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**Digitalization and artificial intelligence in creative services**

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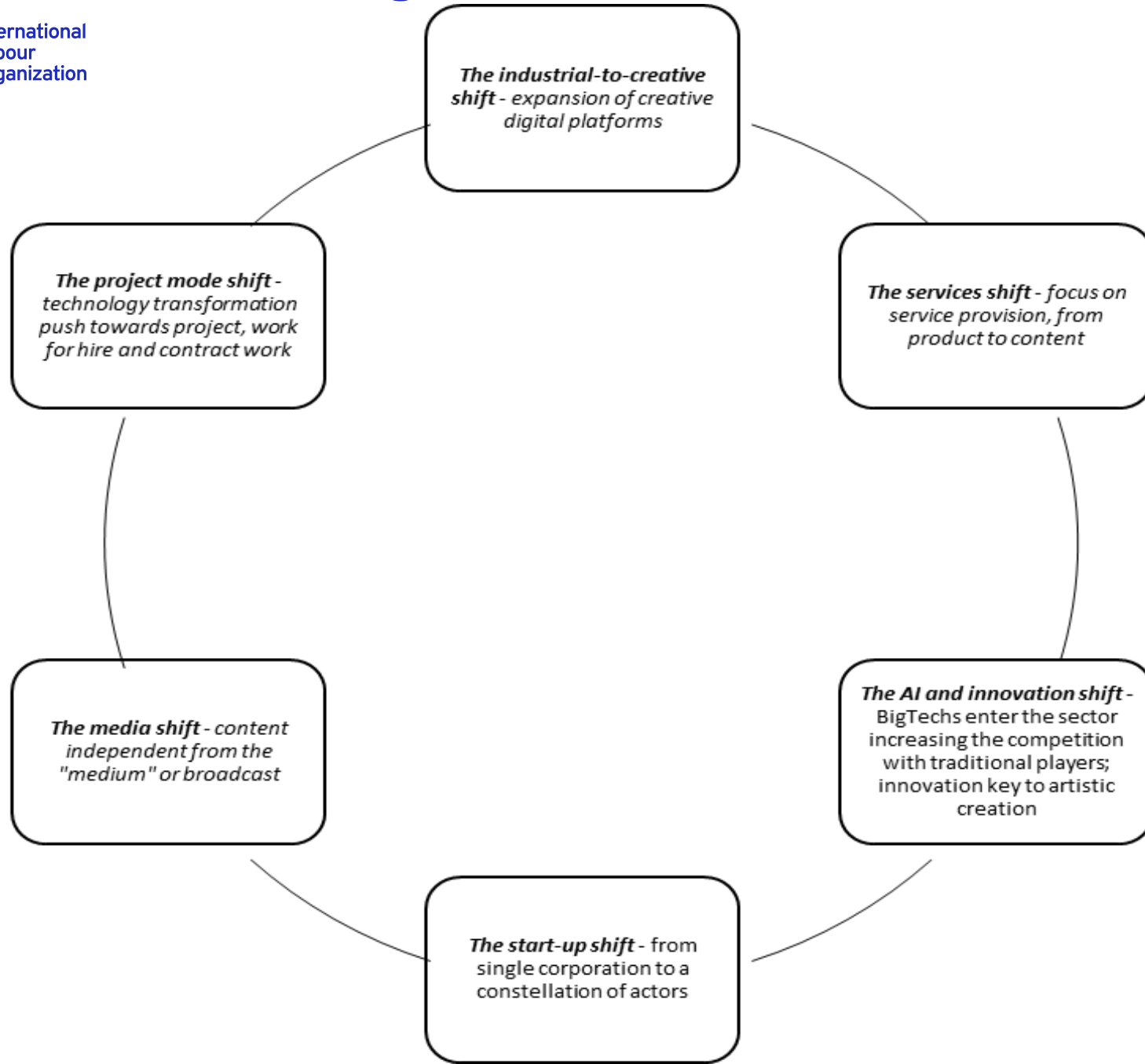
# Navigating the New Era of creative services through digitalization and AI

