Chapter 2 – Over Here and Overpaid

"You won't believe what they're making over here." It's a phrase whispered with envy whenever a newcomer starts pulling in more than everyone else. In the past it was directed at bankers, lawyers, even celebrity chefs. Today the whispers surround a different breed entirely: coders, data whisperers, and "prompt engineers"—people who make algorithms dance. As artificial intelligence floods our economy like a wave of newcomers, it's not just their presence that's creating a stir. It's the paychecks.

From the outside, the A.I. economy looks like a bonanza. For the right skills, companies are offering wages that would make an investment banker blush. A prompt-engineering job at a generative-A.I. startup advertises $175,000 to $335,000 per year [1]. Superstar A.I. researchers receive multimillion-dollar compensation packages. According to one report, top researchers at OpenAI can earn more than $10 million annually in salary and equity [2], while Google's DeepMind offers about $20 million per year to retain elite talent [2]. Even outside the rarefied world of "10,000x" engineers, companies looking for A.I. skills pay a steep premium. Lightcast, a labor-market analytics firm, found that job postings requiring A.I. expertise offered a 28 percent salary premium—about $18,000 more per year—compared with similar roles without those keywords [3]. Over half of these postings were in industries outside of computer science [4]. In other words, A.I. compensation is not just high; it's bleeding into every corner of the economy.

For those lucky enough to have the right degree or know the right programming language, this looks like a dream. The new labor market for machine-learning and prompt-engineering skills resembles a gold rush. Recruiters talk about "10X" or "10,000X" individuals—people whose contributions are believed to be orders of magnitude more valuable than regular staff—and they throw equity and bonuses at them like confetti [2]. But while a small cadre of A.I. talent becomes fabulously wealthy, the vast majority of workers see something very different: rising job insecurity and stagnating wages.

The Wage Gap in the Age of Algos

Imagine two people working in the same building. One spends their day writing prompts for a neural network. The other stocks shelves, answers the phone, or processes invoices. They both keep the company running, but one of them makes triple or ten times as much as the other. This is not unusual in economies with skill-based pay. Yet the speed and scale at which A.I. is creating wage inequality is startling.

PwC's 2024 *AI Jobs Barometer* noted that jobs requiring specialist A.I. skills carry up to a **25 percent wage premium**, and postings for A.I. specialists have grown 3.5 times faster than overall job postings since 2016 [5]. These roles are not confined to the technology sector; they touch healthcare, finance, marketing, law, and even retail. Meanwhile, the International Monetary Fund (IMF) warned that **40 percent of global jobs are exposed to A.I.** and that in advanced economies around **60 percent** could be affected [6]. About half of these jobs may benefit from productivity gains, but the other half could experience lower labor demand or disappear altogether [7]. In other words, A.I. raises productivity and profits for some while placing others on the chopping block.

The resulting stratification is not just about numbers. It's about who gets to participate in the future. PwC found that sectors with the highest A.I. penetration showed **4.8-fold labor productivity growth**, but the benefits accrued largely to those with technical expertise [8] . For everyone else, automation looks like a cost-cutting tool. In 2025, a Reuters survey of U.S. employers found that technology factors, including automation, were responsible for **20,000 job cuts** in the first half of the year [9] . The World Economic Forum reported that four out of ten employers anticipated workforce reductions as A.I. automates tasks [10] . As more firms embrace generative-A.I. tools, more workers worry they will be replaced. A Pew Research survey of 5,273 U.S. workers released in early 2025 reported that about **one-third** of workers believed A.I. use would lead to fewer job opportunities for them in the long run [11] . For those already precariously employed, seeing others getting rich from the very systems that threaten their jobs feels like insult added to injury.

Digital Landlords and the New Rentiers

When people talk about "economic migrants" taking jobs, they usually mean humans crossing borders. Yet in the A.I. world, the analogy flips. A.I. developers and the corporations backing them show up like digital landlords in your neighborhood, claiming an ever-larger share of value. The generative-A.I. market exploded from roughly **$191 million in 2022 to $25.6 billion in 2024**, according to IoT Analytics [12] . The same report noted that data-center graphics processing units (GPUs)—the chips that power large language models—became a **$125 billion market**, with **Nvidia controlling 92 percent** [12] . Microsoft and Amazon Web Services (AWS) dominate the foundation-model and platform segment, while large consulting firms like Accenture and Deloitte lead the A.I. services market [13] .

