

**Forum:** Economic and Social Council (ECOSOC)

**Issue:** Evaluating the Socioeconomic Impact of Automation and Artificial Intelligence on Employment

**Student Officer:** Marina Tsilouni

**Position:** Deputy President

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## Personal Introduction

Dear delegates,

My name is Marina Tsilouni, I am 15 years old, and I attend the 10<sup>th</sup> grade of the German School of Athens (DSA). This is my first time chairing, and I will serve as the Deputy-President of the Economic and Social Council. It is my honor to have this position. The following study guide is meant to be utilized as a tool for concentrated research and credible sources, but still it may not be your only source of information. I highly encourage you to delve into your own research and preparation, to be able to form a unique, well-rounded perspective on the matter at hand. In case you need any type of assistance during your preparation for the conference, you can contact me via email ([marinatsil10@gmail.com](mailto:marinatsil10@gmail.com)). I am looking forward to meeting you all!

## Topic Introduction

AI and Automation nowadays play a significant role in our lives and in the employment factor. While they can change employment positively by boosting creativity or creating new high-skill jobs, they can also negatively affect employment. Machines and algorithms are able to perform tasks more efficiently or at a lower cost, which leads to many operations preferring them over workers. The main problems are job displacement and income inequality. AI and Automation replace many white-collar jobs but also manufacturing jobs, meaning that routine and repetitive tasks are particularly vulnerable to automation<sup>1</sup>.

Furthermore, income inequality is increased<sup>2</sup>, since AI tends to replace middle-skill jobs, like administrative or manufacturing roles. The demand for High-skill jobs increases, which leads to a labor

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<sup>1</sup> Neufeld, Dorothy. "Ranked: Top 40 Jobs at Risk from AI." *Visual Capitalist*, 10 Oct. 2025, [www.visualcapitalist.com/top-40-jobs-at-risk-from-ai/](http://www.visualcapitalist.com/top-40-jobs-at-risk-from-ai/).

<sup>2</sup> Georgieff, Alexandre. "Artificial Intelligence and Wage Inequality." *OECD*, 2024, [www.oecd.org/en/publications/artificial-intelligence-and-wage-inequality\\_bf98a45c-en.html](http://www.oecd.org/en/publications/artificial-intelligence-and-wage-inequality_bf98a45c-en.html).

market divided between well-paid workers and lower-paid workers with limited opportunities. The divided labor market reinforces inequalities related to not only education, but also digital infrastructure.

Another problem is the sociological impact AI and Automation will have on employment. Since they mainly replace low- and middle-skill jobs, employees with this kind of jobs are in danger. However, the problem of inequality arises then. Given that the work sector someone chooses often depends on the education and training they have gotten, many imbalances may occur, since education mainly depends on the wealth each person has. Seeing as people with financial difficulties often choose a low-skill job, mostly underprivileged workers will face difficulties. This means that workers with lower levels of education that perform routine tasks are more vulnerable and face and face difficulties in transitioning into other roles.

Other than that, the Use of AI in employment can also lead to ageism, since most older people aren't educated upon AI and its use. Companies and organizations will prefer younger people with more knowledge upon AI, which will leave many older people unemployed.

Due to AI and Automation gender disparities may also arise, since most people working in the jobs AI threatens to replace, such as administrative or clerical jobs, are female, women face the danger of displacement more than men.<sup>3</sup> This can lead to injustice and inequality.

## Definition of Key Terms

### Administrative/clerical job sector

Most commonly, administrative work includes filing information, managing an office and its supplies, answering and directing phone calls, writing and answering emails and scheduling appointments. Higher-level administrators can oversee the daily administrative operations of an entire company or project.<sup>4</sup>

### Ageism

Refers to the stereotypes, prejudice and discrimination towards others based on age.<sup>5</sup>

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<sup>3</sup> ET Online. "UN Report Warns AI Poses Greater Threat to Women's Jobs; Calls for Urgent Action on Gender Digital Divide." *The Economic Times*, Economic Times, 22 Sept. 2025, [economictimes.indiatimes.com/news/international/world-news/un-report-warns-ai-poses-greater-threat-to-womens-jobs-calls-for-urgent-action-on-gender-digital-divide/articleshow/124048551.cms](https://economictimes.indiatimes.com/news/international/world-news/un-report-warns-ai-poses-greater-threat-to-womens-jobs-calls-for-urgent-action-on-gender-digital-divide/articleshow/124048551.cms).

<sup>4</sup> "What Is Administrative Work: Understanding This Key Role." *Seattle Financial*, 10 May 2024, [seattlefinancial.com/what-is-administrative-work/](https://seattlefinancial.com/what-is-administrative-work/).

<sup>5</sup> World Health Organization. "Ageing: Ageism." *World Health Organization*, 28 Apr. 2025, [www.who.int/news-room/questions-and-answers/item/ageing-ageism](https://www.who.int/news-room/questions-and-answers/item/ageing-ageism).

## AI

The ability of a computer or a computer-controlled robot to perform tasks commonly associated with intelligent beings.<sup>6</sup>

### AI data center

a facility that houses the specific IT infrastructure needed to train, deploy and deliver AI applications and services. It has advanced compute, network and storage architectures and energy and cooling capabilities to handle AI workloads.<sup>7</sup>

### AI-ethics

A multidisciplinary field that studies how to optimize the beneficial impact of artificial intelligence while reducing risks and adverse outcomes.<sup>8</sup>

### Automation

The application of technology, programs, or robotics to achieve outcomes with minimal human input.<sup>9</sup>

### Income Inequality

Significant disparity in the distribution of income between individuals, groups, populations, social classes, or countries.<sup>10</sup>

### Manufacturing

The business of producing goods in large numbers <sup>11</sup>

### White-collar jobs

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<sup>6</sup> Copeland, B. J. "Artificial Intelligence." *Encyclopedia Britannica*, 8 Jan. 2024, [www.britannica.com/technology/artificial-intelligence](https://www.britannica.com/technology/artificial-intelligence).

