

INTERNATIONAL MECHANISMS FOR LABOUR MARKET ADAPTATION TO ARTIFICIAL INTELLIGENCE

Expert report

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Introduction

This report has been prepared for the delegates of the International Labour Organization committee of the HSE University Model United Nations (HSEMUN 2027) and addresses the question of international mechanisms for labour market adaptation to artificial intelligence. Within this mandate the report (a) reviews existing mechanisms, (b) identifies legal and practical gaps and (c) proposes options that protect workers while letting economies adapt.

As AI systems move from experimental tools to everyday instruments for screening candidates, assigning tasks, monitoring performance and, in some workplaces, triggering dismissals, their costs and benefits are distributed unevenly between high-income and developing economies, between formal employees and platform workers, and between women and men. National responses remain fragmented, and the first binding ILO standard to address algorithmic management, Convention No. 193 adopted in June 2026, covers platform workers alone. In these conditions, the protection of workers' data, the financing of retraining and income support, and the extension of safeguards beyond platform work become questions for the international community rather than for individual states. This introduction aims to outline the boundaries of the problem, define the mandate of the Committee, trace the evolution of the issue within the ILO and the wider UN agenda, and explain the logic of the report's structure.

Chapter 1. Establishing the problem

1.1. Problem and relevance

Ever since the beginning of mass employment of generative Artificial Intelligence (AI) in 2020 up until today, this piece of technology has been actively integrated into work environments worldwide. Generative tools draft documents, write code and screen job applicants. Algorithmic systems assign tasks, monitor performance and, in some workplaces, trigger dismissals.

National responses to these challenges are beginning to take shape, though they remain markedly uneven. Spain and Italy have granted workers, or their representatives, a statutory right to information about the algorithms that govern them[1,2], while Singapore restricts the purposes for which platforms may use workers' data[3]. In several US jurisdictions, employers must commission bias audits and give notice before deploying automated tools. Many developing economies, lacking comparable regulatory capacity, rely instead on national AI strategies and skills programmes, and in some cases the bodies needed to enforce data protection law are not yet fully operational. None of these measures extends to all categories of workers, and none is designed to operate across borders.

This report concentrates on how international mechanisms can help labour markets adapt to AI fairly. Three problems frame the answer:

- Most advanced models are built and deployed in high-income economies. Developing countries tend to meet the downsides first: weaker social protection, large informal sectors and limited access to training and technology.

[1] Falasca, G. (2025, November 7)

[2] Jimeno, R. Z. (2023)

[3] *Implemented Platform Workers Bill including worker classification and protection regulations.* (2025, January 1)

- AI systems in companies depend on employee data, from emails to location and productivity metrics[4]. Personnel have limited access to what is collected, who sees it or how it feeds into decisions about them.
- Protection also varies depending on the country of residence of a worker or where a platform is registered.

Many rules are yet to be written. In June 2026 the International Labour Conference adopted its first Convention on decent work in the platform economy (C193)[5]. It addresses workers' data protection and sets safeguards for automated systems, however it only binds the states that ratify it, entering into force twelve months after two ratifications. Furthermore, employees who are managed, monitored or assessed by AI tools in conventional workplaces fall outside the Convention's scope. The question before the Committee is the following: which international mechanisms can extend comparable safeguards to AI at work more broadly, and how to help countries with limited regulatory capacity put them into practice. The choices made in the coming years will determine how far this approach extends to the sphere of global AI regulation.

1.2. Mandate of the committee

Tripartite body. The ILO was created in 1919 and works through tripartite structures: governments, employers and workers take part in setting standards. All 187 member states are obliged by their membership to respect the principles behind the fundamental ILO Conventions under the 1998 Declaration on Fundamental Principles and Rights at Work[6]. This obligation applies whether or not a state has ratified the Conventions.

[4] Oxford, L., & Oxford, L. (2026, October 1)

[5] *Convention concerning decent work in the platform economy, 2026.* (2026, June 15). International Labour Organization.

[6] Trebilcock A. 2022 Amendments to the ILO Declaration on Fundamental Principles and Rights at Work. International Legal Materials. 2023;62(4):605-610

Fundamental rights. In June 2022 the International Labour Conference added "a safe and healthy working environment" as a fifth fundamental principle and right at work. The amendment matters for AI due to the fact that algorithmic monitoring and work intensification fall directly under occupational safety and health.

