

Humanizing the Future of Work in the EU: Beyond the Pandemic

Takeaways

1. Steer innovation towards accountable AI systems to achieve Excellence in Trust
2. Put codesign at the center of the adoption of AI at work through social dialogue
3. Prepare the labour market for the AI-enabled digital transition with new ways of thinking
4. Make SMEs part of the solution by supporting them to provide high-quality jobs

Urgency & opportunity for the Future of Work in Europe

Soon after Europe started locking down and many EU employees experienced remote work for the first time, 75.7% of them wanted to continue working from home at least occasionally, even without COVID19 restrictions. They also reported a positive experience teleworking during the pandemic. However, only 15.7% wished to telework all the time.¹ As the labour market transitions towards an hybrid model over the coming years -with both on-site work and remote work expected for a given worker-, a lot of adjustments, layoffs and hiring will take place and new technologies developed. The EU is taking this digital transition of labour seriously: part of the €134 billions for digitalisation in the Recovery and Resilience facility will be spent on skills, education and training.² The crisis has also re-invigorated discussions around the European Unemployment Benefit Scheme and the European Pillar of Social Rights Action Plan. With both the needs and the means for action, what should we do to humanize the Future of Work in the EU? How to ensure the EU is fit for the Future of Work?

Recommendation 1: Achieve Excellence in Trust

Steer innovation towards accountable AI systems

The use of AI holds great potential for making the labour market more efficient by systematising hiring, training, performance management, firing, etc. Besides economic efficiency, AI systems could help ensure social fairness - improving on human decision-makers, AI decision-makers can have their assumptions and biases made explicit and their track record formally assessed, ensuring fairer, more merit-based outcomes. This is currently not the case, and therefore the proposed EU AI regulation classifies these use cases of AI as high-risk.³ As auditing and

¹ Eurofound (2020) [Living, working and COVID-19 dataset](#)

² European Commission (2021), [Recovery and Resilience Facility](#)

³ European Commission (2021) [Proposal for a regulation of the European Parliament and of the Council 2021/0106 \(COD\)](#)

assessment technologies become more cost-effective, complying with regulations will become less costly. To maintain its competitiveness and uphold its values, the EU should incentivize R&D for these auditing and assessment technologies. In the long term, we can envision a world where algorithms indeed help humans be more efficient and accountable for sensitive decisions.

Recommendation 2: Social dialogue

Put co-design at the center of the adoption of AI at work

Nevertheless, during this long term transition, how can we ensure workers' fundamental rights are respected while still enabling the productivity gains that'll make the EU more competitive? At the company level, only efficient forms of dialogue between workers and employers can ensure that the application of these algorithms -even if compliant- is trustworthy. Technology adoption is a human choice and there is evidence that unconcerted adoption can have a counterproductive effect for companies' bottomline.⁴ Ensuring that this dialogue upholds workers' rights affected by AI (right to privacy, the right to disconnect, etc.) will foster trust and therefore more economically productive interactions of employees with technologies. To do so, the broad range of tools available to facilitate the responsible adoption of AI must factor in workers in the process, which is so far not the case.⁵ Moreover, all actors of the work environment (employers, employees, individual contractors, authorities, unions) need to upskill on the application of these technologies to achieve new, informed and meaningful social agreements. From company-wide training to pedagogical assessment lists for AI trustworthiness at work, new methods and practices for social dialogue need to be developed for workers and employers to design the adoption of AI at work together.

Recommendation 3: New ways of thinking

Prepare the EU labour market for the AI-enabled digital transition

Active labour market policies have so far had mixed results overall. Some innovative approaches -such as partnership-based sectorial formation,⁶ reskilling funds, digitalisation of education and employment services- have had more successes. These new actors and models of organisation will be needed to efficiently govern the "professional transition" market of education, job search, reskilling, employment, entrepreneurship, etc. As a first step, Public Employment Services' mandate at the national level should be expanded to address the specific nature of digital jobs created. For a future transition, these services will also have to serve the self-employed (for monitoring new business models and better accompanying micro-entreprise growth) and the employees (for reskilling plans and upholding the quality of work) beyond the unemployed. Likewise, in a world where AI-enabled capital complements human workers and where lifelong training grows productivity over time, there is no longer any reason to provide more fiscal incentives for investment in physical capital and not in human capital. Correcting this costly market distortion that persists today will incentivize better retention and lifelong learning policies.

⁴ Nurski, L. (2021) [Algorithmic management is the past, not the future of work](#)

⁵ Colclough, C. (2021) [Audits & Impact Assessments 2.0](#)

⁶ Blanchard, O. & Tirole, J. (rapporteurs) (2021) [Les Grands Défis Économiques](#)

Recommendation 4: Make SMEs part of the solution

Support SMEs to provide high-quality jobs

A successful digital transition of the EU labour markets will require SMEs' uptake of new digital technologies. Indeed, SMEs provide 2 out of every 3 jobs in the EU. Yet, while 39% of large enterprises use two or more AI-enabled technologies in their processes, only 21-22% of micro- and small enterprises do so.⁷ Furthermore, over 70% of SMEs still lack access to talent for their new investments.⁸ The European Commission's strategy for SMEs aims to address the gap in talent, but structural incentives are needed for SMEs to continue to invest in the skills and quality of life of their workers once that gap is closed. This will be key for the EU to maintain its global edge over the long term. Finally, the EU SME Strategy should support the specific capacity-building efforts required of SMEs to adopt responsibly the AI systems needed for the Future of Work's hybrid models.

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⁷ European Commission (2020) [Artificial Intelligence: first quantitative study of its kind finds uptake by businesses across Europe is on the rise](#)

⁸ European Commission (2020) [An SME Strategy for a sustainable and digital Europe. COM\(2020\) 103 Final](#)