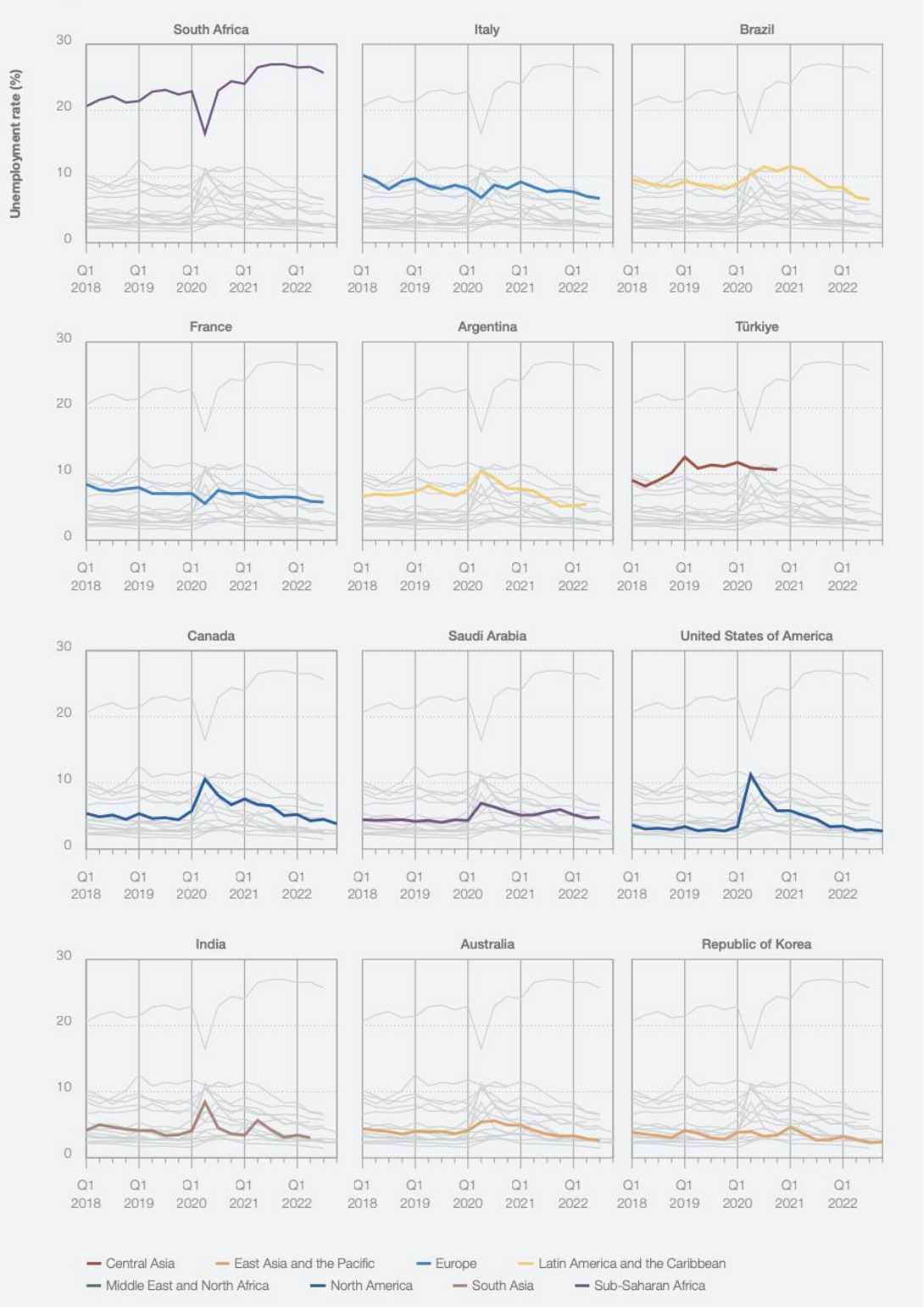
In 2019-2020, the COVID-19 pandemic served as a significant catalyst for automation adoption, accelerating technological transformation across economic sectors. Businesses faced operational disruptions and labor

shortages which lead to the implementation of automated solutions to maintain productivity while reducing reliance on human workers (International Labour Organization 2024). This initiative compressed adoption timelines that might otherwise have extended over decades, creating heightened urgency for policy responses.

Governmental responses have evolved significantly since 2020, with major economies implementing varied approaches. For instance, In 2021, the UK Department for Business, Energy and Industrial Strategy published influential research projecting approximately **18%** of jobs having high displacement probability over a **10-year period** (International Labour Organization 2024). By 2023, policy frameworks are expected to be increasingly focused on transition pathways, with research examining opportunities for workers to move from declining to growing occupations. This transition-focused approach represents the current frontier in policy development, emphasizing "viable" transitions where workers can leverage existing skills for emerging roles.

FIGURE 1.1 **Unemployment rate across G20 countries**

Quarterly unemployment rate, 2018Q1–2022Q4



Source: World Economic Forum - The Future of Jobs Report

The future of work is still uncertain. While automation and AI improve efficiency, they also pose risks to job security. Some argue that AI will create new job opportunities, but many worry that the transition will be too fast for workers to adapt. Governments and businesses must find ways to support workers through retraining programs and policies that ensure economic stability. (The Future of Jobs Report 2023)

Potential Solutions for the issue

International organizations have developed various frameworks addressing technological displacement.

The International Labour Organization has established comprehensive guidelines emphasizing worker protection mechanisms combined with skills development programs designed to facilitate transition to emerging employment opportunities (International Labour Organization 2024). These frameworks recognize the need for multi-stakeholder approaches incorporating government, business/corporations, and worker representation to develop balanced policies that distribute automation benefits equitably and fairly.

Policy innovations being discussed include universal basic income (UBI) programs that provide **unconditional regular payments** to citizens regardless of employment status. Pilot UBI programs have emerged across jurisdictions to assess practical viability and outcomes, though implementation faces significant challenges regarding financial sustainability and political feasibility (World Economic Forum 2023). Alternative approaches emphasize education and skills development through comprehensive digital literacy programs and lifelong learning frameworks that enable workers to complement rather than compete with technological systems. However, these are approaches focused on the root issue or future generations, instead of approaches that are to benefit the current workers.

Regulatory frameworks offer another potential pathway, with the European Union implementing particularly comprehensive requirements for corporate accountability and responsibility during automation implementation. These include mandatory impact assessments, retraining provisions, and worker dialogue requirements designed to manage transition processes responsibly (The Guardian 2025). These regulatory approaches must balance worker protection against innovation constraints while addressing enforcement challenges across diverse jurisdictional contexts.

Sector-specific strategies targeting automation-resistant employment areas offer complementary approaches. Occupations requiring sophisticated human capabilities such as creativity, social intelligence, and complex problem-solving demonstrate significantly lower automation vulnerability and represent potential growth areas for workforce transition (World Economic Forum 2023). Strategic development of these human-centric sectors through aligned educational investment and economic development initiatives could create sustainable employment pathways while leveraging rather than resisting technological advancement for the future generations.

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