Technology mandate. In January 2019 the ILO Global Commission on the Future of Work proposed a "human-in-command" approach, under which final decisions affecting work are taken by people, not algorithms. It also called for an international governance system for digital labour platforms. In June 2019 the Centenary Declaration for the Future of Work followed, built around investment in people's capabilities, in the institutions of work and in decent and sustainable work[7]. It commits the ILO to policies that ensure appropriate privacy and personal data protection and respond to the digital transformation of work, including platform work.

Evidence base. The ILO backs this mandate with research. In May 2025 an ILO–NASK study estimated that one in four workers worldwide is in an occupation with some exposure to generative AI, and 3.3% of global employment falls in the highest exposure category[8]. The study stresses that these figures reflect potential exposure, not actual job losses.

Limits. The ILO sets standards and supports their implementation, though it cannot compel ratification and does not regulate AI technology as such. For that reason, the report concentrates on what the ILO can do: update or adopt standards, support national implementation, convene the three parties and coordinate with other bodies.

[7] *ILO Centenary Declaration for the Future of Work, 2019*. (2026, March 7). International Labour Organization.
[8] *Generative AI and jobs: a refined global index of occupational exposure*

1.3. Background and earlier decisions

Early guidance on workers' data (1997)**.** The first international guidance on workers' data came as an ILO code of practice with no binding force, which makes recommendations and does not replace national laws or international labour standards. It was adopted by a Meeting of Experts on Workers' Privacy held in Geneva in October 1996 and published in 1997[9], long before AI entered workplaces.

Human-centered agenda (2019–2022)**.** As stated above, the Global Commission on the Future of Work proposed a "human-in-command" approach. In 2022 the International Labour Conference added a safe and healthy working environment to the fundamental principles and rights at work. That extension later became the legal hook for the platform Convention.

Ethics frameworks outside the ILO (2021–2024)**.** In November 2021 UNESCO's 193 member states adopted the Recommendation on the Ethics of AI, a non-binding document. It asks states to report on progress every four years. In September 2024 the UN adopted the Pact for the Future together with the Global Digital Compact by consensus, which commits governments to create an independent International Scientific Panel on AI and launch a Global Dialogue on AI Governance[10]. Neither instrument is specific to labour markets.

A regional benchmark**.** The EU AI Act classifies AI used in employment as high-risk, covering recruitment, promotion, termination, task allocation and performance monitoring. In 2026 the EU agreed to delay high-risk obligations to 2 December 2027 for standalone systems[11]. The delay is a deferral, not a repeal. For this report it shows that even the most detailed binding regime is being postponed.

[9] *Protection of workers' personal data.* (2026, January 15). International Labour Organization.

[10] *The United Nations members adopted a Global Digital Compact shaping a safe and sustainable digital future for all.* Shaping Europe's Digital Future.

[11] Ogletree, Deakins, Nash, Smoak & Stewart. (2026, July 13). *EU nears approval of agreement to delay rules for AI use in employment decisions - Ogletree.* Ogletree.

First binding ILO standard touching algorithmic management (2026)**.** On 12 June 2026 the Conference adopted Convention No. 193 on Decent Work in the Platform Economy with 406 votes in favour, 8 against and 36 abstentions. The text requires states to make platforms inform workers about automated systems used to monitor or evaluate work, to ensure a written explanation of significant adverse decisions and appropriate human involvement, and to set safeguards on workers' personal data, including rights of access, rectification and erasure[12]. It binds only states that ratify it and enters into force twelve months after two ratifications are registered.

Why does this matter? The pattern is clear. Guidance on workers' data and on AI ethics has been mostly non-binding, so protection depends on national law. Convention №193 changes that, but only for platform workers. Workers in ordinary employment who are managed by AI tools remain covered by a patchwork of national rules and soft law.

The report examines the issue through four analytical stages. It starts with facts about AI adoption and job exposure from 2020 to 2026, then analyses which groups and regions are most affected. Next it traces causes. For example, informality and weak digital infrastructure limit workers' ability to retrain or claim their rights. Last, it explains why the question is pressing while the international framework is still being shaped.

[12] *Standard-Setting Committee on Decent Work in the Platform Economy (2026).* (2026, July 30). International Labour Organization.