This level of concentration echoes concerns raised by Oxfam International. In its 2024 report *Inequality Inc.*, the organization observed that since 2020 the world's **five richest men more than doubled their wealth** while nearly **five billion people became poorer** [14] . Seven of the world's ten biggest corporations are headed by billionaire CEOs [14] , and the report warns that such monopoly power allows a few firms to set wages, stifle competition, and capture political influence. Big tech, in particular, dominates global markets: three-quarters of online advertising spending goes to just Meta, Alphabet, and Amazon; more than 90 percent of internet searches flow through Google [15] . These corporations are not just players in A.I.; they are the gatekeepers of data, distribution, and cloud infrastructure. They decide who gains access to the new gold rush and on what terms.

Nvidia's meteoric rise underscores how market concentration fuels inequality. In mid-2025 the chipmaker briefly hit a **$4 trillion market capitalization**—more than the combined value of the Canadian and Mexican stock markets [16] . The company's first-quarter revenue surged **69 percent year over year to $44.1 billion** and it projected continued growth [16] . Because Nvidia's GPUs are essential to training large language models, its value is tied directly to the A.I. boom. Microsoft, Apple, and Alphabet, each valued above $3 trillion, invest heavily in the infrastructure and platforms underpinning A.I. They become, in essence, the landlords of the digital realm, collecting rent from any startup, researcher, or user who wants to build on their platforms.

Outsourcing the Dirty Work

If A.I. experts are the landlords, who are the laborers? The parallels to human immigration become obvious when we look at how A.I. systems are built. Behind every chatty chatbot or slick recommendation algorithm

are armies of low-paid workers labeling data, moderating content, and mining minerals. They live not in Silicon Valley but in Nairobi, Manila, and Bangalore.

An essay titled "Tech Imperialism Reloaded" in *E-International Relations* lays bare the asymmetry. It explains that the economic rewards of A.I. are concentrated in the Global North, while the labor exploitation and environmental destruction are outsourced to the Global South [17] . Millions of data annotators in Kenya, India, and the Philippines earn as little as **$1.50 per hour** to tag images or transcribe audio [17] . These workers are often hired through intermediaries who impose non-disclosure clauses, leaving them with little bargaining power. Content moderators tasked with sifting through violent or abusive material suffer severe psychological trauma, yet they lack mental-health support and fair contracts [18] . The article compares this arrangement to colonial labor systems: the profits go north, the risks and toil stay south.

Environmental extraction is also part of this unequal exchange. Training large language models requires enormous amounts of electricity and water. New data centers in South Africa, Indonesia, and Brazil intensify water scarcity and rely on fossil-fuel-heavy grids [19] . The minerals needed for A.I. hardware—cobalt, nickel, and lithium—come from mines in the Democratic Republic of the Congo, Indonesia, and Bolivia. Workers there face hazardous conditions and environmental devastation while the chips they produce fuel Nvidia's record profits [20] . In this light, A.I. begins to look less like a miraculous immigrant and more like a colonial project: extracting resources and labor from the periphery while enriching a powerful core.

The same dynamic plays out within countries. In America and Europe, call-center agents, warehouse pickers, and delivery drivers find themselves replaced by algorithms and robots. Klarna, a Swedish payments company, deployed a customer-service A.I. assistant that could perform the work of **700 employees** and slashed its staff from around 5,000 to 3,800 through attrition [21] . The company boasted that the bot reduced average resolution time from 11 minutes to two and drove a **73 percent increase in revenue per employee** [21] . Recruit Holdings, the parent company of Indeed and Glassdoor, cut **1,300 jobs** —about six percent of its workforce—in 2024, citing the need to adapt to A.I. [22] . Amazon CEO Andy Jassy told employees that rolling out generative-A.I. systems would reduce corporate headcount in the coming years, even as the company invests in new A.I. tools for inventory management and customer service [23] . Logistics software company WiseTech Global cut roles in 2025 to focus on maximizing efficiency through automation and A.I. [24] . The message is consistent: A.I. makes it possible to do more with fewer humans.

Interestingly, not every company finds that replacement is so easy. Starbucks, after experimenting with an automated system that promised to reduce staffing, acknowledged that "removing labor with the hope that equipment could offset it wasn't accurate" and decided to increase store headcount [25] . Walmart announced plans to deploy A.I. "super agents" to streamline operations; executives said the tools might create as many new roles as they displace [26] . These exceptions highlight that automation is uneven and sometimes overhyped. Yet they do little to reassure workers when the narrative around A.I. constantly invokes efficiency and cost savings.

