Forum: ECOSOC
Issue/Topic 1: Should ECOSOC create global funds and wage standards to ensure fair compensation for AI data workers in developing nations?
Writer: Raghad Albader

Introduction

The global expansion of Artificial Intelligence (AI) is due to a workforce responsible for data annotation, content moderation, and algorithmic feedback. Millions of workers in less economically developed countries (LEDCs) including Kenya, the Philippines, India, Uganda, Madagascar, and Venezuela are contracted by technology firms based in the **Global North** to process and evaluate training datasets. This **digital supply chain suffers** from severe gaps and disadvantages, including exposure to traumatic media without employer funded psychological care/support. Labourers are being paid, aka "compensated" with a maximum amount of $3 per hour, a current, ineffective solution. Such constant exposure can take a serious, unaddressed toll on their mental health, which therefore reduces workforce productivity, while simultaneously negatively impacting underfunded public healthcare systems and family and community stability.

These labourers are known as **invisible workers** producing **ghost work**, even though most are recorded as highly educated with STEM bachelor and post graduate degrees. Additionally, this throws their skills under the bus, degrading a country's **human capital**. Furthermore, a significant proportion of these workers are not given basic beneficial rights such as health insurance, job security, or opportunities in life to advance. This directly links to the global goal 8, which states: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Additionally, AI models are presented as "magic", so that end users believe that an algorithm, software, or AI performed the task automatically. To train algorithms effectively, human workers perform several functions. In physical manufacturing and data processing centers, AI systems use computer vision and **telemetry** to monitor workers' physical gestures, typing speed, and active hours in real time, automatically deducting pay or terminating contracts for minor productivity dips. As a result, . Corporations evade domestic labor laws and disclaim liability for working conditions in LEDCs where parent companies contract work through international platforms and local **Business Process Outsourcing (BPO) agencies.** Therefore, ECOSOC is tasked with coming to a reasonable solution.

Background

The entirety of this issue initially began in the early to mid 2000's, along the rise of the internet, so BPO seized the opportunity and shifted toward global internet platforms. These companies break down large projects into small individual tasks allocated to certain online workers. Firms and companies in global north/wealthy countries abuse this setup to hire cheap workers to save on money without needing to worry about their legal rights, their healthcare benefits/sick days, and minimum wage requirements. As a result, developing nations became major suppliers of cheap, temporary labour, which caused an imbalance in the work system.

Moreover, the rise of generative AI introduced a new data processing method; Reinforcement Learning from Human Feedback (RLHF). Therefore, workers were tasked with reviewing toxic language, hate speech, graphic violence, and self harm content to train safety guidelines for consumer interacting AI models. Despite the increased complexity and psychological effects, workers only earn under $2/hour, and strict Non Disclosure Agreement (NDAs). In the end, tech companies keep all the wealth-- big AI firms make billions of dollars from the data work done in developing nations, but almost none of that wealth or tax revenue stays in the local economy where the work was actually performed.

Additionally, there's a large increase in lost tax money for public development. Since these jobs are informal gig work, governments cannot collect standard employment taxes from foreign tech firms as they fall under the informal sector. This leaves developing countries with less tax money to build schools, roads, and healthcare systems.

Causes

- **<u>Global Wage Arbitrage</u> - Taking advantage of the difference in pay rates between wealthy countries and poorer countries:**

  Big tech companies based in wealthy nations (where hiring a worker costs $15 to $30 per hour) hire workers in developing countries where local pay rates and cost of living are much lower. Because unemployment in those regions is often high, workers have little bargaining power and accept pay as low as $0.50 to $2.00 an hour. The companies get the same labor for a fraction of the price while taking advantage of local economic struggles. This could also be considered as Global North vs South, and is incredibly inconsiderate and unjust.

- **<u>Classification as Independent Contractors</u> - Considering workers as freelancers or gig workers instead of actual, formal employees:**

  Legally, an employee is entitled to guaranteed, fair minimum wages, health insurance, paid sick leave, overtime pay, and unemployment benefits. By labeling data annotators as "independent contractors" or "platform gig workers," tech/digital platforms bypass labor laws. They get all the benefits of the labor without having to pay for insurance, benefits, or basic workplace protection. This could be considered as exploitation, or a form of it.

- **International laws have not caught up with internet based remote work:**

  Traditional labor laws were written for physical workplaces, where all employees, boss and workers, lived under the same legal laws. But today, due to the advancement of new and emerging technology, a company in the United States can hire a worker in Kenya over an app. If the company mistreats or underpays the worker, Kenyan courts struggle to enforce local laws against a foreign corporation, and US labor laws generally do not protect non resident workers overseas. Because there is no international treaty governing online digital platforms, workers are left in a prejudiced situation

Major Characters/Key Country Stances

- **Data exporting LEDC's such as Kenya, Philippines, India,** etc are primary suppliers of low cost data labour. These nations face severe domestic underemployment, pushing educated

youth into informal work. Through regional reports, LEDCs argue that external firms extract immense value through their work, while leaving host countries with the economic burden of uncompensated mental trauma and low tax revenue.