Chapter 2. The current stage

2.1. The digital divide and disparities

The COVID-19 pandemic accelerated digital and platform work. It forced employers and employees to switch to remote jobs, expanding app-based delivery, ride-hailing and online freelancing. The policies focused primarily on platform workers' status and automation by robots, not language-based AI. OpenAI's Chat-GPT release in November 2022 turned generative AI into a mass technology, which legal frameworks were not ready for, and from 2023 the ILO, IMF and OECD began publishing global estimates. Employers expect huge developments: 170 million jobs created and 92 million displaced by 2030, a net gain of 78 million[13]. AI adoption rates across industries show that AI is becoming a mainstream business tool, with over 92% of Fortune 500 companies using OpenAI technology and 73% of marketing departments using GenAI[14]. Despite current estimates and tremendous expectations, the real consequences of deployment of AI systems are yet to be uncovered. Different institutions report different effects and it's the uncertainty that raises concerns and signalises that the global community should prepare its labour markets for both potential gains and losses.

AI is undoubtedly a worldwide phenomenon, however the effects of it are not distributed evenly. Effects differ among countries based on their labour market capacities, job selection and the level of digitalisation. Advanced economies have more clerical digital jobs *(what the IMF calls cognitive-task-oriented jobs)*, so more of their work is exposed, around 60% compared to 26% in developing countries[15]. The digital divide between the wealthier and the developing nations might at first glance seem to be the force stopping rapid automation and job displacement in the

[13] World Economic Forum. The Future of Jobs Report 2025

[14] OpenAI on track to hit $2bn revenue milestone as growth rockets // Financial Times. 2024.

[15] International Monetary Fund. Gen AI: Artificial Intelligence and the Future of Work. Staff Discussion Note, 2024

poorer states. However, developing markets are already exposed to AI and started to introduce it in the workplace. This dynamic deteriorates the classic labour market development fostered by young white-collar workforce[16]. White-collar entry level office jobs served as a step for the younger to enter the market. Now when entry-level tasks are often delegated to an AI the path for the young is closed especially in the developing nations where young people already face substantial employment barriers. Meanwhile, many workers in developing nations who can actually benefit from AI lack reliable Internet connection limiting productivity.

One of the most recent reports on the issue shows wide contrasts in the levels of labour vulnerability and susceptibility of different genders and nationalities[17]. According to the organisation's calculations, female-dominated jobs in Europe, Central Asia and Latin America are more likely to be exposed to GenAI than the male-dominated ones (29% against 16% respectively). Though it is important to note that this data does not mean that 29% of women workplaces are directly replaced by AI. It only indicates that tasks that are more often performed by women are more likely to be augmented or completely replaced by AI. Augmentation or automation will most likely affect women's salaries and the willingness of businesses to hire female workers instead of male ones. This may reinforce existing patterns of workplace segregation.

The impact of AI is therefore neither income- nor gender-neutral, which only further fuels the developed-developing nations and male-female divergencies that the ILO have been trying to combat ever since its creation. In order not to entrench these disparities, a unified approach in securing equality in occupational AI governance is required. AI has significant potential to improve working condi-

[16]International Labour Organization. Gen AI, occupational segregation and gender equality in the world of work. Working Paper No. 166. — 2026.

[17]Ibid.

tions, enhance productivity and reduce exposure to hazardous tasks, provided that its deployment is governed through inclusive and human-centred approaches.

2.2. Cases of the United States and China

The United States as the birthplace of AI has experienced the rise in AI usage and implementation. According to Gallup workplace survey 52% of all US employees use AI for work purposes at least a few times a year as of the 2nd quarter of 2026 *(compared to 21% in 2023)*[18] with US Census Bureau reporting on 37% of the large enterprises *(250+ employees)* using AI capabilities in business operations[19]. Organizational AI adoption grew sharply in the second quarter, after previously lagging the growth rate of individual AI use at work. More employees now say their organization has integrated AI tools, indicating the shift from informal AI usage towards a standardised top-down integration approach in US businesses, formally bringing AI into both operation and managerial spheres.

Some companies have declared AI integration and workforce substitution as their official strategy. In 2023 Arvind Krishna on behalf of IBM publicly announced their intention to cease recruitment for back-end positions to optimize operations and allocate funds towards company development setting a precedent for other enterprises[20]. The impact can be seen from other companies that followed in IBM's steps such as Block decreasing human workforce by 40%[21].