<sup>7</sup> ---. "AI Data Center." *Ibm.com*, 21 Feb. 2025, [www.ibm.com/think/topics/ai-data-center](https://www.ibm.com/think/topics/ai-data-center).

<sup>8</sup> ---. "AI Ethics." *Ibm.com*, 17 Sept. 2024, [www.ibm.com/think/topics/ai-ethics](https://www.ibm.com/think/topics/ai-ethics).

<sup>9</sup> Cambridge Dictionary. "AUTOMATION | Meaning in the Cambridge English Dictionary." *Cambridge.org*, 20 Nov. 2019, [dictionary.cambridge.org/dictionary/english/automation](https://dictionary.cambridge.org/dictionary/english/automation).

<sup>10</sup> Howard, Michael W., and Valerie J. Carter. "Income Inequality." *Www.britannica.com*, 11 Dec. 2023, [www.britannica.com/money/income-inequality](https://www.britannica.com/money/income-inequality).

<sup>11</sup> "MANUFACTURING | Meaning in the Cambridge English Dictionary." *Dictionary.cambridge.org*, [dictionary.cambridge.org/dictionary/english/manufacturing](https://dictionary.cambridge.org/dictionary/english/manufacturing).

Jobs involving mental and knowledge-based work, not physical labor. For example, accountants, software developers and many other roles performed in office settings.<sup>12</sup>

## Background Information

### Historical Background

Automation is a key part of technology's evolution and modern economics. It played a significant role in the industrial revolution, since the mechanization of factories in the late 18th and early 19th century changed the manufacturing sector forever. Owners could increase productivity while lowering operational costs. The same seems to be happening now, since most operations and work sectors prefer algorithms and AI over human work.

In the 1800s and 1900s many workers lost their jobs in agriculture and manufacturing, due to the implementation of machines like tractors or robots. The problem of job loss continued and grew in the computer era, in the 1980s and 2000s. Workers with middle-skill jobs like for example bookkeeping were displaced, while jobs in the high-skill tech factor were created. The challenges grew even more in our era, since AI threatens white-collar jobs. It's estimated that 40-60% of those jobs are exposed to automation.<sup>13</sup>

### Job Displacement

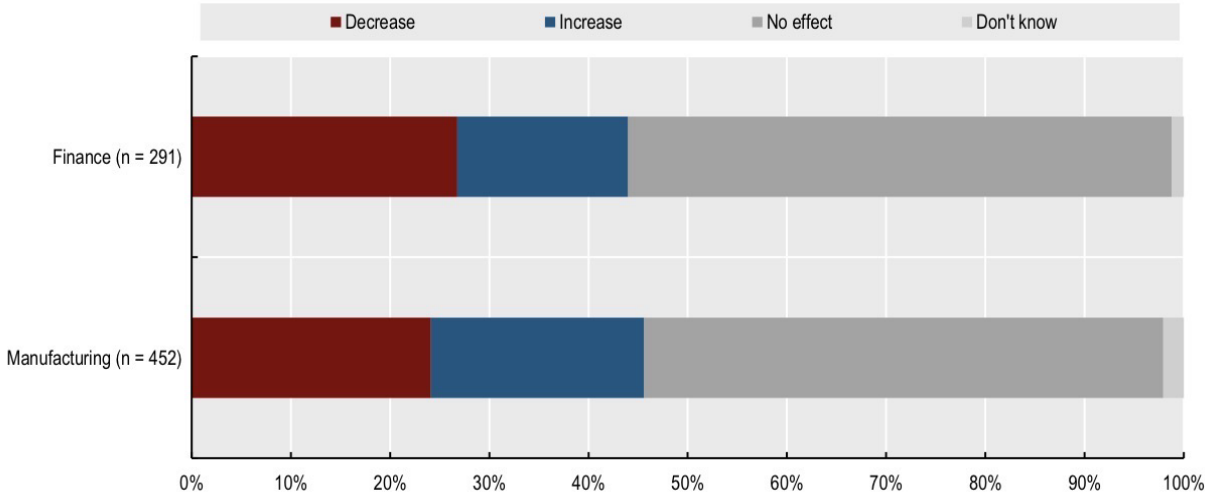
The main negative impact of AI and Automation is Job Displacement. Automation and AI threaten roles in different work sectors, such as manufacturing, customer service, and transportation, causing job losses throughout the years. Many employers are worried about the near future, since many companies seem to prefer machines or algorithms over workers.

The following study held by the organization for economic growth (OECD) portrays the effect AI had on overall employment. Even though AI seems to have also increased employment, the effect is mostly negative since the decrease is bigger.

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<sup>12</sup> ---. "WHITE-COLLAR | Meaning in the Cambridge English Dictionary." *Cambridge.org*, 20 Nov. 2019, [dictionary.cambridge.org/dictionary/english/white-collar](https://dictionary.cambridge.org/dictionary/english/white-collar).

