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Digitalization and artificial intelligence in creative services

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Navigating the New Era of creative services through digitalization and AI

Some insights and reflections on the impact on jobs and governance issues

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Digitalization-driven shifts

Issues for debate:

- Shift from tangible to intangible products, from ownership to access: new business models and forms of production/consumption
- Governance issues: harmonized framework to regulate creative content?
- Monetization of cultural content on digital platforms
The fine line between opportunities and challenges in the digital landscape of the creative services

Changes in how work in the creative sector is organized, enabling more flexibility, often enhancing productivity.

Enhancing the creative process: tools that augment human creativity.

AI optimizing production workflows in the entertainment industry.

Opening new avenues for monetization

Impact on employment and skills demand

Issues around the protection of creative work, which may impact the worker’s or company’s livelihoods and income generation.

AI is a perfect model for consumption but is it a perfect model for compensation?

Implications on revenues system and payment models, and on working conditions
• Al’s Impact on Labor Markets

AI is expected to significantly reshape labour markets.

• Income inequality

Large productivity gains could boost overall income levels. However, AI may increase labour income inequality.

• Worker adaptability

Educated and younger workers are better positioned to adapt to AI-driven changes. Older workers may face more difficulties.
Different responses for different levels of development

**Advanced economies**
- Invest in innovation and integration of AI
- Advance regulatory framework to capitalize on AI benefits

**Emerging market and developing economies**
- Develop digital infrastructure
- Build digitally skilled labour force

Need for labour protection and social safety nets and retraining for AI-susceptible workers for all economies
The broad spectrum of AI's impact on employment in the cultural and creative industries

Need for governance frameworks to address various regulatory gaps around digitalization

(1) job transformations,
(2) skills gap and reskilling,
(3) changes in the organization of work, which may impact on the working conditions,
(4) questions with regards to fair remuneration for performers, artists and content creators, highlighting the link between intellectual property rights and labour rights,
(5) blurred lines in defining the employment status in the gig economy, requiring careful consideration and strategic responses to ensure worker protection and adaptability in the creative sector.
Governance around AI

Current debate: the need for a comprehensive and harmonized framework that safeguards human-created work and ensure informed consent and adequate remuneration.

Minimum earnings and adequate remuneration to reflect the value of the work in the streaming environment.

Payment structures and protection of creative work to ensure payment of the output and not only of the input.

Right to consent and compensation for the use of the images, likenesses, and performances, including the issue around creators’ opt-in versus opt-out models in the training of data used to generate content or images.

Advancing social justice, promoting decent work
Social dialogue is part of the mosaic of creative work protection, which should be underpinned by international and national norms.

It offers solutions to “some” answers around consent, compensation and credit of the work (3 C), while the policy debate is ongoing and public policies are being shaped.
2023 Sectoral agreement between the Writers Guild of America (WGA), and Alliance of Motion Picture and Television Producers regarding a new three-year contract. The agreement covers several issues, including health and pension contribution rates, AI regulations, improved terms of employment, increased compensation for series employment (i.e., script fees) and increased streaming residuals.

Distinction between:
- "Employment-based digital replicas" requires producers to inform performers, get their consent, and to pay performers not less than the amount that the performers would otherwise have been paid for their physical performance.
- "Independently created digital replicas" – to be negotiated between the parties freely; producers cannot use digital replicas to satisfy that minimum employment obligation.

Synthetic performers (character created through GenAI)
- Producers must notify SAG-AFTRA if they create synthetic performers and bargain over whether compensation or any other consideration is appropriate.
- For recognizable AI characters, the producer is required to bargain with the performer and obtain their consent.
Thank You