These developments suggest that AI adoption is moving beyond its initial role as a supplementary tool and becoming an instrument of workforce restructuring. American companies are increasingly considering automation as an alternative to recruitment, allowing them to increase their operation capacity. However, such strategy leads to uncertainty for administrative and clerical staff with the significant

[18] Organizational AI Adoption Jumps Six Points // Gallup.
[19] AI Use by Businesses // United States Census Bureau. 2026.
[20] IBM to Pause Hiring for Back-Office Jobs That AI Could Kill // Bloomberg. 2023. 1 May.
[21] Block Swaps 4,000 Workers for AI // Payments Dive

portion of tasks that potentially can be automated. Nevertheless, the question whether the growing implementation of AI translates into an equivalent employment reduction or an increase in demand for new competences still stands.

China on the other hand offers a different model, where the state sets the pace of the implementation. In August 2025 the State Council launched the "AI+" action plan, which aims for AI agents and intelligent devices to exceed 70% adoption in priority sectors by 2027 and 90% by 2030[22]. Use has grown quickly: by mid-2026 more than 700 million people, over half the population, were using generative AI[23]. Automation also reaches further into physical work. In 2024 China installed 295,000 industrial robots, 54% of the world total, and its factories now run over two million[24].

At the same time the state is working towards maintaining the gradual pace of the transition to AI in the workplace. Chinese labour law requires a lawful ground for dismissal, and courts have refused to treat AI as one. In April 2026 the Hangzhou Intermediate People's Court upheld a ruling that a firm acted illegally when it fired a quality-assurance employee who refused a 40% pay cut after the job was automated, and in December 2025 Beijing authorities reported a similar outcome for a map-data worker whose division was replaced by AI[25]. Therefore, the cost of automating in China is left with the employer instead of being passed to the worker. Simultaneously the Chinese government is funding reeducation for workers in traditional industries[26].

Nevertheless, the model has its limits. Its dismissal protections apply to formal employees, while gig workers rely on pilot insurance schemes. Youth unem-

[22] Analysis: China's Roadmap to Integrate AI Across Its Economy Through 2035 // KrASIA.

[23] ECNS // ECNS. 2026.

[24] IFR Press Release: China // International Federation of Robotics. 2025. 25 September.

[25] Chinese Courts Rule Companies Cannot Fire Workers Simply to Replace Them With AI // Caixin Global. 2026. 30 April.

[26] Action plan unveiled to stabilize employment // China Daily. 2026.

ployment reached 18.9% in August 2026 as 12.7 million graduates entered the market[27], and in July 2026 the ministry's new five-year plan dropped its numerical target for urban job creation for the first time in decades, partly because of uncertainty about AI[28]. The example of China indicates that despite planning and labour laws being able to slow the transfer of AI's costs onto workers, they themselves do not create enough new positions for the young workforce.

2.3. Latest developments

One of the major challenges at the current stage is the reactive nature of AI legislation and standard-setting. Rules tend to appear only after a technology has spread, and the process is slowed further by the absence of an international set of standards on how AI relates to labour markets. Even the conventions that the ILO considers fundamental struggle to win ratification. The Promotional Framework for Occupational Safety and Health Convention (No. 187), declared fundamental in 2022, has been ratified by 76 of the organisation's 187 member states, and the Violence and Harassment Convention (No. 190), adopted in 2019, by 55. The most recent conventions of the 21st century are therefore yet to be ratified, and so fully recognised and implemented, by the majority of ILO members.

The past year produced the first international labour standard concerning AI. ILO Convention No. 193. on 12 June 2026 was adopted by the 114th International Labour Conference[29]. The Convention on Decent Work in the Platform Economy followed a 2023 normative gap analysis and a first discussion in June 2025. The Convention covers all digital labour platforms and platform workers, in the formal and informal economy, whatever their employment status. It guarantees fundamental rights (freedom of association, collective bargaining, no forced or

[27] China Youth Unemployment Climbs to 18.9% in August // Hellenic Shipping News.

[28] China Omits Job Goal for First Time in Decades as AI Spreads // Staffing Industry Analysts.

[29] *Convention concerning decent work in the platform economy, 2026.* (2026, June 15). International Labour Organization.

child labour, non-discrimination, safe work), sets duties on safety and account deactivation, and encourages adequate pay even outside an employment relationship. It is the first ILO convention on algorithmic management. It stated that platforms must disclose to the employees the details on automated systems monitoring and decision-making workers. States must submit it to national authorities within 12 months, but as already mentioned it binds only those states that ratified it, several of which are zero as of current date. Despite the Convention directly addressing AI development, it still does not mention it directly.

