



European Economic Area
Consultative Committee

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RESOLUTION AND REPORT
on the
challenges and opportunities of greater use of artificial intelligence in working life

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RESOLUTION
on the
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The Consultative Committee on the European Economic Area (EEA CC):

- Having regard to the EEA Agreement, and in particular Article 96 thereof,
- having regard to the Proposal for a Regulation of the European Parliament and of the Council of 21 April 2021 laying down harmonised rules on Artificial Intelligence (Artificial Intelligence Act) and amending certain Union legislative acts,¹
- having regard to the Proposal for a Directive of the European Parliament and of the Council of 9 December 2021 on improving working conditions in platform work.²

While:

A) Acting in accordance with its Rules of Procedure, and in particular Article 2(2) thereof,

B) acting in accordance with its mandate to enhance the awareness of the economic and social aspects of the growing interdependence of the economies of the EEA states and of their interests, as laid down in Article 96(1) of the EEA Agreement,

C) noting the European Economic and Social Committee (EESC) Opinion on Working conditions package – platform work adopted in the EESC Plenary on 23 March 2022,³

¹ Proposal for a Regulation of the European Parliament and of the Council laying down harmonised rules on Artificial Intelligence (Artificial Intelligence Act) and amending certain Union legislative acts COM/2021/206 final, European Commission: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0206>

² Proposal for a Directive of the European Parliament and of the Council on improving conditions in platform work, European Commission: https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6605

³ Working conditions in platform work opinion, EESC opinion: <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/working-conditions-package>

D) taking note of the European Economic and Social Committee (EESC) Opinion on the Regulation on artificial intelligence adopted on 22 September 2021,⁴

E) being mindful of the Comment of the EEA EFTA States: Iceland, Liechtenstein and Norway, on Artificial Intelligence from 29 May 2020,⁵

Whereas:

- A. artificial intelligence systems have the potential to increase people's capacity to do work and replace certain jobs centred on repetitive and mechanistic tasks.,
- B. although algorithmic management is not prevalent in the general world of work at the moment, due to its potential to increase productivity it is expected to significantly grow in the near future.

Has adopted the following Resolution, by which it:

1. welcomes the proposed Directive of the European Parliament and of the Council on improving working conditions on platform work⁶ by: A) enhancing transparency on how the algorithms work; B) maintaining monitoring by humans to assess the impact of these systems on working conditions; C) providing a possibility of contesting automated decisions; D) facilitating information-sharing and holding consultations for workers on automated systems; E) supporting skills acquisition by employees;

⁴ Regulation on artificial intelligence, EESC Opinion: <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/regulation-artificial-intelligence>

⁵ EEA EFTA Comment on Artificial Intelligence, EFTA: <https://www.efta.int/sites/default/files/documents/eea/eea-efta-comments/2020/EEA-EFTA-Comment-on-AI-and-Data-Strategy.pdf>

⁶ Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work. European Commission: https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6605.

2. recognises that although many of the areas related to artificial intelligence (AI) are covered by existing legislation, both EU and EEA EFTA governments should address issues raised by the increased use of artificial intelligence in the workplace in a comprehensive and systematic manner more generally while following principles such as transparency and human monitoring, as proposed in the Directive of the European Parliament and of the Council on improving working conditions on platform work;
3. recognises that a digital mature public sector is important for the facilitation of efficient implementation of AI in companies. Hence promoting innovative use of new technologies in public service must be enhanced, for example, considering the great challenges faced by the demographic development in many countries, use of welfare technology enhanced by AI could be a valuable contribution. Though it must always be developed in line with the vision of the service and the professional ethics of the professions involved. The ownership of data must be served in the interests of the individual and the society.
4. notes that the proposal for an Artificial Intelligence Regulation,⁷ and the risk-based regulatory framework, is an important step in ensuring that such systems are used in a positive way, preventing high risks, assessing existing risks, and ensuring they remain low. We do note however a gap between the directive on improving working conditions on platform work and the AI regulation for workers in general being monitored by AI which could be filled;
5. highlights the importance of social dialogue in this context and stresses the urgent need to strengthen the role of the social partners when it comes to the designing and deployment of, AI in companies and its effect on working conditions;