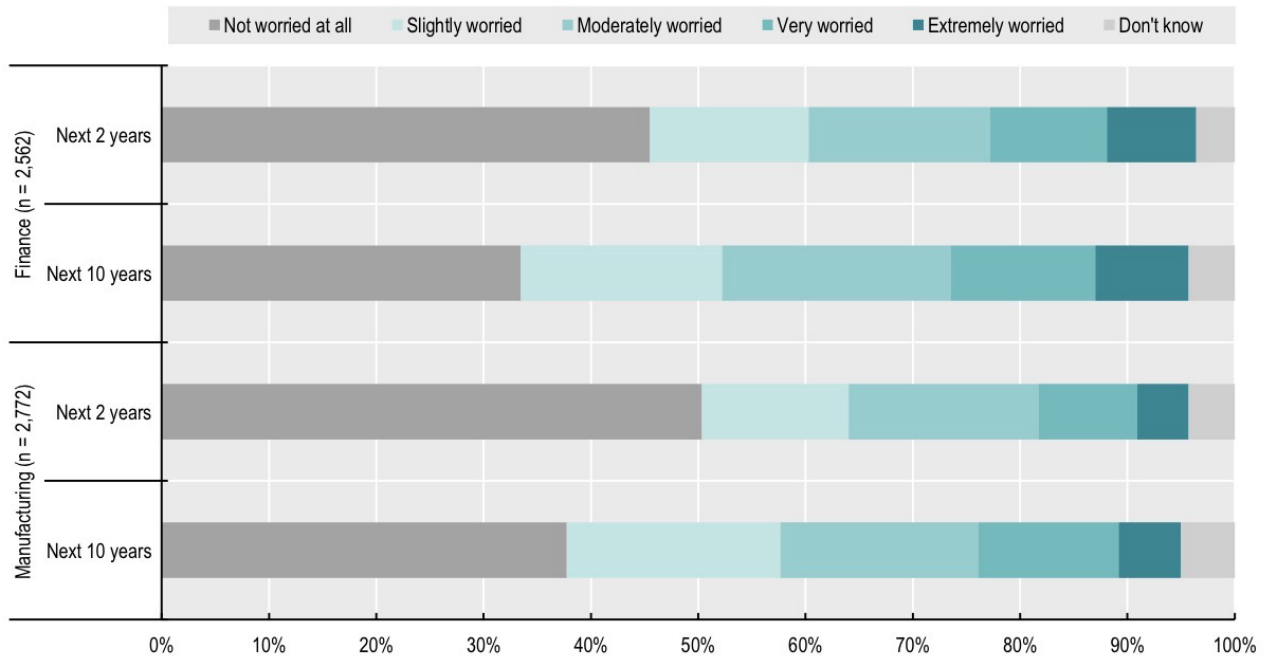
<sup>13</sup> Sloan, MIT. "How Artificial Intelligence Impacts the US Labor Market | MIT Sloan." *MIT Sloan*, 9 Oct. 2025, [mitsloan.mit.edu/ideas-made-to-matter/how-artificial-intelligence-impacts-us-labor-market](https://mitsloan.mit.edu/ideas-made-to-matter/how-artificial-intelligence-impacts-us-labor-market).



Note: Employers that have adopted AI were asked: “Has artificial intelligence increased, decreased or had no effect on overall employment in your company?”  
Source: OECD employer survey on the impact of AI on the workplace (2022).

Figure 1: showing the increasing and decreasing of jobs due to AI

Another study, again held by OECD, shows how worried employers are about losing their job as a result of AI in the following years. For the next 2 years workers are mostly slightly or moderately worried about job displacement. However, for the next 10 years concern rises and people worry more about potentially losing their job.



Note: Workers were asked: “How worried are you about losing your job as a result of AI in the next 2 years/in the next 10 years?”  
 Source: OECD worker survey on the impact of AI on the workplace (2022).

Figure 2: demonstrates how worried workers are about losing their job due to AI

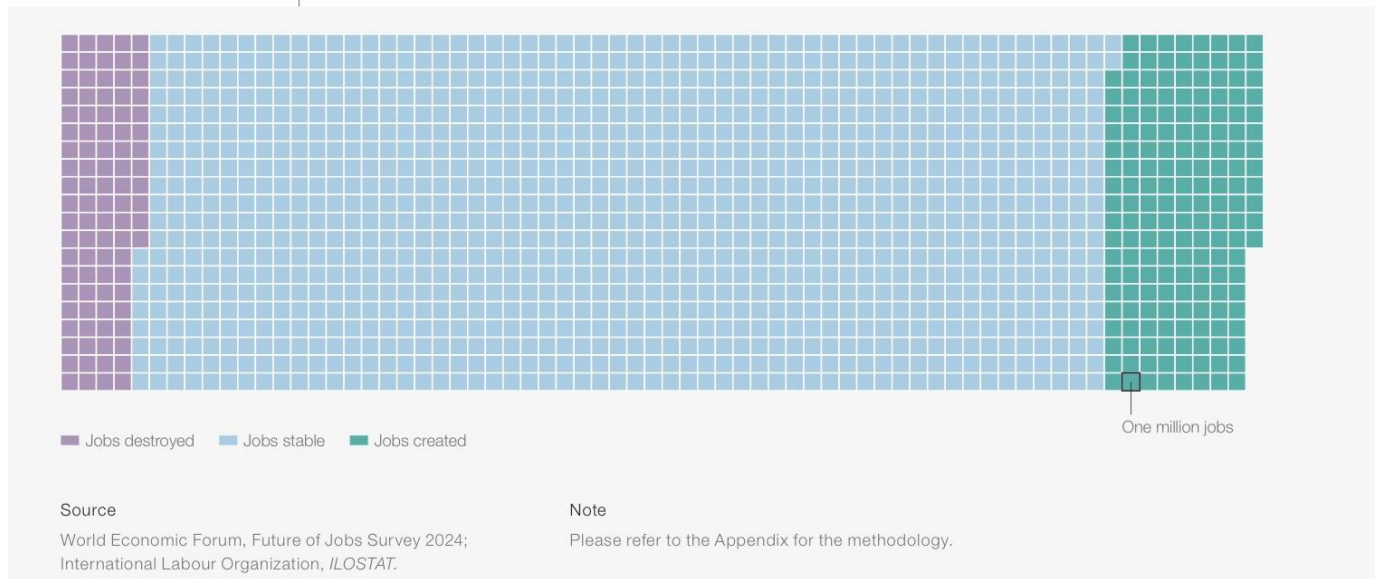
However, the truth is that AI does not only decrease job opportunities. It creates new jobs in different work sectors. This includes jobs like AI ethics, data science, oversight of AI data centers and creative tasks. Even though Automation may have taken routine tasks over, it has increased the need for different jobs.

This is clearly shown in the following graph published in a report named “Future of jobs 2025” by the world economic forum.