The ILO Director-General's report "A moment of choice: Harnessing AI for decent work" published in May 2026 argues that AI's impact is not predetermined[30]. It proposes four pillars (rights, employment and skills, social protection and social dialogue) and says productivity gains should be shared through better wages and protections. It notes that women are more affected and that AI is spreading fast into recruitment, pay, scheduling and performance management. An ILO–World Bank paper covering 135 countries warned that developing economies may face disruption before productivity gains. The organisation's brief stressed that exposure indices are early warnings, not forecasts[31]. The World Development Report 2026 puts 4.5% of jobs in developing countries at risk of automation and 16.2% open to productivity gains, urging countries to adopt, adapt and then advance AI[32]. Under the UN supervision the Independent International Scientific Panel on AI was set with 40 experts and chaired by Yoshua Bengio and Maria Ressa.

Regional regulations are also to be adopted. Under the Digital Omnibus agreed in May 2026, EU rules for high-risk AI usage in employment were introduced in December 2027. The Platform Work Directive adopted in October of 2024 must

[30] A Moment of Choice: Harnessing Artificial Intelligence for Decent Work : Report // International Labour Organization. 2026.

[31] Disruption Without Dividend: How Digital Divide and Task Differences Split // International Labour Organization.

[32] AI Offers Lifeline to Developing Economies in an Era of Weak Growth // World Bank. 2026. 4 August.

be in national law by 2 December 2026, and the European Parliament has asked for algorithmic management safeguards for all workers[33].

2.4. Current mechanisms problems

Existing mechanisms fall into four groups, each of which leaves gaps when applied to changes in AI-driven labour markets.

The first issue concerns international labour standards. ILO conventions on employment policy (C122), human resources development (C142), termination of employment (C158) and social security (C102), and the new C193 on digital platforms, form the fundamental base that should steadily transition into national legislation. The issue that arises from the ILO adoption principles is that its implementation depends on national enforcement, and none targets AI-driven displacement outside platform work.

There are also social questions. Unemployment insurance and social assistance partially mitigate job loss. The problem is the following: only 52.4% of people have at least one social protection benefit, and roughly 17% of the unemployed receive unemployment benefits[34]. Low-income countries according to ILO estimates would need an extra US$308.5 billion a year to close the gap formed by the AI introduction.

Retraining, employment services and lifelong learning should theoretically promote workers retraining and obtaining new qualifications enabling the transition to the jobs created by AI industries. The problem is they reach too few people. WEF reports of 59 out of every 100 workers will need training by 2030 and 11 are unlikely to get it[35]. The issue is aggravated by the digital gap between developed countries and those which need more substantial investment into AI related reeducation.

[33]European Union. Directive 2024/2831. // Official Journal of the European Union.
[34]Social Protection Platform // International Labour Organization.
[35]The Future of Jobs Report 2025 // World Economic Forum. 2025.

The current dynamic of legislation adoption is mostly regional. The EU AI Act treats AI used in hiring and dismissal as high-risk, making it the first binding AI multilateral treaty. OECD and UNESCO principles and the UN Global Dialogue add recommendatory and advisory guidance. With rules being either regional or voluntary, key EU duties are delayed to 2027, and 118 countries are absent from governance talks making worldwide legislation introduction less effective.

The cross-cutting weaknesses are that workers often do not know when algorithms make managerial decisions concerning them and cannot challenge those decisions. Exposure indices are not forecasts and few countries track AI's actual effect on jobs.

Chapter 3. Financing AI transition

The broad consensus among governments, employers and international organisations is that workers will need new skills and that some will need income support while they look for new work. The open question, who should be responsible for financing these initiatives, is still open. The ILO's instruments on skills and social protection set goals but come with no money attached. This section argues that the gap between what adaptation costs and what anyone has committed to pay is one of the central weaknesses of current mechanisms, and that it is widest in developing countries, where the safety net is thinnest and the jobs exposed to AI are often among the best available.

3.1. Beneficiaries and benefactors

The demand for retraining and reeducation is increasing. Employers surveyed by the WEF expect 59 of every 100 workers to need reskilling or upskilling by 2030, and 11 of them are unlikely to receive it, which leaves more than 120 million workers at risk of redundancy over the medium term. The same employers expect 39% of workers' existing skills to change or become outdated over the same period. At the same time Only 52.4% of the world's population is covered by at least one social protection benefit, leaving 3.8 billion people with none, and about 2.1 billion people are expected to work informally in 2026, outside most labour and social security law[36].

