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SOCIAL DIALOGUE AND THE USE OF ARTIFICIAL INTELLIGENCE IN THE WORKPLACE



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1. GLOBAL DEAL FOCUS GROUP ON SOCIAL DIALOGUE AND THE USE OF AI SYSTEMS IN THE WORKPLACE

In early 2024, the Global Deal established a focus group to explore the role of social dialogue in addressing the challenges and opportunities associated with the use of AI systems in the workplace. The Focus Group was composed of Global Deal partners from trade unions, businesses and employers' governments, and organisations, other relevant stakeholders. Experts from ILO and OECD were also invited to bring in their expertise on AI systems and the role of social dialogue. Recognising the significance of fair and inclusive practices in the workplace, the Focus Group contributed to the debate on the introduction of AI in the workplace focusing on three aspects:

1. The impact of AI on employment and working conditions

2. The adoption of AI in the workplace through inclusive social dialogue

3.The promotion of social dialogue to accompany labour market transformations

The Focus Group represented a unique opportunity to harness and build the knowledge of workers, employers and governments in navigating the evolving landscape of AI in the workplace. The meetings were chaired by Sabina Dewan, President & Executive Director of the JustJobs Network. The kick-off session took place on March 27, 2024. Participants decided to hold thematic sessions to share good practices from trade unions, businesses and employers' organisations, and governments on May 7th, June 4th and July 2nd. The group finished its work with a final meeting



in October, during which the key findings were discussed. This note brings together the expertise and knowledge shared by ILO and OECD experts in their presentations, and a collection of successful approaches and good practices discussed during the Focus Group meetings¹, aiming to demonstrate practical and effective ways of using social dialogue for the safe, ethical and responsible adoption of Al in the workplace.

^{1 -} The Global Deal thanks the presenters in the Focus Group meetings, in order of presentation, namely Janine Berg, ILO; Jullie Lassebie, OECD; Sandrine Cazes, OECD; Kate Lappin and Hannah Johnston, Public Services International; Marguerita Lane, OECD; Maxime Staelens and Guillaume Afellat, SGI Europe; Massimo Mensi, UNI Global Union; Angelica Salvi Del Pero, OECD; and Mary Beech, U.S. Department of Labor.

2. AI ADOPTION IN THE WORKPLACE

The OECD provides a comprehensive definition of Artificial Intelligence (AI), describing it as "a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment".² According to ILO,³ there exists two distinct types of AI adoption in the workplace. While the first one is about automating or augmenting tasks that workers perform, including through the use of generative AI, the second one refers to algorithmic management, i.e. the use of Albased analytics and algorithms to automate managerial functions.

AI technologies are rapidly advancing and being integrated in the workplace in many ways ranging from automating manual tasks (e.g. data entry and document processing), to increasing accuracy and speed in some white-collar tasks (e.g. auditing), to supporting management tasks (e.g. automated decisionmaking). Al applications, such as machine learning algorithms and data analytics, as well as combinations of AI with older technologies, such as robotics, have significantly transformed several sectors including services, manufacturing, healthcare. finance and logistics.

The OECD AI surveys of employers and workers in the manufacturing and finance

sectors, covering a total of 5 334 workers and 2 053 firms in Austria, Canada, France, Germany, Ireland, the United Kingdom and the United States, reveal that AI was already impacting work before the advent of generative AI systems. Workers generally perceived its impact on their performance, enjoyment of work, physical and mental health as positive, despite some concerns about job stability and wages.⁴

Another OECD questionnaire collected the perspectives of workers and employer organisations through TUAC (the Trade Union Advisory Committee to the OECD) Business@OECD and networks across OECD countries to shed light on the main opportunities and risks of AI adoption in the workplace, according to social partners⁵ (Figure 1). With respect to potential risks, organisations cite employers changing skills requirements as the greatest concern, whereas trade unions are most concerned about the trustworthy use of AI. With respect to perceived benefits, employer organisations see increased productivity gains as the most prominent potential benefit, whereas trade unions praise the potential benefits for improving job quality. The International Organisation of Employers (IOE) identifies the key impacts of AI on employment as job displacement, augmentation and creation with a need to develop new skills, and emphasises its productivity benefits across industries, with potential annual productivity increases of 0.2 per cent to 3.3 per cent.⁶

