

Forum: The Economic and Social Council

Topic: Regulating Job Loss Caused by Artificial Intelligence in the Workforce

Chair

Introduction

High employment and job security contribute to economic growth by increasing productivity, household income, and consumer spending, which can lead to higher gross domestic product (GDP) and gross national income (GNI) per capita. Job security and employment also positively impact societies by reducing poverty and homelessness and improving mental health. Artificial Intelligence (AI) is a new major development in technology that is disrupting job security and reducing employment rate in developed countries such as the United States of America (USA). More companies are firing human workers to spend money on investing in AI, and the affected countries' economies are paying the price.

Artificial Intelligence is not just affecting the USA, other countries like the United Kingdom (UK), Japan, and countries in the European Union (EU) are all already starting to notice the decline in employment rates due to the use of AI. These countries are the most affected by the job displacement caused by AI. The United States of America is a service-dominated country with many jobs being administrative, customer service, and support roles, which are the most vulnerable job sectors, making the USA a top target for job loss.

Job loss caused by artificial intelligence is an issue that has only appeared recently, with the USA, UK, Japan, and certain EU nations like Germany being the first to witness these major changes in late 2023. But as AI is becoming more developed, more countries globally are starting to see job loss in the workforce, so it is necessary to see the importance of regulating job loss caused by artificial intelligence in the workforce.

This connects to this year's AMMUN theme, moderating morality, as discussing and debating issues like the job loss caused by artificial intelligence in the workforce can be the key to solving the problem and making the world a more moral place. By shedding light on this issue, several solutions can be presented to try and address job loss caused by AI, which can help prevent economic losses and humanitarian suffering caused by job loss, making the world a more

moral place. Citizens of developed countries such as the United States of America are continuing to dismissed from their jobs so that companies can make room for AI, and this is hurting the economy by decreasing GDP, GNI, and tax revenue while increasing the amount of money used on welfare and social safety nets, and it is hurting the citizens as fine-tuning AI agents to take jobs is leading to poverty, homelessness, and mental health issues. This is why making sure that this process is fair to citizens and countries is extremely important, as moderating morality can change the lives of affected countries and individuals.

Definition of Key Terms

Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is the total monetary value of all finished goods and services produced within a country's borders during a specific time period. It is an indicator of how strong a country's economy is. A high GDP means that the country is doing well economically, with enough jobs and money, while a lower GDP shows a weaker economy, with less money and less job opportunities.

Gross National Income (GNI)

Gross National Income (GNI) is the total income earned by a country's residents and businesses, including income that comes from the country and net income received from abroad. While GDP is a measure of the value of all goods and services produced in the country in a certain time period, GNI measures the value of all goods and services produced in the country and abroad. GNI per capita measures the average income of a country's residents, which is the total GNI divided by the country's population.

Artificial Intelligence Agent (AI Agent)

Artificial Intelligence Agents are advanced AI systems designed to act on their own, make decisions, and use tools such as browsing the web for a specific purpose. One example of an AI agent is ChatGPT.

Fine-Tuning

Fine-Tuning is the process of taking an already trained AI model and training it more to focus on a specific dataset to adapt it for a particular task or job industry. Instead of making an entire AI agent, this method uses a pre-trained general model of AI to perform specialized tasks.

Corporate Restructuring

Corporate restructuring is the process of reorganizing a company's finances, internal structure, or way of operating. This is usually done to relieve financial burdens and increase profit and often leads to downsizing and layoffs, creating job insecurity. One way of corporate restructuring is the integration of AI and similar technologies into their operations.

Tax Revenue

Tax revenue is the mandatory income collected by governments from individuals and businesses through various forms of taxation. Different types of taxes include income taxes, goods and services taxes, and property taxes. Unemployment decreases tax revenue as laid-off workers can no longer pay income tax and reduce spending on goods and services, lowering tax revenue.

Social Safety Nets

Social safety nets are government programs designed to protect vulnerable individuals from poverty, sickness, homelessness, and such problems. They provide necessities such as cash and healthcare to help people manage financial crises.

Employment Rate

Employment rate is the percentage of people of working age (15-64 years old) who have a job. It is an important economic indicator used to measure the health of the labour market and general economy.