Three groups currently pay for reskilling, and each reaches a different set of workers. The first is governments, though only richer ones can do so at scale. Singapore gives every citizen aged 25 and over a SkillsFuture credit of S$500 for approved courses, adds S$4,000 at age 40 , and pays mid-career workers who study full time up to S$3,000 a month for as long as 24 months[37]. France credits

[36] Global Job Quality Stagnates Despite Resilient Growth: ILO // Daily FT.

[37] SkillsFuture Credit Singapore 2026

each worker's personal training account with €500 a year, up to €5,000, or €800 a year for workers without basic qualifications, financed through contributions on wages[38]. Both schemes rest on large public budgets and a formal workforce whose wages can be taxed. The second group is industry. The Philippines' outsourcing sector has pledged at least 25 million USD a year to retrain a workforce of about 1.9 million around 13 USD per worker[39]. The third is individual employers. Large firms can retrain their own staff when they automate, but small firms rarely have the money or expertise, and informal workers have no employer to turn to. As a result, money for reskilling flows mostly to workers who already hold formal jobs in rich countries. The joint ILO-World Bank study of 135 countries suggests that AI risk is moving towards developing economies where automatable clerical jobs are already online and the capacity to retrain is weakest[40].

When retraining takes time, or fails, workers need an income. The international framework offers three tools: unemployment insurance, the Social Security (Minimum Standards) Convention (No. 102), and the Social Protection Floors Recommendation (No. 202), which asks every country to guarantee basic income security throughout life. Unemployment insurance usually depends on a formal contract and a record of contributions, which excludes informal, self-employed and most platform workers. Convention No. 193 encourages states to extend social security to platform workers whatever their employment status, but it applies only where it is ratified. With the ILO estimating the platform workforce at 150 to 400 million people, most of them outside any insurance scheme, this is not a marginal gap.

[38]Individual Learning Account // Cedefop: Financing Adult Learning Database.

[39]Philippines Bets $25 Million to Shield BPO Jobs From AI Disruption // Nearshore Americas.

[40]Disruption Without Dividend: How Digital Divide and Task Differences Split // International Labour Organization.

3.2. Ways of mitigating

Several ways of closing the financing gap are under discussion, and each places the burden on different shoulders.

The first is a levy on AI or automation. The Parliamentary Assembly of the Council of Europe asked member states to consider a "robot tax" to fund social protection and retraining[41], and in 2017 the Republic of Korea cut its tax breaks for investment in automation equipment, a step described as a "quasi-robot tax". Supporters argue that the firms gaining most from automation should help pay for its costs. Critics, including the IMF, reply that such a tax is hard to define and could slow investment and productivity growth[42].

The second is wider tax reform. The IMF proposes stronger taxes on capital income and corporate profits, a review of tax incentives that favour replacing workers, and the use of the revenue to broaden unemployment insurance, make benefits portable and expand training[43]. This route avoids singling out AI, but it relies on each government's willingness to raise taxes and does little for countries with small tax bases.

The third is deciding on a new global fund or a Global Accelerator that would pool each country's money funds. UNCTAD has already proposed a shared global facility to give developing countries fair access to AI[44], and a similar model might finance skills and social protection. Its weakness is donor fatigue, made worse by the ILO's unpaid contributions leading staff cuts[45].

The fourth is lending by international financial institutions. The World Bank's World Development Report 2026 urges developing countries to invest in

[41] Artificial Intelligence and the Labour Market: ECPP Theme 2 Background Document // Council of Europe.

[42] Fiscal Policy Can Help Broaden the Gains of AI to Humanity // International Monetary Fund. 2024. 17 June.

[43] Broadening the Gains from Generative AI: The Role of Fiscal Policies // International Monetary Fund: Staff Discussion Notes. 2024.

[44] AI's $4.8 Trillion Future: UN Warns of Widening Digital Divide Without Action // UN Geneva. 2025.

[45] ILO: Financial Crisis and Workers' Rights // IndustriALL Global Union.

power, connectivity and skills to benefit from AI[46], and the Bank already funds national social protection systems. Loans can raise large sums, but they add to the debts of countries that are often already under strain.