⁷ Artificial Intelligence Act, EUR-Lex: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021PC0206>

6. emphasises the importance of transparency, as well as the need to provide clear information and consultations for workers given the level of intrusion of certain automated systems, which include surveillance and monitoring;
7. underlines the urgency of imposing clear limits and regulating high-risk areas, such as data collection in workplaces in a proportionate manner, without endangering employees' physical and/or mental health. Since people are more mobile, this means that they have more opportunities to choose a workplace that highlights the importance of transparency and ethical data management;
8. emphasises that AI in the education sector when used in accord with the seven principles also could have great benefits. At the same time the EEA CC advises great caution in the application of IA in connection with data connected to minors.
9. highlights that the application of AI should be based on the seven principles developed by the Commission's expert group⁸ and on the EU Charter of Fundamental Rights.⁹ When implementing AI systems based on data-sets from other countries, values and standards that are the basis in the country of origin can be built into the systems. It is important to ensure that systems do not have a negative view of, e.g., trade union work, family-related absence, or sickness absence;
10. underscores that employees and self-employed persons in digital businesses, i.e., platform companies, must be guaranteed the same rights and benefits as employees in other companies. The emergence of new types of companies must never be used as an excuse for impairing real employer responsibility;

⁸ Ethics Guidelines for Trustworthy AI, Independent High-Level Expert Group on Artificial Intelligence, <https://www.ccdcoe.org/uploads/2019/06/EC-190408-AI-HLEG-Guidelines.pdf>

⁹ Getting the Future Right – Artificial Intelligence and Fundamental Rights, European Union Agency for Fundamental Rights, https://fra.europa.eu/sites/default/files/fra_uploads/fra-2020-artificial-intelligence_en.pdf

11. recommends introducing long-term education/vocational training policies reducing the likelihood of people with insufficient knowledge on artificial intelligence remaining lower paid;
 12. highlights the need for employees whose jobs are affected by the implementation of AI systems to be retrained, to provide them with the capacity and skills they need to work with AI systems and thereby increase their productivity;
 13. emphasises that employees who are at risk of losing their job because of technological change must quickly gain access to reskilling and education, supported by employers, to be able to keep the job or qualify for other work;
 14. underlines that the different initiatives of the European Skills Agenda should be utilised to help with the upscaling and rescaling that is necessary for the labour markets to transition and adapt to the changes. It is essential to support people's skills acquisition to make them better prepared for the new system;
 15. highlights the crucial role that work councils play when negotiating the terms of use for the data collected;
 16. points out that employers, businesses and the state should be jointly responsible in matters relating to automation.
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**Report
on the
challenges and opportunities of greater use of artificial intelligence in working life**

1. Introduction

- 1.1. Following the COVID-19 pandemic, we have learned that remote working, home office and flexible working schemes will remain the "*new normal*" – at least to a certain degree. We also have to understand that *digital business models* and *algorithmic management* will increasingly shape our world of work. These models need to be designed in a people- and values-oriented way. In a broader societal sense, part of the challenge is to guarantee the digital inclusion of particularly vulnerable groups.
- 1.2. The benefits of a completed Digital Single Market in the European Union are forecast to contribute approximately EUR 415 billion a year to the EU Member States' economic output.¹⁰ Predictive maintenance, digital platforms and quantum computing are just three examples of how digital technologies will have a significant impact on the digitalisation of the European economy. The digital transformation brings significant opportunities for companies and their employees across Europe.
- 1.3. At the same time, many enterprises face not only a huge degree of legal uncertainty in their cross-border activities, but they are also at a significant risk of falling behind. The reasons are many, partly lack of access to or absence of investment resources, and a lack of skills, which applies generally to many MSMEs (micro-, small and medium sized enterprises) and affects microenterprises in particular.