FIGURE 2.1

**Global employment change by 2030**

In the next five years, 170 million jobs are projected to be created and 92 million jobs to be displaced, constituting a structural labour market churn of 22% of the 1.2 billion formal jobs in the dataset being studied. This amounts to a net employment increase of 7%, or 78 million jobs.



*Figure 3: illustrates the global employment change by 2030*

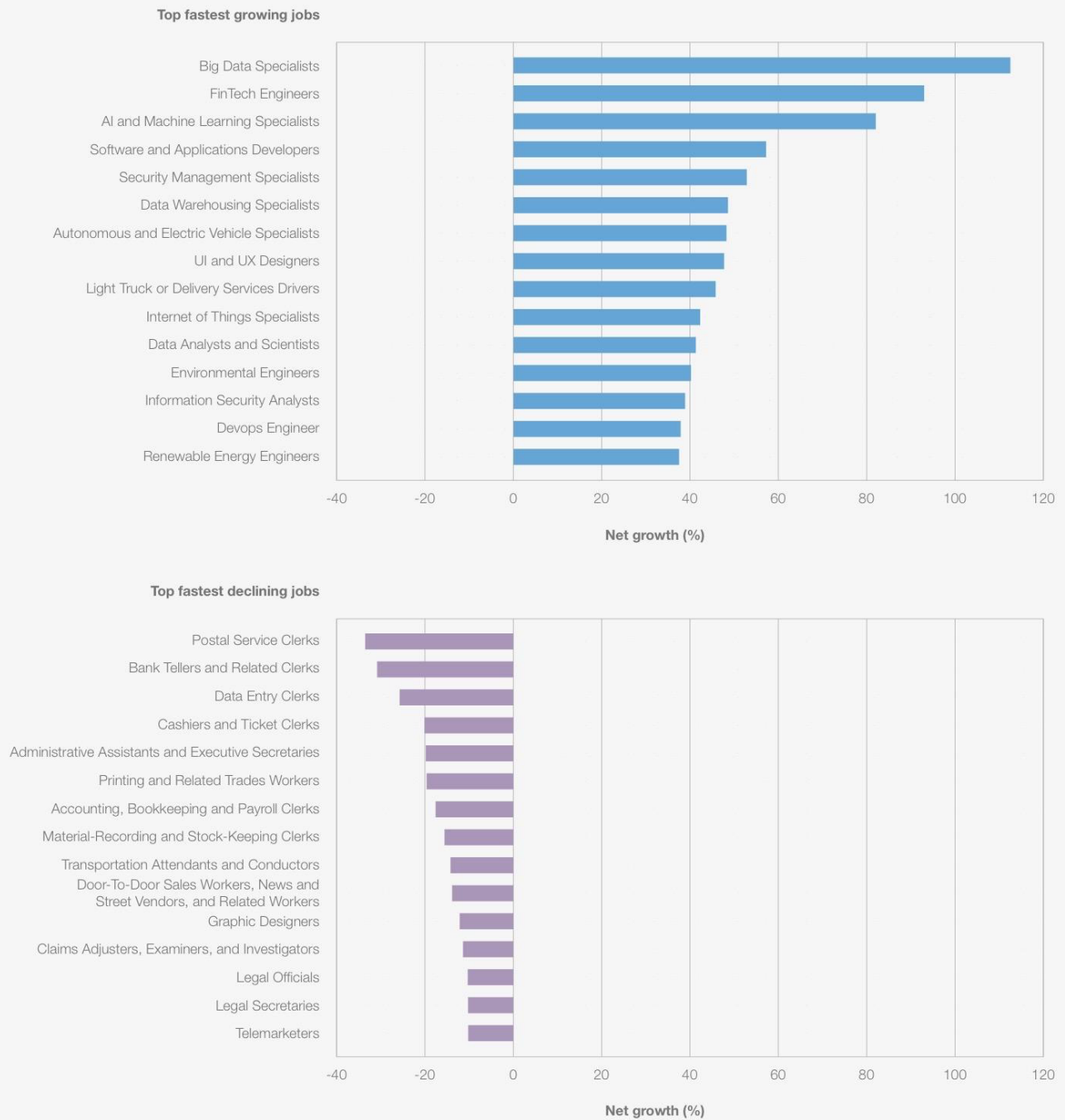
This figure presents how many jobs are estimated to be replaced by AI and Automation and how many new ones will be created. There are over 90 million jobs that will be destroyed; however, 170 million jobs are projected to be created in the following 5 years.

**Fastest-growing/-declining Work sectors**

While AI threatens to take over many different jobs there are certain work sectors that are more vulnerable than others. The following graph published by the world economic forum clearly illustrates that.

FIGURE 2.2 **Fastest-growing and fastest-declining jobs, 2025-2030**

Top jobs by fastest net growth and net decline, projected by surveyed employers



Source  
World Economic Forum, Future of Jobs Survey 2024.

Figure 4: fastest growing and declining jobs

In summary, most of the growing work sectors have something to do with the tech industry. This indicates the rise of technology in our era and how wanted and important specialists in the field of AI are.

Also, most of the growing jobs are high-skilled and high-paid, showing that creative and innovative jobs are difficult to replace by AI.