Data as the New Border Crossing

A.I. isn't just built on labor and hardware; it's built on data. In this sense, every person with a smartphone, smart home, or online account is a border crosser, their digital trails packaged and sold like raw materials. Companies collect personal information often without meaningful consent, and the benefits of these data flows accrue overwhelmingly to those who can monetize them. An international coalition might restrict

immigration through visa systems, but there is no such process for data flows. Data crosses borders freely, yet its value seldom returns to the communities that generate it.

The concentration of data is no accident. As Oxfam notes, corporate power enables firms to shape regulatory environments, avoid taxes, and privatize public infrastructure [27] . Technology giants lobby heavily against data-privacy regulations, arguing that restrictions will stifle innovation. However, the *AI Index 2025* survey of U.S. local policymakers found that **80.4 percent** support stronger data-privacy rules, **76.2 percent** advocate retraining programs for workers displaced by A.I., and **72.5 percent** favor regulations for A.I. deployment [28] . Public appetite for accountability is clear, even if legislative action lags.

In the Global South, data extraction has an even sharper edge. Many nations serve as laboratories for A.I. firms seeking unregulated markets. Facial-recognition systems are deployed in cities without democratic oversight; biometric data are collected by private companies in exchange for "digital IDs" that promise inclusion. When people complain that A.I. immigrants are "over here and overpaid," they overlook the way their own data—and the data of others worldwide—are being siphoned into corporate coffers without fair compensation. This is not an immigration issue but a resource-governance one: who owns the digital commons, and who profits from it?

Fears of Replacement and the Shadow of Resentment

The metaphor of A.I. as an immigrant resonates because it taps into familiar anxieties: fear of outsiders, fear of job loss, fear of cultural displacement. In popular discourse, these fears often coalesce around the idea that "they come here, take our jobs, and leave us worse off." When an employer replaces hundreds of call-center agents with a chatbot that never sleeps, some might say the bot is the new immigrant—cheaper, tireless, unstoppable. But that analogy misdirects our anger. Machines do not choose to undercut wages; corporations do.

The resentment toward overpaid A.I. workers is similarly misplaced. Yes, it's galling to see a prompt engineer earn $300,000 while a teacher or nurse struggles to pay rent. But focusing only on the high salaries masks the structural forces at play. In the early twentieth century, resentment toward immigrant laborers often focused on the workers themselves rather than on employers who exploited cheap labor to depress wages. Today, resentment toward A.I. tends to blame the technology or its high-earning developers rather than the system that distributes value so unevenly.

The underlying logic is the same: divide and distract. By framing the conversation as human versus machine (or native versus immigrant), elites avoid scrutiny. Oxfam's report highlights how corporations suppress wages, privatize public services, and avoid taxes [27] . These practices—not the mere presence of new workers, whether human or algorithmic—drive inequality. If anything, A.I. developers and displaced workers share more in common than one might expect. Both are subject to the decisions of executives and investors who allocate resources based on profit rather than social value.

The Illusion of Meritocracy

High salaries in the A.I. sector are often justified with the language of meritocracy. The argument goes something like this: A.I. breakthroughs require extraordinary talent, and those who can produce them deserve outsize rewards. There is some truth here. Many researchers do make significant sacrifices and

push the boundaries of what is possible. But meritocracy becomes a convenient myth when it obscures systemic advantages. The pool of people who become "10,000x" engineers is tiny not only because the work is hard but because access to top education and networks is limited. Meanwhile, millions of equally hardworking people are denied even the chance to participate.

This dynamic mirrors broader immigration debates. In many countries, high-skilled immigrants are lauded while low-skilled immigrants are vilified. We celebrate the foreign-born surgeon or software engineer but disparage the farmworker or domestic helper. Yet all contribute. Similarly, we idolize the A.I. researcher while ignoring the data annotator or lithium miner. Recognizing who does the invisible labor—and ensuring they receive fair compensation—is essential if we want an equitable A.I. economy.

The Productivity Paradox

Advocates for A.I. often argue that automation will free humans from drudgery, allowing us to focus on creative, fulfilling work. They cite productivity gains and point to sectors where A.I. augments rather than replaces labor. The reality is messier. PwC's research shows that sectors with high A.I. adoption achieve impressive productivity growth [8], but it does not automatically translate to higher wages or shorter workweeks. Instead, productivity gains can lead to layoffs and profits for shareholders. The CFO Dive analysis of 2025 layoffs attributed **20,000 job cuts** in part to automation [9]. When A.I. performs tasks previously done by humans, employers often pocket the savings rather than redistribute them.