¹⁰ Opinion of the EESC on Exploiting the economic and social opportunities of digitalisation and improving the digital transformation of the economy, especially SMEs, focusing on human-centred artificial intelligence and data <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021AE2564&from=EN>

- 1.4. In a post-pandemic economy, we need to ensure that small and medium-sized enterprises in certain, particularly hard-hit sectors (mainly service areas such as retail, hospitality, and tourism), do not lose ground because investment needs are too high (and savings have been exhausted after two years of pandemic).
- 1.5. Advancing technical development and the digital transformation of the economy also entail certain risks that have to be borne in mind in efforts to fully exploit their potential. Therefore, it is necessary to ensure that, along with technological progress and digitalisation, mechanisms are in place to counteract the digital exclusion of particularly vulnerable groups.
- 1.6. When it comes to the workplace, as a basic principle in the age of digitalisation, decent work, and further training (*life-long learning*) must be provided for all employees. There is a broad agreement that, in addition to employers in all companies, employees and/or their representatives must be involved at an early stage in the deployment of artificial intelligence (AI) and algorithmic management that directly affect employees, and in determining how to use these instruments. Employees must be given the opportunity to be trained or retrained for the new jobs in the digital world of work with foresight and in good time.
- 1.7. One of the keys to the success of the EU's European Digital Single Market will be openness to technology in the regulation of new digital business models and applications such as AI, and access to innovation funding so that Micro, Small and Medium Enterprises (MSMEs) can benefit from the advantages of such new digital applications.
- 1.8. Both the EESC and EEA EFTA members have been at the forefront of the debate on AI, demonstrating the relevance and importance of this issue now and in our immediate future.¹¹

¹¹ EESC Opinion on Working conditions package – platform work adopted in the EESC Plenary on 22/03/2022 https://dm2016.eesc.europa.eu/com/2021/layouts/15/WopiFrame.aspx?sourcedoc=%7B0A49CCD1-31FB-4D63-ABF8-6132689D449C%7D&file=com761-2021_part1_ext_en.docx&action=default&DefaultItemOpen=1.

2. Artificial intelligence in today's world

- 2.1. Many leading scientists, key political, social, and economic stakeholders and regulators consider today's AI and algorithmic management to be the most important aspects of digitalisation. Other important issues include the integration of advanced technologies into society and transitioning to a gigabit society. Emerging technologies such as AI and data economy could certainly enable the EU and EEA EFTA countries to recover more rapidly from the crisis and become the world's leading digital society.
- 2.2. AI has obviously gone through rapid development in the past decade. It has acquired a solid scientific basis and has produced many successful applications. It provides opportunities for economic, social, and cultural development, energy sustainability, better health care, and the spread of knowledge. Serious risks can accompany these opportunities, including unemployment, a growing inequality, discrimination, social exclusion, surveillance of private life, and manipulation, resulting occasionally even in infringement of individual and human rights.¹²
- 2.3. The integration of AI and big data can undoubtedly deliver many benefits for economic, scientific, educational, and social progress. However, it also contributes to risks for individuals and for the whole of society, such as pervasive surveillance and influence on citizens' behaviour, polarisation, and fragmentation in the public sphere.
- 2.4. Thanks to AI, all kinds of personal data can be used to analyse, forecast, and influence human preferences, behaviour and consumption trends, resulting in opportunities that transform such data, and the outcomes of their processing, into valuable commodities. In many cases, automated predictions and decisions are not only cheaper, but also more precise and impartial than human ones, as

¹² Legal and human rights issues of AI: Gaps, challenges and vulnerabilities, Rodrigues (2020), <https://www.sciencedirect.com/science/article/pii/S2666659620300056>

AI systems can, if designed carefully, avoid the typical fallacies of human psychology and can be subject to rigorous controls.^{13 14}

2.5. However, algorithmic decisions may also be mistaken or discriminatory, for instance in the case of hiring and recruitment processes. Even when automated assessments of individuals are fair and accurate, they are not without problems as they may negatively affect the individuals concerned, who are subject to pervasive surveillance, persistent evaluation, insistent influence, and possible manipulation.