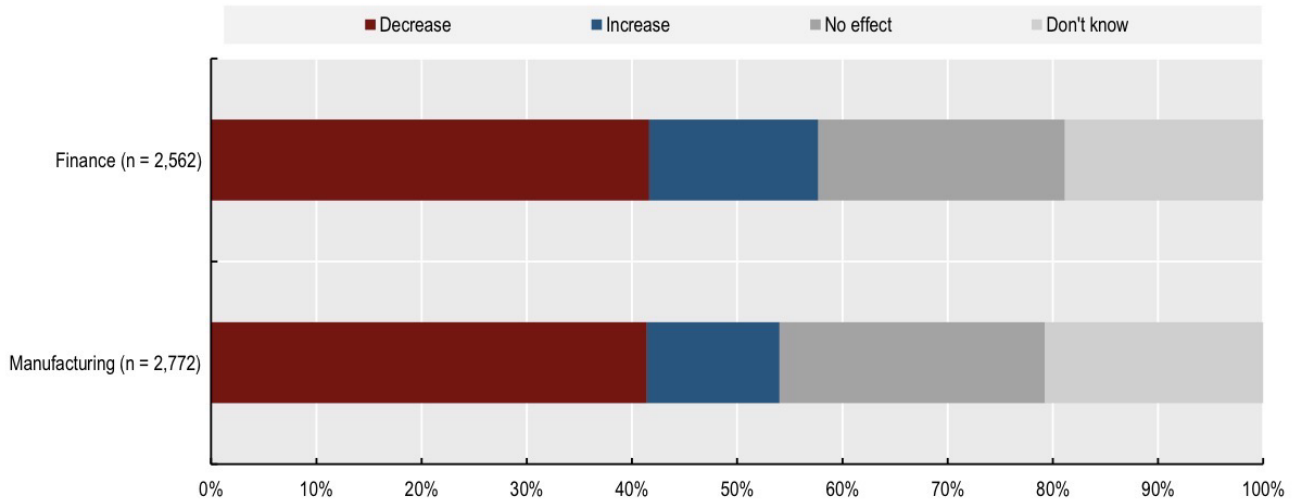
Now as for the decreasing work sectors, it's clear that the low-skilled and routine jobs are in danger. Administrative or customer service jobs, like receptionist or office clerks, are threatened by AI. This also includes white-collar jobs in general, like accountants and telemarketers.

### **Income Inequality**

Another problem that AI and Automation in employment cause, is income inequality. Since it replaces middle- and low-skill jobs, people working in those sectors may face lower wages, while other jobs will remain unaffected. The gap between skilled and unskilled workers will widen even more, due to the increased demand for high-skilled and high-education jobs, such as engineers, data scientists and creative professionals. This will shrink the middle class and will create a polarized labor market.

Also, since the education and training someone will get often depends on money or geographical factors, many inequalities will be reinforced. Because of the unequal access to reskilling many workers will face income inequality for no other reason other than that they do not have the same wealth as others.

The following study by OECD shows that most workers believe that AI will have a negative impact on their wages, meaning that income inequality will increase.



Note: Workers were asked: “Do you think that AI will have an impact on wages in your sector in the next 10 years? Yes, AI will increase wages; Yes, AI will decrease wages; No, AI will not impact wages; Don't know”.

Source: OECD worker survey on the impact of AI on the workplace (2022).

Figure 5: impact of AI on wages

### Sociological impact

It is also important to mention that AI and automation may create different disparities, depending on age, gender, or financial class.

First of all, since older generations are less educated upon AI and its use,<sup>14</sup> many companies or organizations may prefer younger employees over them, leaving them with limited job-opportunities. Knowledge on AI is nowadays a significant factor in someone's work, which means that people who do not possess this kind of knowledge, are more likely to struggle to find a job than someone who is educated upon the use of AI. The demand for AI skills is also illustrated on the following graph by the work economic forum.

<sup>14</sup> Smith, Wendy. “2024 AI Trends by Generation: Who Uses AI the Most?” *SurveyMonkey*, 18 Feb. 2025, [www.surveymonkey.com/curiosity/ai-trends-by-generations/](http://www.surveymonkey.com/curiosity/ai-trends-by-generations/).

FIGURE B1.1 Demand for generative AI skills

Generative AI enrolment trend 2022-2024.