The call for retraining is a popular response. Governments and companies promise upskilling programs, hoping to turn displaced truck drivers into coders. Yet this approach faces limits. People cannot simply will themselves into highly specialized roles that require years of education. And as A.I. improves, even some coding tasks become automated. The Pew Research survey found that 60 percent of respondents expected A.I. to change how they do their jobs within five years, while only 36 percent feared outright replacement [28]. That optimism suggests people believe adaptation is possible, but it also highlights the need for social safety nets. Without policies to protect workers, the productivity gains will continue to flow primarily to capital owners.

Lessons from Human Migration

What can debates about human immigration teach us about the rise of A.I.? First, scapegoating outsiders rarely solves underlying economic problems. When manufacturing jobs left the American Midwest in the late twentieth century, political leaders blamed foreign competition and immigrant labor. Yet the real drivers were corporate decisions to chase lower costs and higher profits. Similarly, blaming A.I. for unemployment obscures the choices of executives who deploy technology without regard for workers.

Second, mobility creates both winners and losers. Just as high-skilled immigrants can spur innovation and economic growth while low-skilled migrants may face exploitation, A.I. brings both breakthrough products and precarious gig work. The challenge is to harness the benefits while mitigating the harms. Immigration debates have shown that inclusive policies—such as fair wages, labor protections, and pathways to citizenship—yield better outcomes than exclusionary ones. The same may hold true for A.I.: regulation, taxation, and worker protections can ensure that gains are shared.

Third, narratives matter. Immigrants have long been portrayed as threats or saviors depending on political agendas. A.I. is going through a similar process. Tech-industry marketing sells A.I. as a panacea: smarter, faster, better. Critics warn it will destroy jobs and democratic institutions. The reality lies between those extremes, and our policies will reflect whichever narrative prevails. That is why a sober, human-centered understanding of A.I. is so important.

Toward a More Equitable Future

If we accept the metaphor of A.I. as an economic migrant, we must also decide what kind of society greets these newcomers. Do we allow them to become overlords, extracting value without accountability? Or do we integrate them into our communities on our terms, with protections for those who might be displaced? This is not a technological question but a political one. We need democratically set rules that determine who benefits when algorithms perform work previously done by humans.

Several policies could help. First, enforce antitrust laws to prevent the consolidation of A.I. infrastructure in the hands of a few firms. The fact that 92 percent of the data-center GPU market belongs to a single company [12] is a clear warning sign. Breaking up monopolies or establishing public options for A.I. services could democratize access.

Second, tax windfall profits from automation and reinvest the proceeds in social infrastructure, education, and universal basic income. Oxfam's report points out that corporate tax rates have halved since 1980, depriving governments of revenue [27]. Reversing that trend could fund support for displaced workers.

Third, implement strong data-privacy protections and data trusts that give communities control over how their information is used. The overwhelming support among U.S. local policymakers for stricter data-privacy rules [28] shows political will for such reforms.

Fourth, require companies to conduct impact assessments before deploying A.I. systems, similar to environmental impact statements. These assessments should examine potential job displacement, wage effects, and environmental costs. They should also consider global supply chains: companies should be responsible for labor conditions of data labelers and miners. Enforce fair labor standards globally, so that the people labeling data for $1.50 an hour [17] are protected and paid fairly.

Finally, invest in worker-led innovation. A.I. can augment human capabilities and create new types of work, but only if workers have a say in its deployment. Collective bargaining agreements could include clauses on automation, requiring employers to share productivity gains with employees rather than simply cutting jobs.

A Final Reflection

When we look at A.I. through the lens of migration, the metaphor is imperfect but instructive. Yes, these systems move across borders, languages, and industries. They are strange, sometimes threatening, sometimes liberating. They can be over here and overpaid. But the real story isn't about the algorithms themselves. It's about us—how we distribute wealth, how we value labor, how we treat outsiders, and how we respond to change.

At the beginning of this chapter, we met the prompt engineer who makes six figures and the call-center agent replaced by a chatbot. One draws envy; the other evokes sympathy. Both are characters in a larger drama about power. Rather than turning them against each other, we might ask: who decides that one is worth more than the other? Who benefits from pitting them against one another? And what kind of economy do we want to build as more "bloody algos" arrive?

Just as societies have learned—often painfully—that immigration can be managed in ways that are humane, equitable, and productive, we can choose how to integrate A.I. into our lives. We can let corporate landlords reap the profits while workers around the world struggle, or we can create structures that share the gains. The challenge is not to stop A.I. at the border but to ensure that it doesn't become another instrument of exclusion. The problem isn't who's overpaid. It's who decides what work is worth—and whether we have the courage to question them.

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