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

**Margherita Licata, ILO Sectoral policies department**



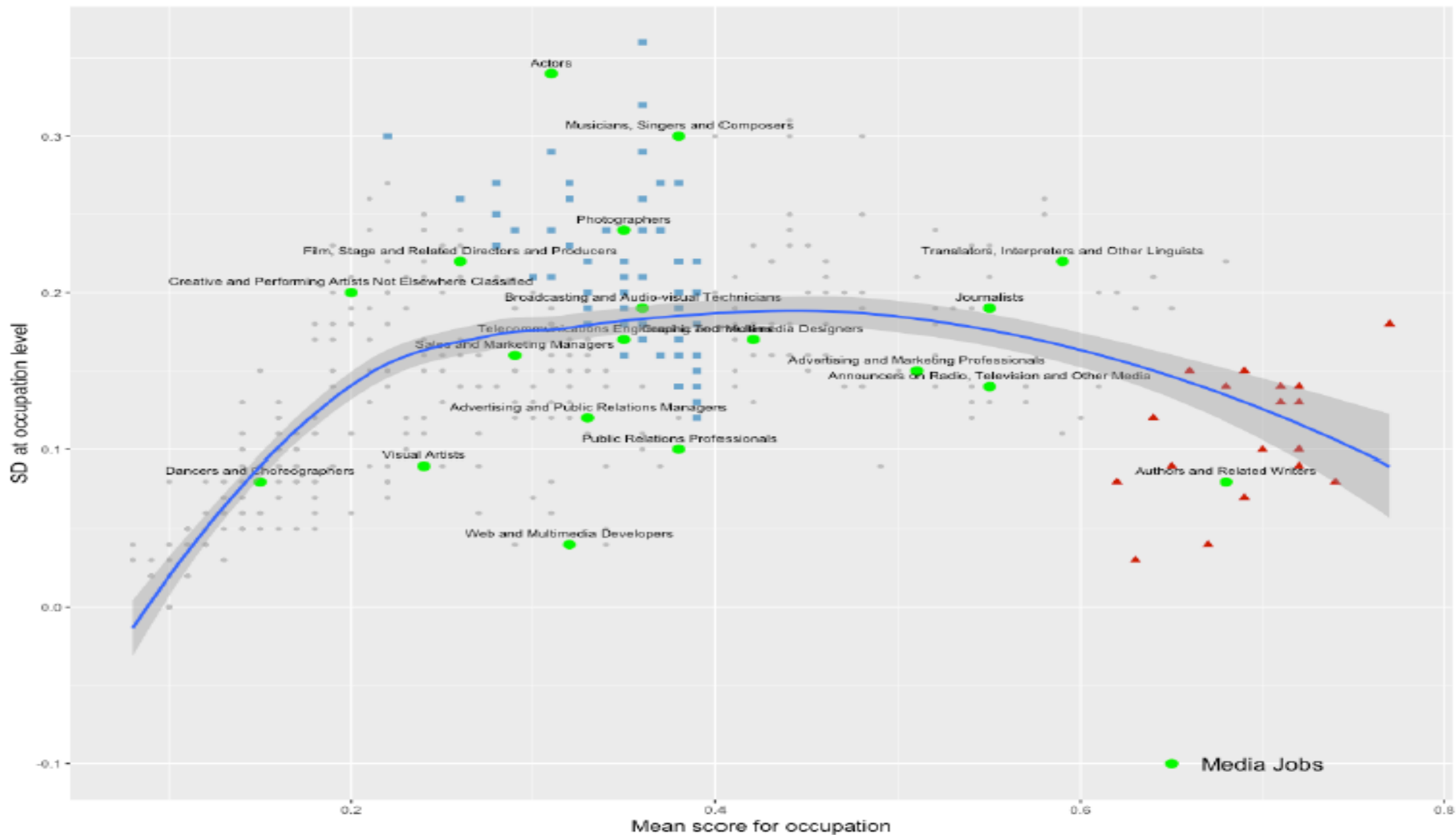
# Digitalization-driven shifts



## 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

■ Augmentation potential ▲ Automation potential ● Other occupations



# 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

## • AI'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.