General Overview

Origins and Background of the Issue

The question of job loss due to AI in the workforce is a recent issue that first appeared a few years back. While AI became an official field of study in 1956 during a summer workshop at Dartmouth College, the milestone that brought AI to the public was OpenAI's launching of ChatGPT on November 30, 2022. Until then, AI had no major effect on job loss and employment rates as it (ChatGPT) was immediately successful due to its human conversational abilities and free public availability, turning AI into a daily tool that is accessible to the public. As a result, companies started to integrate AI into their operations through corporate restructuring. Integrating AI cost money, so companies started to dismiss employees, which sparked the issue of job loss due to AI in the workforce.

Significant job loss caused by AI started around late 2023 which was soon after the release of the first mainstream AI platform ChatGPT, with companies recording thousands of job cuts attributed to AI. From the years 2022 to 2024, job postings for entry-level positions in sectors such as developing and coding dropped by 50% as AI agents developed to assist in developing basic codes. By March of 2026, AI was cited as the reason for approximately 25% of announced job cuts in the United States, demonstrating how quickly artificial intelligence began

reshaping the labour market after its public release. Although AI-related job displacement is a relatively recent issue, it is developing rapidly and is likely to have an increasing impact on employment if appropriate measures are not introduced

Economic Impacts of Job Loss Caused by Artificial Intelligence in the Workforce

There are many economic impacts of job loss caused by AI in the workforce. Firstly, job loss decreases GDP and GNI. As more workers are being laid off their jobs, the net income earned by countries is decreasing due to the laid-off workers' lack of contribution to the economy by earning money through products and services. The GNI per capita also decreases as laid-off workers do not make any money but are still being counted as part of the population. Job loss caused by AI in the workforce is also decreasing tax revenue. There are various kinds of taxes like sales tax, property tax, and income tax. When somebody loses their job, they completely lose the ability to pay income tax as they make no income. They also usually start to spend less money on goods and services as without a job people are extra cautious with money, so they end up paying less sales tax as well. Economic projections have shown that the USA federal budget can lose up to $4200 in revenue per month for every worker who leaves the labour force. When many workers are being laid off to make room for AI, the government loses a lot of money that they were gaining through taxes, which is bad for the economy.

Another economic impact of job loss caused by AI in the workforce is an increased spending amount on welfare and social safety nets. When people lose their jobs, they are no longer able to provide themselves with necessities like food, housing, healthcare, and cash so it is up to the government to provide it for them through welfare projects and social safety nets. The greater number of unemployed people leads to more money being spent by governments on welfare programs and social safety nets. This is not good for the economy as governments are losing money trying to help the citizens that lost their jobs due to AI in the workforce and not only the individual being laid off but the entire country loses money when citizens lose their jobs.

Social Impacts of Job Loss Caused by Artificial Intelligence in the Workforce

Job loss caused by AI in the workforce is an issue that influences many social aspects. To start with, unemployment is a leading cause of poverty and homelessness as when individuals lose their jobs, they quickly run out of savings which makes it difficult for them to cover basic living expenses. Job loss cuts income which renders individuals unable to afford necessities like healthcare and housing, directly leading to homelessness and poverty. Additionally, unemployed people usually find it difficult to find new jobs as their poverty makes it hard to afford transportation to interviews and childcare. Over time, poverty can lead to illnesses as individuals don't have the money to spend on healthcare and medical check-ups, and the contracted diseases make it more difficult for people to find jobs. In the United States, over 771,000 citizens currently experience homelessness, and between 75% - 90% are unemployed. In Novemeber of 2012, 40.1% of unemployed American citizens had been jobless for longer than 6 months. These statistics demonstrate a clear link between unemployment and homelessness, showing how job loss caused by AI affects people socially.

Unemployed people also struggle with poor mental health, feeling isolated from society, and a lack of self-worth and self-esteem. Unemployed individuals usually feel this way due to the immense stress of providing themselves with necessities and a loss of identity. Research has found that unemployed individuals are at a significantly higher risk of developing mental health disorders, including depression and substance use disorders. A 2022 meta-analysis estimated that approximately 21% of unemployed people experience depression.

Major Parties Involved

The United States of America (USA)

The United States of America is one of the main countries suffering from job loss due to artificial intelligence in the workforce. The USA is a prime target for this issue as it is a service-dominated country, and service and administrative jobs are the most vulnerable to AI. The country started suffering from job loss due to AI in late 2022 and early 2023 after the release of

ChatGPT. The USA also experiences more social impacts of job loss due to AI than other countries as it does not have a strong social safety net for laid-off workers to fall back on.