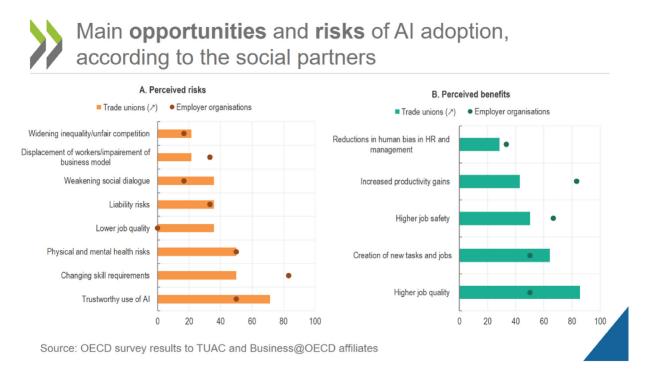
3- See: ILO, Topic portal Artificial intelligence, <u>https://www.ilo.org/artificial-intelligence</u>

²⁻ Russell, S., K. Perset and M. Grobelnik (2023), Updates to the OECD's definition of an AI system explained, <u>https://oecd.ai/en/wonk/ai-system-definition-update</u>

⁴⁻ Lane, M., M. Williams and S. Broecke (2023), "The impact of AI on the workplace: Main findings from the OECD AI surveys of employers and workers", OECD Social, Employment and Migration Working Papers, No. 288, OECD Publishing, <u>https://doi.org/10.1787/ea0a0fe1-en</u>

⁵⁻ Krämer, C. and S. Cazes (2022), "Shaping the transition: Artificial intelligence and social dialogue", OECD Social, Employment and Migration Working Papers, No. 279, OECD Publishing, Paris, <u>https://doi.org/10.1787/f097c48a-en</u> 6- IOE (2024): The Impact of AI on Work and Employment, <u>index.php (ioe-emp.org)</u>

Figure 1: Main opportunities and risk of AI adoption, according to social partners



Since the introduction of large language models, such as ChatGPT, a natural language processing tool based on the Generative Pre-trained Transformer (GPT) architecture, released in November 2022, various Generative AI (GenAI) systems have been launched and have drawn attention to the potent capabilities of AI technologies.7 The latest McKinsey Global Survey on Al⁸ reveals that 65% of respondents to their survey report regular use of GenAI technologies in at least one function of their organisation, which has a significant impact on skills and training needs. Yet, the most recognised and experienced risk of GenAl use remains to be inaccurate output or lack of explainability.

2.1 TRAINING IS IMPORTANT TO PREPARE WORKERS FOR THE ADOPTION OF AI

As AI is set to continue to impact labour markets and workplace environments, training to address these changes is important for all workers. Figure 2 confirms that employers are most likely to address skill needs by retraining and upskilling existing workers,⁹ but some groups may miss out from the opportunities that AI opens up (see also Figure 4 in the subsection The AI divide). For example, lowskilled and older workers are significantly under-represented in training programmes in general, and special efforts are needed to support these groups.

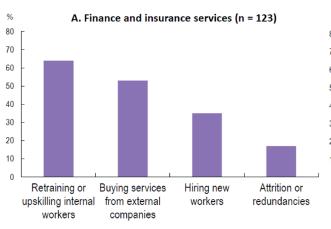
8- McKinsey & Company (2024), The state of AI in early 2024: Gen AI adoption spikes and starts to generate value | McKinsey, <u>https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai?cid=other-eml-shl-mip-mck&hlk</u> id=e40e70128fb643d8aa9619f5d2b4b133&hctky=15335649&hdpid=7f08dbdd-3f0a-487d-9fd4-7c3bda6c925d#/
9-Lane, M., M. Williams and S. Broecke (2023), "The impact of AI on the workplace: Main findings from the OECD AI surveys of employers and workers", OECD Social, Employment and Migration Working Papers, No. 288, OECD Publishing, <u>https://doi.org/10.1787/ea0a0fe1-en</u>