3. Work and skills

3.1. There are assumptions that digital technologies might destroy some jobs, and there is no certainty that these technologies will lead to more and better jobs. Technology may and should help to improve skills and raise the quality of work, leading to upskilling, reskilling and improvement in the quality of jobs. At the same time, digital technologies, and AI, can lead to skill gaps, greater inequality and a more dualized labour market by deskilling and creating and embedding low-paid, low-autonomy work. They can also erode job quality by eliminating valuable skills, increasing monitoring at work, and extending atypical work.

3.2. There is an ever-increasing need to guarantee worker representatives better and greater involvement at each incremental stage of the life cycle of any technological tracking procedure, and for European states to firmly establish co-determination rights. Ongoing discussion of these issues needs to be increasingly prioritised on the social dialogue agenda.

3.3. In addition to the role of conventional trade unions and workers' councils, it is of great practical importance that employers' associations are partners in writing codes of conduct for data tracking and processing activities. For this, collective

¹³ The ethics of artificial intelligence: Issues and initiatives, European Parliament Research Service, [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/634452/EPRS_STU\(2020\)634452_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/634452/EPRS_STU(2020)634452_EN.pdf)

¹⁴ Artificial intelligence: How does it work, why does it matter and what can we do about it? European Parliament Research Service, [https://www.europarl.europa.eu/RegData/etudes/STUD/2020/641547/EPRS_STU\(2020\)641547_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/641547/EPRS_STU(2020)641547_EN.pdf)

agreements are vital. Policy options are essential regarding how to ensure trade unions'/workers councils' involvement at all stages, how to introduce and enforce codetermination in labour law in Europe, how to require businesses to compile certification and codes of conduct and how to prioritise collective governance.

- 3.4. Ideally, workers' interests should always be at the forefront of company approaches to privacy and data protection, and workers' representatives must always be consulted when new technology is considered for workplace operations and analytics. A rapid increase in employees' stress and anxiety has been noted, as well as the greater accuracy of face-recognition, tracking and monitoring technologies.¹⁵ However, it has also been observed that workers' representatives have so far played little part in the relevant technological and policy debates, which have neglected the concept of consent.
- 3.5. AI has been deployed across the globe to improve understanding of the potential consequences of the viral infection for different economic sectors. Companies have increasingly relied on machine-learning-enabled systems to re-engineer production delivery in the face of massive disruption of supply chains. (Machine translation can result in faster delivery of papers, better quality and time saved for other tasks.) Policymakers have also turned to AI technologies because of their great potential to raise the quality of remote education delivery, especially at times when schools and education systems struggled to remain accessible to learners.¹⁶
- 3.6. A high proportion of jobs (14%) are still at great risk of being automated in the EU.¹⁷ Occupations identified as "high-risk" due to earlier coronavirus exposure

¹⁵ Research by the European Parliament (EP regulating facial recognition in the EU):

[https://www.europarl.europa.eu/RegData/etudes/IDAN/2021/698021/EPRS_IDA\(2021\)698021_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/IDAN/2021/698021/EPRS_IDA(2021)698021_EN.pdf)

¹⁶ Strengthening online learning when schools are closed: The role of families and teachers in supporting students during the COVID-19 crisis, OECD, <https://www.oecd.org/coronavirus/policy-responses/strengthening-online-learning-when-schools-are-closed-the-role-of-families-and-teachers-in-supporting-students-during-the-covid-19-crisis-c4ecba6c/>