The United Kingdom (UK)

The United Kingdom is another country that is highly susceptible to job loss caused by AI as the developed nation has started to incorporate AI into the workforce. However, unlike the United States, more social safety nets and stronger labour regulations in the UK help workers with a smoother transition into a workforce with AI, reducing negative social impacts.

Japan

Japan is another major country involved in job loss due to AI as the country encourages the integration of artificial intelligence, automation, and technology into different job sectors like agriculture, logistics, and healthcare, making the country liable for job losses caused by AI in the workforce.

The European Union (EU)

The European Union (EU) is a political union composed of 27 member states that is also experiencing job losses due to AI in the workforce. This is due to pressure on companies to increase productivity by integrating AI systems. Similar to the UK, the EU acknowledges the importance of taking accountability when it comes to AI, which slows down the progression of AI integration, giving workers a chance to adapt, reducing negative social impacts.

China

China faces a few challenges when it comes to job losses due to AI in the workforce as the government prioritizes AI development and invests in automation technology. China is also focused on creating AI-related jobs such as development and maintenance. These new jobs create

opportunities for laid-off workers and slightly elevates stress from them as there are new job options available.

India

India is a country with an economy centred around business outsourcing and IT services, which are job sectors that are incredibly susceptible to AI automation. This is a major problem for the country, as these job sectors generate billions in revenue and employ millions of workers. This means that if AI starts to take over a significant number of jobs in India, the country will lose a lot of money that they were making through these jobs. Because of these risks, the issue of job loss caused by AI in the workforce is especially dangerous for a service-centred country like India.

OpenAI

OpenAI is a leading AI research company, primarily known for their AI assistant ChatGPT. OpenAI plays a major role in job loss due to AI in the workforce as the release of ChatGPT in November 2022 is the main event that led to job loss due to AI, as the Chatbot promoted daily use of AI and made it widely accessible to the public. This popularized AI and made it an essential tool in most workplaces.

Southeast Asia

Southeast Asia is a region composed of 11 countries east of India and south of China. The most advanced country in Southeast Asia is Singapore, which is taking many steps to prevent job displacement caused by AI by creating a national program that offers citizens courses in data analytics and AI beginner material. This means that when the citizens of Singapore start experiencing job loss due to AI in the workforce, they will be prepared and have the necessary skill preparation to find new jobs in AI related fields and automation, meaning they will have reduced negative social impacts that stem from unemployment.

Timeline of Events

Date	Event
1956/6/18	Artificial intelligence becomes an official field of research at the Dartmouth Summer Research Project on Artificial Intelligence.
2022/11/30	OpenAI releases an artificial intelligence chatbot called ChatGPT that is free and widely available to the public, revolutionizing AI and making it part of everyday life.
2025/5/13	3% of Microsoft employees are laid off so the company can adjust for AI businesses.
2025/5/29	International Business Machines (IBM) laid off 8,000 employees who work in Human Resources globally due to AI.
2025/7/3	Microsoft lays off another 9000 employees to invest in artificial intelligence.
2026/1/28	Amazon reports 16,000 layoffs as it prioritizes efforts on AI and data centres.

Attempts to Solve the Issue

Seizing the Opportunities of Safe, Secure and Trustworthy Artificial Intelligence Systems for Sustainable Development. (2024/3/21) (A/RES/78/265)

This resolution was submitted by the United Nations General Assembly. It focused on encouraging countries to use and develop AI in a responsible and safe way while still ensuring that it benefits all societies. The resolution promoted international cooperation, improving access to artificial intelligence technologies, reducing the digital gap between nations, and investing in digital skills education so that workers can adapt to the changes caused by AI. This resolution helped increase global cooperation and spread awareness about the need to prepare workers for changes caused by AI. This solution has not completely solved the problem as it is not legally binding and does not require countries to create specific retraining programs.

Science, Technology, and Innovation for Sustainable Development. (2021/12/16) (A/RES/76/213)

This resolution was submitted by United Nations General Assembly. It encouraged countries to strengthen science, technology, and innovation to promote sustainable development. This resolution encouraged improving digital education, developing technological skills, and increasing technology access for people to be able to participate in the changing economy. This resolution was successful in raising awareness on the importance of technological education and skill development worldwide. However, it was unsuccessful at solving the problem of job loss due to AI in the workforce as it did not specifically address AI or create solutions for people who lost their jobs to AI.

