# Artificial Intelligence & Impact on Social/Labor Law

Honorable M. Margaret McKeown Senior Circuit Judge, U.S. Court of Appeals for the Ninth Circuit Cape Town, South Africa, October 20, 2024

### Technology Disruption: From the Printing Press to Al

- Gutenberg's Printing Press (1440s-1700s)
- 1st and 2nd Industrial Revolutions (1760s-1920s)
- 3d Industrial Revolution—Nuclear, Electronics, Computers (1960s-1990s)
- The Internet and AI (2000s-Present)



### Technology Disruption: From the Printing Press to Al

"Once in a while, technology comes along that is so powerful and so broadly applicable that it accelerates the normal march of economic progress. And like a lot of economists, I believe that generative AI belongs in that category."

- Andrew McAfee, Principal Research Scientist, MIT Sloan School of Management.



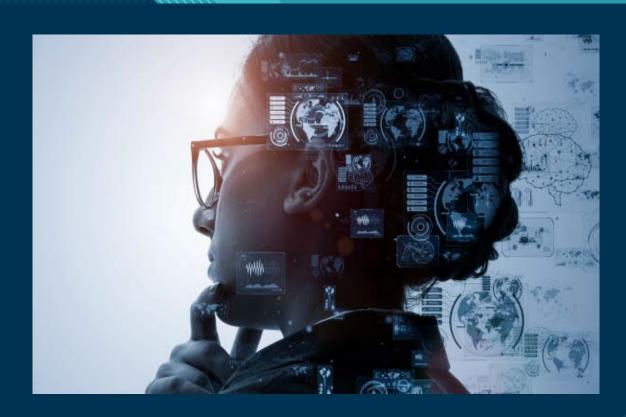
#### Transformation of the Global Economy

- 40% of jobs worldwide are likely to be impacted by AI
- Mixed impact on jobs
  - Approximately half the workers exposed to Al likely will enjoy enhanced productivity
  - The other half face a danger of lowered wages and reduced hiring
  - The net effect of AI on a given labor market depends on various factors, especially the proportion of high-skilled workers
- Advanced economies are likely to face more immediate disruptions
  - 60% of jobs in advanced economies are likely to be impacted
  - 40% of jobs in emerging markets are likely to be impacted
  - 26% of jobs in low-income countries are likely to be impacted

Source: International Monetary Fund

## Key Factors that Could Determine the Net Effect of AI on Labor Markets

- Infrastructure
- Proportion of high-skilled workers
- Sectoral composition
- Human capital and labor market policies
  - Investment in education
  - Job market mobility
  - Social safety nets
  - Strength of trade/labor unions
- Regulation and ethics
  - Adaptability of legal framework to new technologies
  - Strong governance for effective enforcement



#### Benefits of Al for Society & Labor

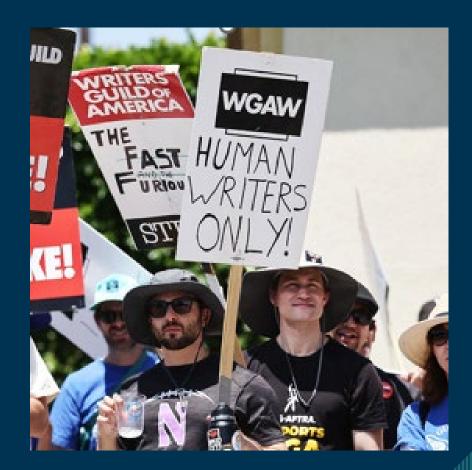
- Accelerated scientific progress
- Increased access to health care, education, and financial and legal advice
- New job opportunities
- Improved productivity and efficiency
- More accurate, fair, and speedy decision making
- Opportunities for increased data and information security

#### Challenges of AI for Society & Labor

- Loss of trust in information (hallucinations, disinformation)
- Bias and discrimination (especially in hiring, admissions, and loan decisions)
- Displacement and disempowerment of people
  - Job loss
  - Wage discrimination and wage polarization
  - Data privacy invasions
  - Monitoring and surveillance of employees
  - Exacerbated inequality
  - Intellectual property infringement

#### The Hollywood Writers Strike

- Last year's 148-day Hollywood screenwriters' strike was the first major labor battle over AI in the workplace
- Writers and studios agree Al is not "a writer"
- Studios are concerned AI infringes IP
- Writers Guild approved contract that gave writers control over the use of AI in generating storylines
- The strike is considered the first of many battles over the use of AI in creative professions



#### Authorship/Inventorship

- Similarities between the Hollywood writers' demands and intellectual property guidance:
  - 1) authors/inventors must be humans (AI is not an author/inventor);
  - 2) authors/inventors may be assisted by AI (humans have agency);
  - 3) the human inventor's contribution to the invention must be significant.
- Will we be successful in shifting the dynamic from Al-as-replacement to Al-as-partner?
- Will partnership, and its gains, accrue only to a few?

# Coping with Competing AI Regimes in International Operations and Transactions—Need for Collaboration and Harmonization

- United States—President's Executive Order on Al
- Europe—Al Act
- China—Cybersecurity Law and New Generation AI Development Plan
- National laws—e.g. Turkey, Korea, Egypt, Switzerland
- OECD—Al Principles
- G7—International Code of Conduct for developers of AI

#### Why International Cooperation on Al Matters

 International cooperation can facilitate responsible development of the technology

 Divergent regulatory approaches can create barriers to innovation and impede labor flow

Lack of cooperation heightens risks of irresponsible development and misuse

"The only way of discovering the limits of the possible is to venture a little way past them into the impossible. Any sufficiently advanced technology is indistinguishable from magic."

- Isaac Asimov