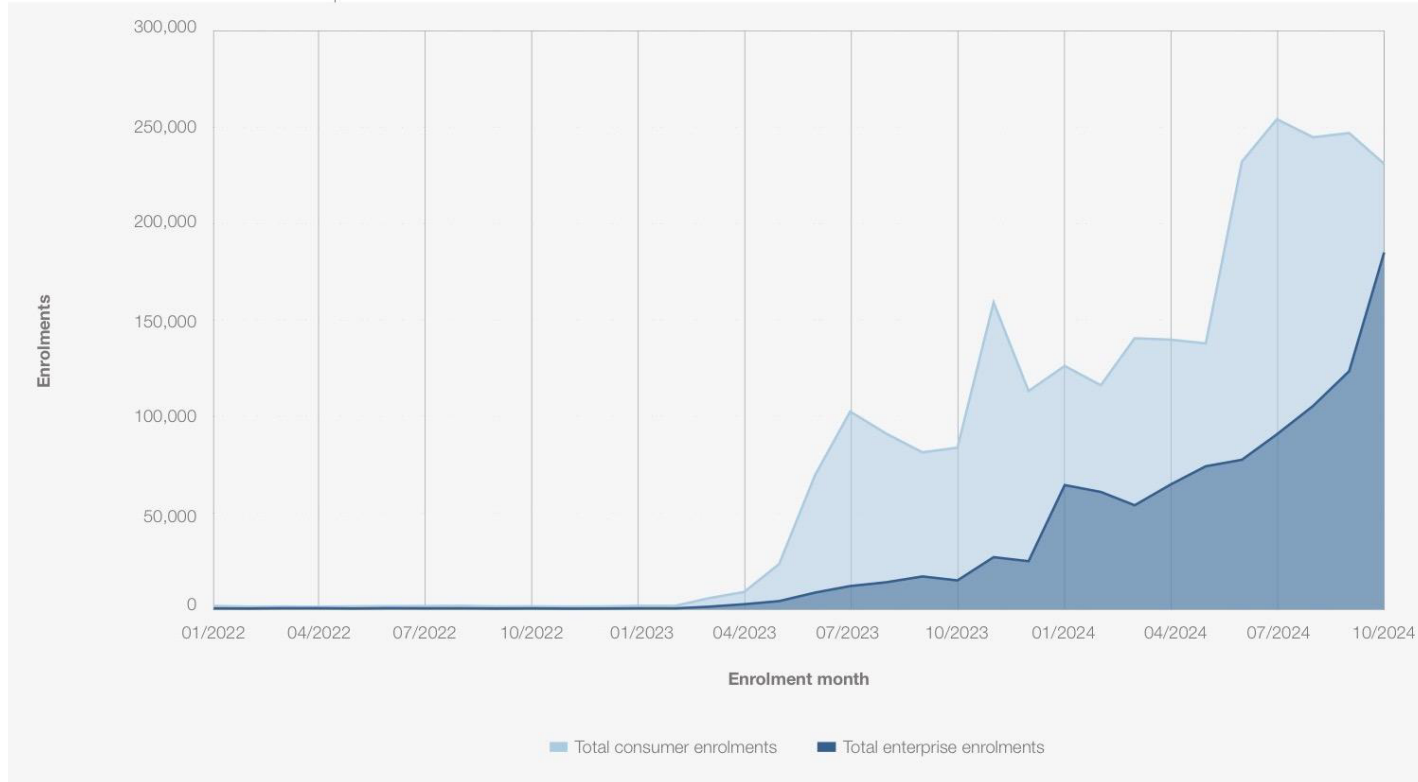


Figure 6: demonstration of demand of AI skills

Moreover, gender disparities may arise. Since most of the workers in the administrative sector are female, women face the danger of job-loss more than men. This may lead to injustice and inequality among the employees and even lower wages for jobs that require the same amount of work.

Lastly, disparities among different financial classes may occur since people working low- or middle-skill jobs often are financially disadvantaged. Due to the replacement of mostly low-skill jobs, underprivileged people will be the ones in danger or facing difficulties. This means that mainly workers with limited education and wealth will undergo the risk of job-loss or displacement.

## Major Countries and Organizations Involved

### People’s Republic of China

China is one of the fastest-scaling Automation Economies worldwide and has made massive investments in automation for manufacturing. It has the largest global robotics market and prioritizes the use of Automation in factories. However, all this without any social safety net, leaving people unemployed or working for very low prices. The demand for robotics technicians, AI engineers and

system managers is constantly rising. Robots do not only replace humans in automotive manufacturing, textiles, warehousing and logistics but also in white-collar jobs and service jobs. That makes China one of the first countries where AI threatens both white- and -blue collar jobs.<sup>15</sup>

### **Republic of Korea**

South Korea has also led many AI initiatives and has shown that it prioritizes the development of AI and different technologies. Not only the use of AI is widespread but also the use of automation. There are several factories using machines over employees, which caused many displacements in the manufacturing sector. South Korea also offers different kinds of education on the topic of AI, like STEM education, Coding and AI programs or Government-funded reskilling initiatives. The problem however is that the Reskilling favors already-educated workers and that Older and lower-skilled workers struggle to transition in the new work environment. Also, since South Korea exports different automated systems and AI-enabled consumer electronics, automation is pushed down global supply chains, which affects employment in other countries too.<sup>16</sup>

### **United States of America (USA)**

The USA has adopted automation and AI in several work sectors like logistics, finance and healthcare. However, the biggest displacement risk is in administrative jobs. However, the USA still shows that it values the rights of workers by passing different acts, like the job training partnership act. The problem is that those initiatives are not always beneficial and offer limited help. AI adoption happens faster and earlier in the U.S. than in many countries, since most of the world's most influential AI technologies are developed in the U.S. Some prime examples are companies like Google, Microsoft, amazon or tesla which use AI and automation on a daily basis. There are also many universities that conduct research and different analyses about AI like MIT or Stanford, which shows how seriously AI is taken by everyone.<sup>17</sup>

### **European Union (EU)**

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<sup>15</sup> Liang, Hui, et al. "Artificial Intelligence, Technological Innovation, and Employment Transformation for Sustainable Development: Evidence from China." *Sustainability*, vol. 17, no. 9, 24 Apr. 2025, p. 3842, <https://doi.org/10.3390/su17093842>.

<sup>16</sup> "The Impact of AI on the Labour Market: Artificial Intelligence and the Labour Market in Korea." *OECD*, 2026, [www.oecd.org/en/publications/artificial-intelligence-and-the-labour-market-in-korea\\_68ab1a5a-en/full-report/the-impact-of-ai-on-the-labour-market\\_69793977.html?](http://www.oecd.org/en/publications/artificial-intelligence-and-the-labour-market-in-korea_68ab1a5a-en/full-report/the-impact-of-ai-on-the-labour-market_69793977.html?)

<sup>17</sup>Whiton, Jacob, et al. "Automation and Artificial Intelligence: How Machines Are Affecting People and Places." *Brookings*, 22 Jan. 2019, [www.brookings.edu/articles/automation-and-artificial-intelligence-how-machines-affect-people-and-places/](http://www.brookings.edu/articles/automation-and-artificial-intelligence-how-machines-affect-people-and-places/)

The European Union plays a significant role in the topic of AI and Automation in employment. It has led different initiatives like the EU AI Act or the European globalization adjustment fund (EGF). Both exist in order to take action and help displaced workers, which shows that the EU prioritizes employees and their well-being. Even though EU countries adopt different automation technologies, they do so with strong social safety nets. The EU is also responsible for the European Commission's Joint Research Centre (JRC), which is a science and research arm of the European commission<sup>18</sup>. It conducts different research to assess how digital tools and AI change work and employment patterns. With that program and many more, the EU actively proves that it cares about their employees and that it wants to prioritise their well-being.

### **Human labor preservation delegation (HLPD)<sup>19</sup>**

HLPD is a non-governmental organization focused on supporting workers facing job displacement by technology. It works by providing free training programmes, in order to help people adapt and gain skills for new job opportunities. It also provides free AI-educational programs.