## 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

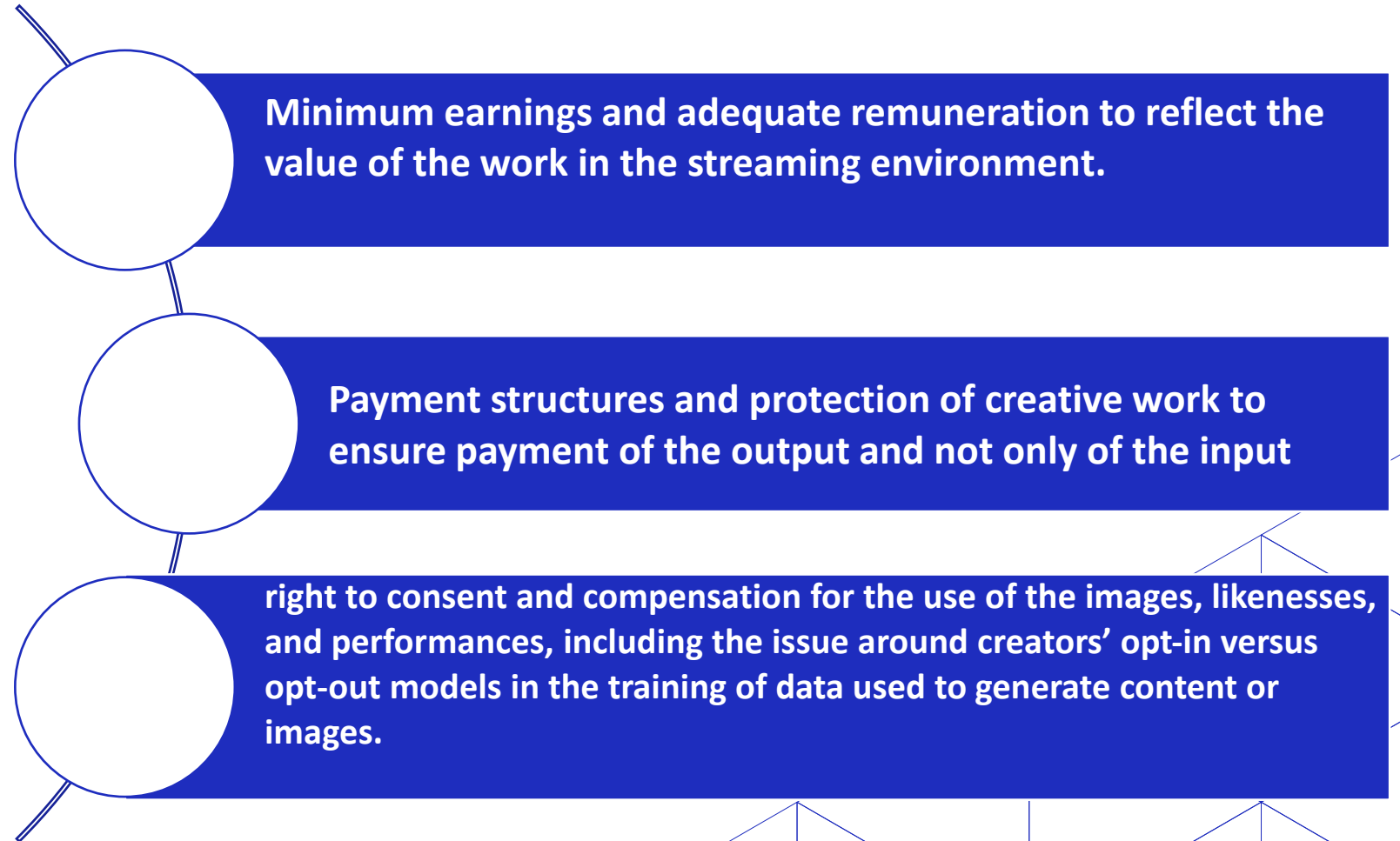
**Need for labour protection and social safety nets and retraining for AI-susceptible workers for all economies**

## 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.



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



- ▶ 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