The fifth is co-financing through social dialogue, with employers and unions agreeing training funds in collective agreements. These funds work well where bargaining is strong, but only about 35% of employees in the countries with data are covered by collective agreements[47].

3.3. Takeaway

Money for adapting to AI exists, but it sits mostly with developed countries and large companies, while the risks are spreading to developing economies and to workers outside formal employment. No international mechanism yet connects those who gain from AI with those who bear its costs. A levy, a global fund and lending by international financial institutions each place that burden differently. Whatever the source for AI transition funding, a workable mechanism would need three features that current arrangements lack: money that arrives predictably rather than through one-off pledges, a way of reaching workers who have no formal employer, and a clear link to ILO standards so that retraining and income support are measured against agreed minimums.

[46] AI Offers Lifeline to Developing Economies in an Era of Weak Growth // World Bank. 2026. 4 August.

[47] International Labour Organization. Social Dialogue Report 2022: Collective Bargaining for an Inclusive, Sustainable and Resilient Recovery Geneva : International Labour Office, 2022.

Chapter 4. Protection of workers' data in AI-driven workplaces

4.1. Key trends

Monitoring has moved from platforms into ordinary workplaces. In 2024–2025 the EU Joint Research Centre surveyed 70,316 workers across all EU member states (AIM-WORK) and found that 14% were monitored by cameras and 12% had calls or emails monitored. Algorithmic management, once associated with platforms and warehouses, is increasingly used in clerical work and home offices[48].

Data is used to decide, not only to watch. The same survey found that about 13% of workers faced automated performance assessments or reward systems, while on average a third used AI for work-related purposes. Surveillance and decision-making are converging in the same systems.

Workers often do not know what is happening. In a 2025 UNI Europa and Friedrich-Ebert-Stiftung survey, 34% of about 1,400 mostly ICT-sector respondents in Europe did not know whether algorithmic management tools were used at their workplace. In a 2022 online survey across European countries, half of the workers reported no employer measures to prevent algorithmic management risks and had never been asked for consent or trained. The samples are not representative, but the direction is consistent[49].

4.2. Current situation

Scale and dynamics (2020–2026). The period shows two overlapping trends. Data collection widened from platform and warehouse work to office and remote work, and regulation followed with a lag. Most new binding rules appeared only in 2024–2026.

[48]Fernández-Macías, E. (2026, September 16). The Algorithmic Workplace: How platformisation is reshaping work in Europe. *Social Europe*.

[49]UNI Europa. (2025, August 18). *Algorithmic management: 1 in 3 workers left in the dark - UNI Europa*.

Geography and affected groups. Three groups carry the main exposure: platform workers (couriers, drivers), clerical and remote employees, and data workers and content moderators who train AI systems. The geography is uneven. Data protection laws exist in most countries (71% of countries, according to UNCTAD, as of June 2024), but the labour dimension is thin. The 2026 Global Index on Responsible AI reports that only 13% of Global South countries have AI labour protection frameworks in operation, and in Africa the figure is 5%. In Africa, 44 of 54 countries have data protection legislation, but 17 lack fully operational enforcement bodies. A workers' alliance report built on over 150 driver testimonies from India, Nepal, Bangladesh and Sri Lanka describes deactivations without explanation. It is an advocacy source, so it is best used as illustration, not as statistics[50].

4.3. Recent events

- February 2025: the EU AI Act's prohibitions began to apply, including emotion recognition in workplaces and educational institutions, subject to narrow exceptions. The Commission's guidelines clarify that physical states such as fatigue are not emotions, so fatigue-detection for safety falls outside the ban.
- October 2025: Italy's Law 132/2025 introduced information duties on automated decision-making and monitoring systems.
- January 2026: South Korea's AI Basic Act and Illinois' HB 3773 took effect.
- June 2026: the International Labour Conference adopted Convention No. 193 on platform work.

Mechanisms and gaps. Rights of access to data and explanation exist mostly in general data law or platform-specific instruments. Ordinary employees managed by AI tools rely on general law, which was not written for continuous algorithmic monitoring.

[50] *Countries with active data privacy law 2026.* (2026, August 10). Statista.