### **ILO (International Labor Organization)**

The international labor organization is very active in the evaluation of the impacts of AI and Automation on employment, by conducting different analyses about displacement and replacement of jobs. It presents valuable data and forecasts that can help understand the issue at hand. The ILO produces policy briefs and recommendations on how governments, employers, and worker organizations can manage the transition to more automated and AI-augmented economies in ways that protect decent work, fair wages, and social protections. Its analytical work feeds into national and international policy debates about reskilling, social protection, and labour regulation frameworks.<sup>20</sup>

### **Blocs Expected**

The alliances that are expected to be formed in this topic are:

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<sup>18</sup> "Employment, the Nature of Work in Europe." *Joint Research Centre*, 2020, [joint-research-centre.ec.europa.eu/projects-and-activities/employment\\_en?](https://joint-research-centre.ec.europa.eu/projects-and-activities/employment_en?)

<sup>19</sup> HLPD. "HLPD - from Displacement to Empowerment | Upgrading Human Potential in the Age of AI." *HLPD*, 2026, [www.hlpd.org/](https://www.hlpd.org/).

<sup>20</sup> "Artificial Intelligence Adoption and Its Impact on Jobs." *International Labour Organization*, 2 June 2025, [www.ilo.org/publications/artificial-intelligence-adoption-and-its-impact-jobs?](https://www.ilo.org/publications/artificial-intelligence-adoption-and-its-impact-jobs?)

**Alliance 1:** member states that prioritize the evaluation of the impact of AI and Automation Employment. Also, countries with ongoing technological developments and equal accessibility. This includes countries that are part of the EU.

**Alliance 2:** member states that believe that evaluating the Impact of AI and Automation on Employment isn't a pressing issue. Also, countries with limited technological developments and restrictive accessibility. This does not only include LEDCs, but also countries that don't have strong social safety nets for employees. (China, India etc.)

## Timeline of Events

Date	Description of Event
1940-1950	First programmable machines (Machines begin replacing employees) <sup>21</sup>
2000s	Automated production lines in automotive and manufacturing (Routine factory jobs disappear) <sup>22</sup>
2016-2019	AI used in routine tasks (administrative roles start shrinking) <sup>23</sup>
2022	ChatGPT launches <sup>24</sup>
25 January 2025	OECD publishes <i>The Impact of Artificial Intelligence on the Labour Market</i> , a foundational literature review on how AI affects jobs, wages, and labour dynamics. <sup>25</sup>

<sup>21</sup> OECD. "The Impact of Artificial Intelligence on the Labour Market." *OECD*, 2024, [www.oecd.org/en/publications/the-impact-of-artificial-intelligence-on-the-labour-market\\_7c895724-en.html](http://www.oecd.org/en/publications/the-impact-of-artificial-intelligence-on-the-labour-market_7c895724-en.html).

<sup>22</sup> Sharps, Sam. "The Impact of AI on the Labour Market." *Institute.global*, Tony Blair Institute, 8 Nov. 2024, [institute.global/insights/economic-prosperity/the-impact-of-ai-on-the-labour-market](http://institute.global/insights/economic-prosperity/the-impact-of-ai-on-the-labour-market).

<sup>23</sup> Shen, Yang, and Xiuwu Zhang. "The Impact of Artificial Intelligence on Employment: The Role of Virtual Agglomeration." *Humanities and Social Sciences Communications*, vol. 11, no. 1, 18 Jan. 2024, pp. 1–14, <https://doi.org/10.1057/s41599-024-02647-9>.

<sup>24</sup> Kelly, Jack. "The Jobs That Will Fall First as AI Takes over the Workplace." *Forbes*, Forbes, 25 Apr. 2025, [www.forbes.com/sites/jackkelly/2025/04/25/the-jobs-that-will-fall-first-as-ai-takes-over-the-workplace/](http://www.forbes.com/sites/jackkelly/2025/04/25/the-jobs-that-will-fall-first-as-ai-takes-over-the-workplace/).

<sup>25</sup> "The Impact of Artificial Intelligence on the Labour Market." *OECD*, 2024, [www.oecd.org/en/publications/2021/01/the-impact-of-artificial-intelligence-on-the-labour-market\\_a4b9cac2.html](http://www.oecd.org/en/publications/2021/01/the-impact-of-artificial-intelligence-on-the-labour-market_a4b9cac2.html).

13 June 2024	EU AI Act passes <sup>26</sup>
2026-near future	Professions such as administration, finance, customer support, transportation will become automated <sup>27</sup>

## Relevant UN Resolutions, Treaties & Events

### UN General Assembly Resolution — A/78/L.49 (2024)<sup>28</sup>

The resolution was adopted on 21 March 2024 and encourages Member States to promote trustworthy AI in ways that advance sustainable development and help bridge economic and digital divides. Although it does not explicitly mandate employment policy, it calls on governments to ensure inclusive benefits and capacity building, which covers labor market outcomes related to AI adoption.

## Previous Attempts to Solve the Issue

### The job training partnership act of 1982 (JTPA)<sup>29</sup>

The job training partnership act was a US federal law that passed in 1982 job and funded training and employment programs for economically disadvantaged adults and youth and to dislocated workers. So, it wasn't only a response for those facing barriers to employment, but it was also a response to automation-driven unemployment. It was designed in order to help the underskilled and unemployed workers gain skills they needed in the changing economy. However, it was later found not very successful since it failed to protect the workers from structural change. The JPTA was supposed to help displaced workers by providing funds for training, job-search assistance and relocating help to them.<sup>30</sup> However, many displaced workers struggled to reach their pre-layoff earnings, since the gains

<sup>26</sup> European Commission. "AI Act." *European Commission*, 1 Aug. 2025, [digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai](https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai).

<sup>27</sup> Machovec, Christine; Rieley, Michael J.; Rolen, Emily. "Incorporating AI Impacts in BLS Employment Projections: Occupational Case Studies." *Bureau of Labor Statistics*, 10 Feb. 2025, [www.bls.gov/opub/mlr/2025/article/incorporating-ai-impacts-in-bls-employment-projections.htm](https://www.bls.gov/opub/mlr/2025/article/incorporating-ai-impacts-in-bls-employment-projections.htm).