⁷⁻ For more information about generative artificial intelligence, see also: Lorenz, P., K. Perset and J. Berryhill (2023), "Initial policy considerations for generative artificial intelligence", OECD Artificial Intelligence Papers, No. 1, OECD Publishing, <u>https://doi.org/10.1787/fae2d1e6-en</u>

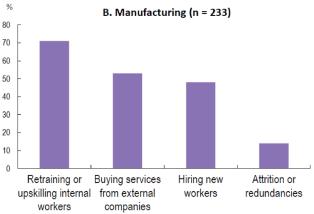
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Figure 2: Percentage of employers that reported that AI has changed skill needs in their company

Following adoption, firms report providing training for AI



Employers are most likely to address skill needs by retraining and upskilling existing workers Percentage of employers that reported that AI has changed skill needs in their company



Source: OECD employer survey on the impact of AI on the workplace (2022).

The OECD Employment Outlook 2023¹⁰ explores the multifaceted effects of AI systems on the labour market. For example, the report underscores how AI development and adoption are transforming skills, creating a demand for new ones while making others obsolete. A more recent report conducted by the OECD on changing demand for skills,¹¹ covering 10 countries over the past decade, finds that about one third of all job vacancies have high AI exposure (measuring proxy for AI use). However, most of the workers are unlikely to need any AI skills; instead, the most demanded skills in occupations with high AI exposure are management, business processes and social skills. Table 1 shows the skill groups in highest demand by intensity of AI exposure. The report also shows that the demand for some blue-collar skills may increase with AI adoption.

Table 1: Skills in highest demand by intensity of AI exposure, 2021-2022

Share of vacancies demanding at least one skill from a skill group by intensity of AI exposure, 2021-22

High AI exposure		Moderate AI exposure		Low AI exposure	
Skill group	Share	Skill group	Share	Skill group	Share
Resource Management	0.72	Attitudes	0.56	Production and Technology	0.51
Business Processes	0.67	Social Skills	0.51	Attitudes	0.51
Attitudes	0.63	Resource Management	0.50	Social Skills	0.39
Social Skills	0.59	Business Processes	0.48	Resource Management	0.24
Digital	0.58	Production and Technology	0.39	Cognitive Skills	0.24

Source: Green, A. (2024)

11- Green, A. (2024), "Artificial intelligence and the changing demand for skills in the labour market", OECD Artificial Intelligence Papers, No. 14, OECD Publishing, Paris, <u>https://doi.org/10.1787/88684e36-en</u>

¹⁰⁻ OECD (2023), OECD Employment Outlook 2023: Artificial Intelligence and the Labour Market, OECD Publishing, <u>https://doi.org/10.1787/08785bba-en</u>

2.2. AUTOMATION AND AUGMENTATION

The ILO working paper on Generative AI and Jobs¹², which examines the effects of GenAI on job quantity and quality, suggests that the most significant impact of AI will be augmenting work rather than fully automating occupations. The authors show that "most jobs and industries are only partially exposed to automation and are thus more likely to be complemented rather than substituted by AI". This underlines a need for AI governance to foster the opportunities that AI brings while mitigating the negative effects for workers affected by automation and reaping the potential effects on job quality for workers so they can benefit from augmentation. Policies are needed to prohibit behaviours which contradict with fundamental rights including freedom of association, collective bargaining and anti-discrimination in accordance with international labour standards; harness the potential of collective bargaining as a flexible means to address sectoral and occupation-specific risks of AI; involve workers and their representatives in the design and integration of digital technologies at the workplace; and address the AI divide.