¹⁷ What happened to jobs at high risk of automation? OECD Study, 2021 <https://www.oecd.org/future-of-work/reports-and-data/what-happened-to-jobs-at-high-risk-of-automation-2021.pdf>

and social distancing have also been found to correlate slightly with those facing higher automation risk. Many of the occupations and sectors most affected by COVID-19 were typically in the service sector (hospitality, tourism, leisure, retail) and are heavily reliant on interpersonal skills, which are less replaceable with AI technologies. AI technologies may facilitate the transition to better-quality jobs and increase demand for skills which cannot be automated, such as creativity, leadership, organisational and interpersonal communication skills.

- 3.7. The impact of AI on the future of jobs is likely to include displacement of tasks by AI-based technologies, rather than the replacement of jobs. AI is likely to disproportionately displace low-skilled and low-wage jobs. European countries where technology has a high take-up may experience minimal or positive net employment effects, depending on the role that sectors affected by AI play in the labour market. However, countries with low technology take-up and a high proportion of jobs with well-defined task routines are expected to experience negative net employment effects.¹⁸
- 3.8. Job displacement effects due to AI may contribute to a rise in platform work, adding multiple risks in terms of job quality. Countries with visible lower levels of labour market segregation and strong collective bargaining frameworks are more likely to benefit from AI in terms of decent jobs.
- 3.9. The way AI is incorporated into the legal frameworks regulating labour markets will play a large part in determining the ultimate impact of AI on decent jobs.¹⁹
- 3.10. AI has the potential to bring both risks and opportunities when it comes to working conditions. On the one hand, it can radically reduce the risk of dangerous, monotonous (repetitive) or unhealthy work and working conditions, encourage the development of specialist or certain soft skills, and improve

¹⁸ Deshpande, A. et al., 2021, Improving working conditions using Artificial Intelligence, Publication for the Special Committee on Artificial Intelligence in a Digital Age, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, Luxembourg

¹⁹ Improving working conditions using Artificial Intelligence, European Parliament Study, [https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662911/IPOL_STU\(2021\)662911_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2021/662911/IPOL_STU(2021)662911_EN.pdf)

accessibility to certain jobs. On the other hand, the application of automated technologies to the job market will bring physical and psychosocial risks. The use of AI software to monitor and manage employees may reduce bias in human decision-making processes and identify skills needs, but also reinforce existing biases, increase psychological risks and result in unprecedented amounts of personal data held by employers.

4. Digital businesses

- 4.1. Digital businesses generate more sales with a need for fewer jobs. A large number of scientific studies conclude that the net effects of digitalisation on the labour market will lead to an increased unemployment. As a result, digitalisation may result in the polarisation of incomes, as the share of gross domestic product (GDP) attributed to wages falls, while the share of investment income rises. This polarisation of incomes may depress purchasing power.
- 4.2. The rise and geographical concentration of *digital giants* (mainly in the USA and PRC) with monopolisation and oligopolisation have noticeably distorted competition.
- 4.3. As digital apps have great potential to advance sustainable consumption (such as *ResQ Apps*, helping to prevent food waste²⁰), the Consultative Committee of the European Economic Area calls on national and local governments to support cooperative sharing platforms as well as ecommerce platforms offering sustainable products. A new smart, sustainable system for sustainable food labelling would provide comprehensive information about products to promote sustainable consumer choices and lead to healthier diets.
- 4.4. In our view, digitalisation and algorithmic management must advance transparency and responsibility along product chains. We support the German government's proposal²¹ to establish a "digital product pass", with information

²⁰ Resq Club, <https://www.resq-club.com/>

²¹ Digital Policy Agenda for the Environment, German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, <https://www.bmu.de/en/download/digital-policy-agenda-for-the-environment>

on materials and standards used in production to identify shortcomings in sustainability production in line with the European CSR-strategy, including labour standards.