4.4. Causes and consequences

1. Cheap data, strong incentive. AI tools need continuous worker data, and collecting it costs little, so more is collected.
2. Information asymmetry. Workers cannot see what data is collected about them or how it feeds into decisions that affect their work. Giving workers the right to access and control their own data is widely seen as one of the most effective ways to strengthen their say over algorithmic management.
3. Weak remedies. Without access to data, workers cannot contest dismissals or ratings. Where enforcement bodies are weak, even existing rights remain on paper.
4. Cross-border operation. Clients, workers and platforms may be located in different countries, so national law reaches only part of the chain.
5. Result: a protection gap that follows the worker's country and employment status, which deepens the divide between developed and developing countries.

4.5. Existing measures and their limits

International:

- ILO Code of Practice (1997). It has no binding force and predates workplace AI.
- ILO Convention No. 193 (2026). It requires safeguards on platform workers' personal data, including rights of access, rectification and erasure, and obliges platforms to inform workers about automated monitoring and decision systems. It covers platform workers only, binds only ratifying states and enters into force twelve months after two ratifications.

Regional (EU):

- AI Act: the workplace emotion-recognition ban applies now, but the application of high-risk rules, which cover employment AI, is delayed to 2 December 2027.

- Platform Work Directive: transposition deadline 2 December 2026, with a data protection impact assessment for automated systems. It covers platform work only.

National:

- Spain (2021): works councils are entitled to information on algorithm parameters, but the right is collective and gives no mechanism to control the algorithm.
- Italy (2025): workers can obtain a written reply with information on data processed within thirty days.
- Singapore (2025): platforms may use data only for determining eligibility for tasks, allocating work and setting pay.
- United States: bias audits in New York City and notice duties in Illinois, but no federal law specifically addresses AI governance in employment[51].
- Developing countries: national strategies and general data laws. Kenya's AI strategy admits that existing laws, including the 2019 Data Protection Act, are insufficient for AI's complexities.

Common limits: scope is narrow (platform work or hiring), enforcement depends on capacity, and cross-border cases fall between jurisdictions.

4.6. Case studies

Case 1. Drivers v. Uber and Ola (Netherlands, 2023)[52]. The Amsterdam Court of Appeal ruled that Uber wrongly rejected drivers' information requests after deactivation on suspicion of fraud, and found that the limited human intervention in the decisions was not much more than a symbolic act. *Lesson:* general data law can protect workers, but only when they can afford litigation.

[51] Adams, A. (2026, May 12). Patchwork AI hiring laws create rising compliance risks for employers. *The National Law Review*.

[52] WageIndicator Foundation. (2026, February 13). *April 2023 - Uber / Drivers - Amsterdam Court of Appeal.*

[53] *Italy privacy authority fines Foodinho 5 million euro for rider data breaches | Administrative action | Eurofound Platform Work Repository.* (n.d.).

Case 2. Foodinho / Glovo (Italy, 2024)[53]**.** The Italian data authority fined the company €5 million for illegally processing the data of more than 35,000 couriers, including sharing geolocation data with third parties without notice. The company had been fined before for similar reasons. *Lesson:* a strong regulator makes rights real, and repeat violations show that fines alone do not change behaviour quickly.

Case 3. Data workers in Kenya[54]**.** Kenya hosts AI data annotation work. A 2025 Fairwork assessment gave the company Sama 3 out of 10 for 2024/2025. Reporting says workers were paid about $2 per hour against a client rate of $12.50 per hour, a figure the company disputes. A local activist notes that the country's labour law is about twenty years old and does not cover digital labour. *Lesson:* the chain of AI production crosses borders, while protections stay national. This case concerns working conditions more than data security, so it works best as a contrast to Cases 1–2.

[54]Emmanuel, V., Emmanuel, V., & Emmanuel, V. (2024, November 27). *OpenAI and Meta's AI outsourced jobs in Kenya: Big promises, $2 paychecks*. Condia.

Conclusion

Workers' data is collected at scale and is increasingly used to make decisions about them, but the rights that protect it depend on where a worker lives and how they are classified. C193 and the EU instruments fill part of the gap for platform workers, and ordinary employees and workers in countries with weak enforcement remain largely uncovered. For the committee, protection of data and the capacity to enforce it are one problem, and they should be treated together.

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Glossary

Artificial Intelligence (AI) – the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings. The term is frequently applied to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalize, or learn from past experience[55].

Generative AI (GenAI) - a technology that can create content, including text, images, audio, or video, when prompted by use[56].

International mechanisms – systemic tools and bodies created by the United Nations to monitor, promote, and enforce compliance with international laws and human rights obligations[57].

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