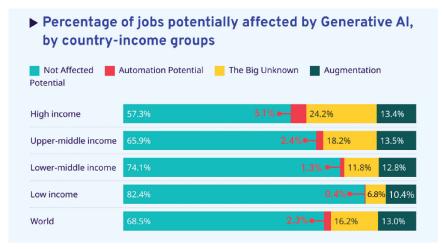
12- Gmyrek, P., J. Berg and D. Bescond (2023), Generative AI and Jobs: A global analysis of potential effects on job quantity and quality; ILO Working Paper 96, ILO, <u>https://doi.org/10.54394/FHEM8239</u>

3. THE AI DIVIDE

One significant threat of AI systems is to deepen existing inequalities – among countries, companies, occupational groups, groups of workers as well as skill levels. The adoption of AI in the workplace is also unequal across countries, driven by differences in access to digital infrastructure, technology and training. As such, high-income countries are already able to benefit from the augmentation potential of AI, while the Global South lags behind.

The ILO has computed the percentage of jobs potentially affected by GenAI by countryincome groups (Figure 3). High-income countries have the highest share of employment affected by GenAI technologies, followed by upper-middle income countries, both in terms of automation and augmentation potential. On the contrary, the share of employment potentially affected by GenAI in low-income countries is much smaller because of the nature of the work in which most workers are employed, such as in agriculture, transport or food vending. Low-income countries also have less potential for reaping the benefits of AI augmentation. The ILO report suggests that augmentation only affects 10.4% of employment in lowincome countries, lower than 13.4% in highincome and 13.5% in upper-middle income countries. While high-income countries and privileged groups possibly will take the biggest rewards, low-income countries are at risk of falling behind.¹³ Although GenAI could have transformative effects on jobs and livelihoods, a recent joint ILO-World Bank publication examines the effects of GenAl in Latin America and the Caribbean.¹⁴ It suggests that the digital divide seems to be a major barrier hindering the potential benefits of GenAl in the region. Therefore, policies to protect jobs, enhance productivity and maximise the transformative potential of GenAI technologies are needed to promote more inclusive growth and sustainable development.

Figure 3: Percentage of jobs potentially affected by Generative AI, by country-income groups



Source: ILO Working Paper 96. Updated by the Global Deal for better readability.

¹³⁻ Gmyrek, P., J. Berg and D. Bescond (2023), Generative AI and Jobs: A global analysis of potential effects on job quantity and quality; ILO Working Paper 96, ILO, <u>https://doi.org/10.54394/FHEM8239</u>

¹⁴⁻ Buffer or Bottleneck? Employment Exposure to Generative AI and the Digital Divide in Latin America, ILO, <u>https://www.ilo.</u> org/publications/buffer-or-bottleneck-employment-exposure-generative-ai-and-digital-divide

Similarly, a recent joint report by the ILO and the UN Office of the Secretary General's Envoy on Technology¹⁵ warns that the AI divide could widen the gap between high-income and lowincome countries in the scenario of an uneven adoption. In addition to ensuring digital infrastructure, promoting technology transfer and building AI skills, the report highlights the importance of fostering social dialogue for the effective integration of AI in workplaces. The report underlines the different levels of involvement along the AI value chain with lower-value added activities predominant in middle and low-income countries, while tasks related to design and deployment associated with higher-income countries. Besides, recent research¹⁶ shows that a growing pool of outsourced, precarious and invisible workers from developing countries and from more vulnerable groups of workers in developed countries (including migrants and refugees) work on digital labour platforms on tasks that ensure the functioning of AI systems such as data annotation, training Al-related tools or moderating content. New forms of inequalities also arise between workers and companies in advanced economies and developing countries because of the limited resources and training to access AI systems for the latter.

There are serious implications in terms of respect for labour rights but also in terms of skill mismatches, as research has shown that workers performing such tasks are often highskilled and hence over-qualified, reflecting the lack of other gainful employment opportunities emanating from the digital divide.¹⁷ Workers further down the AI value chain are also subject to algorithmic management practices while performing simple and repetitive tasks under the pretext of increasing efficiency, while this limits human contact and transparency leaving workers with no avenue to contest decisions.¹⁸ Often left with no other choice than to accept such conditions, digital labour platforms risk to substantially increase levels of vulnerability. Research has underlined the serious mental health implications for workers from excessive exposure to harmful content.¹⁹ Protecting labour rights along the Al value chain is therefore essential so that all workers, regardless of where and how they are employed, have access to decent working conditions. Moreover, it will ensure that these new jobs that are created because of AI are of good quality. Crucial to this process will be the upcoming negotiations to be held in 2025-2026 at the International Labour Conference on a new international labour standard on decent work in the platform economy.