Possible Solutions

There are many possible solutions to the issue of job loss caused by artificial intelligence in the workforce. Firstly, a solution created specifically to minimise the negative economic impacts would be taxing companies that choose to lay off human employees for AI. Investing,

developing, creating, or buying AI all count as AI-related reasons and will be taxed. This solution is an efficient way to combat job loss caused by AI in the workforce, specifically the negative economic impacts as companies won't want to pay much money to lay people off, so they would minimize the number of layoffs. Also, through this method, governments will be compensated for their absence of income tax from laid-off employees. The tax paid by the company would reduce the loss of tax revenue as the instead of an employee paying their income tax, the company is paying a similar amount, so this way the country doesn't end up losing as much tax revenue.

Another possible solution to the issue, specifically to reduce the negative social impacts would be offering financial compensation to laid-off individuals. They would be paid an amount of money that allows them to afford necessities like food, housing, and healthcare until they can find a job and start earning their own income. This solution efficiently targets the negative social impacts of job loss caused by AI in the workforce, as it prevents extreme poverty and homelessness which further prevents most mental health issues that arise because of poverty. Additionally, this solution gives laid-off workers the chance to find another job and avoid becoming too depressed or sick or financially unstable to find a job or for an employer to seriously consider hiring them.

A general solution to the problem, both economic and social sides would be creating mandatory AI beginner program for all people of working age, teaching them basic AI skills like programming and developing, and offering a free public optional advanced course. This way, instead of trying to avoid the rise of automation and new technology, countries can teach their citizens to embrace the changes and be prepared. So that if workers are laid off their jobs for AI, they can find new jobs helping develop or invent AI systems using the skill set they gained during the program. This reduces both negative economic and social impacts, as preparing citizens for the rise of AI gives them a set of skills and the ability to find a job even if they have been laid off. This way, countries do not lose money as citizens stay employed or find new jobs, and people do not suffer from homelessness, poverty, or mental health issues as they have the right preparation to look for work in an AI-dominated society.

Guiding Questions

1. Has your country started advancing AI systems and using them in job sectors?
2. Is your country mostly administrative and service-dominated, making it liable for job loss by AI?
3. Which countries are facing the biggest challenges with job loss due to AI and why?
4. Should AI stop being used in the workforce completely or just used alongside human employees?
5. What are the current benefits of replacing human workers with AI?
6. Is AI the main factor influencing job loss in your country?
7. How is your country currently benefiting or suffering from AI?
8. Do the currents benefits of AI outweigh the disadvantages, primarily job loss?
9. What recent AI systems have been released and how have they helped society and the economy?
10. What has your country done to prevent job loss in the past?
11. Does your country spend a lot of money on welfare efforts and social safety nets?

Appendix

- AI Job Displacement by Country: Which Nations Face the Greatest Workforce Transformation: https://www.businessplusai.com/blog/ai-job-displacement-by-country-which-nations-face-the-greatest-workforce-transformation

- Ways to Help Workers Suffering From AI-Related Job Losses: https://www.brookings.edu/articles/ways-to-help-workers-suffering-from-ai-related-job-losses/

- What To Do About AI-Driven Job Displacement: https://www.peoplespolicyproject.org/2023/03/31/what-to-do-about-ai-driven-job-displacement/

- AI & Automation Job Loss Timeline: https://axedbyai.com/timeline

- Labor Markets Impacts of AI: A New Measure and Early Evidence: https://www.anthropic.com/research/labor-market-impacts

- Artificial Intelligence and the Future of Work: Disruptions and Opportunities: https://unric.org/en/ai-and-the-future-of-work-disruptions-and-opportunitie/

- How Artificial Intelligence Impacts the US Labor Market: https://mitsloan.mit.edu/ideas-made-to-matter/how-artificial-intelligence-impacts-us-labor-market

- AI Job Replacement Statistics (2025-2030) Industries Most Affected: https://www.davron.net/ai-job-replacement-statistics-2025-2030/

- How Many Jobs is AI Really Replacing? What the Data Actually Says About the Future of Work: https://www.davron.net/how-many-jobs-is-ai-really-replacing/

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