<sup>28</sup> [https://digitallibrary.un.org/nanna/record/4043244/files/A\\_RES\\_78\\_265-EN.pdf?withWatermark=0&withMetadata=0&registerDownload=1&version=1](https://digitallibrary.un.org/nanna/record/4043244/files/A_RES_78_265-EN.pdf?withWatermark=0&withMetadata=0&registerDownload=1&version=1)

<sup>29</sup> Kirby, Sheila Nataraj. "The Job Training Partnership Act and the Workforce Investment Act." *Organizational Improvement and Accountability: Lessons for Education from Other Sectors*, edited by Sheila Nataraj Kirby and Brian Stecher, 1st ed., RAND Corporation, 2004, pp. 51–64. *JSTOR*, <http://www.jstor.org/stable/10.7249/mg136wfhf.10>. Accessed 1 Jan. 2026.

<sup>30</sup> Jacobs, Julian. "AI Labor Displacement and the Limits of Worker Retraining." *Brookings*, 16 May 2025, [www.brookings.edu/articles/ai-labor-displacement-and-the-limits-of-worker-retraining/](https://www.brookings.edu/articles/ai-labor-displacement-and-the-limits-of-worker-retraining/).

were not large enough to fully offset income losses from displacement. That is why analysts describe JTPA as limited help in the face of broad automation.<sup>31</sup>

## The European Globalization Adjustment Fund (EGF)

The European Globalization Adjustment Act for displaced workers was created in 2006 and is a special EU instrument to express solidarity with European workers that were displaced due to restructuring. Its goal is to help displaced workers find new jobs and help them deal with the new challenges in the work market, like automation and AI.<sup>32</sup> Member states apply for EGF funding when at least a specified number of redundancies occur over a limited period of time. The fund is supposed to pay for career guidance, skills assessments, reskilling or upskilling, entrepreneurship support and job search assistance and each worker typically gets an individual plan that combines those, since the measures are personalized. The EGF is the EU 's main tool for cushioning automation and AI-related displacement, by helping workers transition to other work sectors instead of becoming long-term unemployed. However, even though the idea is good and could be beneficial, the EGF is criticized due to its slow procedures, limited funds and narrow and complex rules, making it a symbolic rather than useful response for displaced workers.

Generally, the problem with both is that, even though they can be considered helpful, the implementation is challenging since it does not only require funds and complicated procedures, but also life-long learning.

## EU AI Act<sup>33</sup>

The EU AI Act is the First regulation on artificial intelligence worldwide. It's a framework that indirectly shapes how employers and companies can integrate AI. Even though it was adopted on June 13, 2024, its provision will start applying gradually from 2025 and continuing until 2027.

The problem is that it solely focuses on safety and ethics of AI use, and not directly on the impacts of AI on employment. However, it's very important, since it contains laws that may benefit employees.

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<sup>31</sup> "Job Training Partnership Act: Long-Term Earnings and Employment Outcomes (GAO/HEHS-96-40) (United States General Accounting Office 1996) | CLEAR." *Dol.gov*, 2025, [clear.dol.gov/study-or-without-summaries/united-states-general-accounting-office-1996](https://clear.dol.gov/study-or-without-summaries/united-states-general-accounting-office-1996).

<sup>32</sup> "European Globalisation Adjustment Fund for Displaced Workers (EGF)." *Employment, Social Affairs and Inclusion*, 5 Nov. 2024, [employment-social-affairs.ec.europa.eu/policies-and-activities/funding/european-globalisation-adjustment-fund-displaced-workers-egf\\_en](https://employment-social-affairs.ec.europa.eu/policies-and-activities/funding/european-globalisation-adjustment-fund-displaced-workers-egf_en).

<sup>33</sup> European Parliament. "EU AI Act: First Regulation on Artificial Intelligence." *European Parliament*, 19 Feb. 2025, [www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence](https://www.europarl.europa.eu/topics/en/article/20230601STO93804/eu-ai-act-first-regulation-on-artificial-intelligence).

## **The workforce innovation and opportunity Act (WIOA)<sup>34</sup>**

WIOA is a federal U.S. law that funds programs to help job seekers get training, education, and support services to secure and retain quality jobs in high-demand fields. It's an answer for not only unemployed or under skilled workers but also displaced employees. It directs different federal funds, in order to run various employment and training programs. It passed on the 22nd of July 2014 and it still offers help for many displaced workers. However, the implementation is still hard for many workers since it sometimes requires life-long learning.

## **Possible Solutions**

### **Educational Enhancement**

It's important that AI complements human labor, instead of replacing it altogether. That's why there will be educational re-enhancements. As such, each diploma will maintain a nature of overseeing the AI-practices. Not merely technological, but as a validation individual, even verification processor. In this way, the reduction in employment rates will not be as significant and will contribute to educational enlightenment. Also, with that measure we can assure the correct use of AI, since there will always be someone overseeing it.

### **UN-Plan**

Considering that the replacement of traditional professions by AI will be substantial, it is important to promote measures that maintain economic stability. Thus, the UN could adopt a long-term plan that would set economic boundaries. To support a stable equilibrium, in every widely regarded profession, there will be a balance between AI use and physical employees.

### **Encouraging workers to choose other work opportunities**

The truth is that AI and Automation do not only cause job-loss. They also create opportunities for high-skill jobs in different fields, mainly in data science. Relatively new work opportunities in new fields like AI-ethics may be more difficult and may require more education, however this type of jobs are particularly useful, wanted, and well-paid. So, instead of letting displaced workers become unemployed, the UN could fund and create an organization that will offer education on different work

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<sup>34</sup> U.S. Department of Labor. "WIOA Adult Program | U.S. Department of Labor." *W*[www.dol.gov/agencies/eta/workforce-investment/adult](http://www.dol.gov/agencies/eta/workforce-investment/adult).

sectors. This will help people decide which job is the best fit for them and if a new high-skill job is something they would want to pursue.

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