- **Tech supporting countries HEDC's such as the US and the UK** both favour market driven, and "pro initiative" approaches to AI governance to boost economic growth and maintain global market leadership. By favouring optional guidelines rather than strict laws, both countries aim to speed AI development to stay ahead of global competitors and attract private investors, all while protecting their own tech companies from international regular, global taxes, or legal liabilities.
- **ILO International Labour Organization** focuses on using digital platforms to create flexible employment/jobs and flexibility while establishing global standards to protect workers from work deficits, aiming to improve working conditions and rights amongst labourers.

Timeline of Events / Notable Past Treaties

- **1998 the ILO Declaration on Fundamental Principles and Rights at Work** States: affirms all ILO members' obligation to respect and promote five core labour principles: freedom of association and collective bargaining, elimination of forced labour, abolition of child labour, elimination of discrimination in employment, and a safe and healthy working environment, as reaffirmed in its 2022 amendment.
  Proves that "gig workers" and "freelance workers" are legally entitled to foundational labour protection, regardless of the job title companies use to avoid paying benefits.

- **2011 UN Guiding Principles on Business and Human Rights.** They uphold three main ideologies in recognition of;
  (a) States' existing obligations to respect, protect and fulfil human rights and fundamental freedoms;
  (b) The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights;
  (c) The need for rights and obligations to be matched to appropriate and effective remedies when breached.
  This applies to **all** states and business enterprises.
  Liability is now onto big tech companies, states, and organizations. This means that they can no longer put the blame on third party agencies for the poor working conditions overseas. It holds them directly accountable, even if the contract was signed through a middleman.

- **July 2023 Kenyan Content Moderators Petition Parliament.** More than 150 tech workers in Nairobi, Kenya who label AI data and review harmful online content have officially petitioned their parliament to investigate big tech companies and demand fair pay, mandatory mental health care, union recognition, and stronger legal protections against workplace exploitation, and official recognition of trade unions (such as the African Content Moderators Union). This marks a change from ongoing exploitation toward active worker organizations, pushing back domestic legislation in the Global South.

Glossary/Key words

- **Global north:** Wealthy, industrialized countries that hold significant influence over global trade, finance, and international governance. Some of these countries include The United States, Canada, almost all European nations, Japan, South Korea, Israel, Australia, and New Zealand.
- **Invisible workers:** Any work that goes unpaid, unacknowledged, or hidden from public view.
- **Ghost work:** A subset of digital invisible labor. Essential, yet overlooked workers who perform tasks that are crucial for the development of AI systems.
    - All ghost work is invisible labor, but not all invisible labor is ghost work.
- **Telemetry:** The continuous collection, processing, and analysis of signals generated by AI systems, including metrics, logs, traces, and model specific data. These signals are what improve model performance, data quality, system behavior, and user interactions.
- **Business Processing Outsourcing (BPO) Agencies:** Third party companies that other businesses hire to handle specific operations or tasks rather than doing them in their own countries/factories. Serve as middlemen between giant tech corporations (like OpenAI, Google, Meta, or Microsoft) and the local workers.
- **Digital supply chain:** The entire step by step process, system, and network of companies required to build and deliver a product (such as an AI model).
- **Human Capital:** Refers to the total skills, education, knowledge, and physical/mental health of a country's workforce.

Possible Solutions

Recommends that Member States establish a comprehensive framework for global data supply chain governance that:

- Encourages regional economic communities to agree on a single minimum pay rate for online data work to avoid cross data arbitrage.
  Coordinate through existing regional economic blocs - such as the African Continental Free Trade Area (AfCFTA) - to establish standardized minimum wage floors and piece rate baselines (a mandatory minimum payment set for every individual task a worker completes, rather than paying them an hourly wage) for digital platform labor across neighboring nations.

In simpler terms, right now, if one country demands higher pay, big tech companies can easily pull out and move jobs to a neighboring country that accepts lower wages. If all countries in a region agree on a shared minimum wage, tech firms can no longer exploit Global South countries.

- Multilateral AI Labor Trust Fund
  Create a UN-backed international fund financed by a small fee (0.5%–1.0%) on big AI companies in wealthy nations when they launch commercial AI models.

The fund reduces financial strain on developing nations by using tech fees to repay state healthcare budgets for job related medical costs, while funding national social safety nets and worker training to build the local economy.

Sources

The Artificial Intelligence illusion: How invisible workers fuel the "automated" economy | International Labour Organization
Data from the South, AI in the North: An Uneven Distribution of Value - CIPIT
Human Layer of AI: Protecting human rights in AI data enrichment work | Thomson Reuters Institute
Discover videos - Privacy International's Media Service
Goal 8: Decent work and economic growth - The Global Goals
OpenAI Used Kenyan Workers on Less Than $2 Per Hour: Exclusive
CIPIT - Law, Technology and Innovation Research in Africa
A pro-innovation approach to AI regulation - GOV.UK
https://www.ilo.org/topics-and-sectors/digital-labour-platforms
ILO 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up | International Labour Organization
GuidingPrinciplesBusinessHR_EN.pdf
Workers that made ChatGPT less harmful ask lawmakers to stem alleged exploitation by Big Tech | TechCrunch

Delegate Countries	13. Sudan
1. KSA	14. Morocco
2. Egypt	15. Nigeria
3. Iran	16. South Africa
4. Afghanistan	17. France
5. Azerbaijan	18. Sweden
6. USA	19. Romania
7. China	20. Mexico
8. UK	21. Argentina
9. Russia	22. Peru
10. Netherlands	23. Yemen
11. India	24. Canada
12. Somalia	25. Australia