- 4.5. It is essential to support trustworthy, explainable AI and algorithmic management in order to fight discrimination and any manipulation, to empower citizens. We call for AI with societal awareness in order to fight polarisation, monopolistic concentration and excessive inequality and pursue diversity and openness.
- 4.6. In our view, AI could and should help people increase the efficiency with which things are done, the quality of public and private services provided, and vastly improve our decision-making processes by analysing large amounts of data. However, AI may also have a disruptive effect on the economy and society. Some warn that it could lead to the creation of “super global firms” – hubs of wealth and knowledge – which could have detrimental effects on the wider economy. It may also widen the gap between developed and developing countries.²²

5. Law and rights

- 5.1. Since there are many different kinds of AI and algorithmic management, their regulation cannot be single and unitary, not even with respect to liability rules. However, in order to facilitate fast scientific progress, we support the view of those who suggest that AI regulations need to be neutral.
- 5.2. AI and algorithmic management are and will be used in the most diverse fields of applications, ranging – but not limited to – consultancy (in the financial, legal and medical sectors), consumer products and services, mobility, online connectivity (including through platforms), energy production and distribution (e.g. smart grids), looking after vulnerable individuals (elderly people, children, people with disabilities), policing and justice administration.

²² EP research on economic impacts of artificial intelligence, July 2019

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/637967/EPRS_BRI\(2019\)637967_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/637967/EPRS_BRI(2019)637967_EN.pdf).

- 5.3. The field of law enforcement and criminal justice is particularly sensitive, as it touches upon core issues of the relation between the individual and the state.
- 5.4. The advent of AI in the field of law enforcement and criminal justice is a reality, as AI systems are increasingly being adopted these days.²³ Such systems might take many different forms and are introduced at the crossroads between different sustained trends with a view to increase the use of data, algorithms, and computational power; these developments are interconnected.
- 5.5. We are aware that AI applications in the area of security and justice have the potential to facilitate the work of police and judicial authorities and enhance security and the functioning of justice systems. They could arguably improve suspect and victim identification, crime prevention and risk assessment. However, the use of AI for law enforcement and judicial purposes can have adverse effects, undermining fundamental rights, such as the right to non-discrimination, the right to protection of personal data and to a private life, the right to freedom of expression, and the right to a fair trial. Facial recognition technologies, predictive policing tools and tools to assess the risk of people re-offending pose particular concerns, given the increased risk of reproducing bias and perpetrating discrimination. AI applications also carry security risks, as they can be both the means and targets of cyber-attacks, and criminals can abuse them for malicious purposes.²⁴

6. Summary and conclusions

- 6.1. **Human individuals** must constantly be in charge, supervise and manage/control any use of artificial intelligence and algorithmic management tools.

²³ AI and Law Enforcement. A study for the LIBE Committee of the EP, Oct. 2021

[https://www.europarl.europa.eu/RegData/etudes/STUD/2020/656295/IPOL_STU\(2020\)656295_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2020/656295/IPOL_STU(2020)656295_EN.pdf).

²⁴ AI and criminal law. A study for the EP, October 2021

[https://www.europarl.europa.eu/RegData/etudes/ATAG/2021/698039/EPRS_ATA\(2021\)698039_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2021/698039/EPRS_ATA(2021)698039_EN.pdf).

- 6.2. **Artificial Intelligence and algorithmic management must help to** make human work easier, less repetitive, and more effective. The same basic requirements apply to human lives.
- 6.3. **European businesses** are rightly interested in maintaining their global competitiveness, reducing their production and delivery costs, thus aiming to gain more income and higher profit levels while bearing a fundamental responsibility in regularly reskilling and upskilling workers. This will allow consumers earning a higher income to purchase products and services priced at a higher level.
- 6.4. To better comply with labour market needs and have access to higher wages, **European workers** have to regularly improve/adapt their AI required skills. For these reasons, ongoing AI development related discussions between employers and employees are of key importance at both **social dialogue and company levels**.
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