¹⁵⁻ Mind the Gap: Bridging the AI divide will ensure an equitable future for all, ILO, <u>https://www.ilo.org/resource/news/mind-gap-bridging-ai-divide-will-ensure-equitable-future-all</u>

¹⁶⁻ Rani, U., and Dhir, R.K. (2024) AI-enabled business model and human-in-the-loop (deceptive AI): implications for labor. In M. Garcia-Murillo, I. MacInnes, & A. Renda (Ed.), Handbook of Artificial Intelligence at Work. Edward Elgar Publishing, <u>https://doi.or</u> g/10.4337/9781800889972.00011_

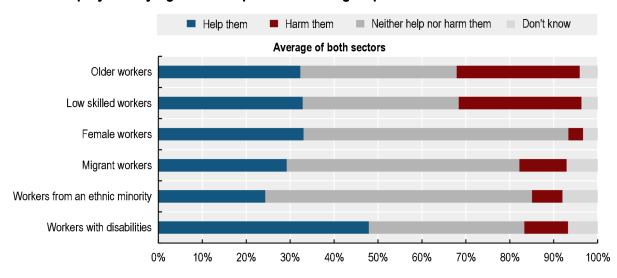
¹⁷⁻ Rani, U., and Dhir, R.K. (2024) AI-enabled business model and human-in-the-loop (deceptive AI): implications for labor. In M. Garcia-Murillo, I. MacInnes, & A. Renda (Ed.), Handbook of Artificial Intelligence at Work. Edward Elgar Publishing, <u>https://doi.or</u> g/10.4337/9781800889972.00011

¹⁸⁻ World Employment and Social Outlook 2021: The role of digital labour platforms in transforming the world of work, ILO, https://www.ilo.org/publications/flagship-reports/role-digital-labour-platforms-transforming-world-work

¹⁹⁻ Roberts, S. T. (2019). Behind the Screen: Content Moderation in the Shadows of Social Media. Yale University Press. <u>https://doi.org/10.2307/j.ctvhrczOv</u>

In developed countries, the OECD AI surveys of employers and workers indicated an expectation that the use of AI systems in the workplace would help, but also potentially harm certain group of workers (Figure 4). Almost half of the employers think that AI would help workers with disabilities. However, it may be harmful for certain groups, such as lowskilled and older workers, if they do not have the necessary skills to adapt to workplace changes brought about by AI deployment. It is significant to note that the views of employers and workers may conflict with respect to AI's potential to improve inclusiveness and support disadvantaged groups. For example, while employers believe that AI would help female workers, female AI users are less positive about its impact on their job quality compared to men.²⁰ The ILO working paper on Generative AI and Jobs also highlights the gendered effects of automation affecting women's employment twice as much as men's employment in high-income and upper-middle income countries, mainly because femaledominated occupations such as clerical jobs are more exposed to risks from automation. Concentrated job losses in these occupations could be harmful for women's labour market participation.

Figure 4: Some groups risk being left behind



% of all employers saying AI will help/harm certain groups

Some groups risk being left behind

Source: OECD employer survey on the impact of AI on the workplace (2022)



20- OECD (2023), OECD Employment Outlook 2023: Artificial Intelligence and the Labour Market, OECD Publishing, <u>https://doi.org/10.1787/08785bba-en</u>

4. SOCIAL DIALOGUE FOR THE SAFE, ETHICAL AND RESPONSIBLE ADOPTION OF AI

Design and development of technology and its introduction to the workplace is not a spontaneous or automatic process. It requires humans to take decisions so that a positive change in the world of work materialises. In this regard, social dialogue can facilitate AI adoption by easing transitions, fostering fair and inclusive labour markets and mitigating the negative impacts of AI in the workplace. As labour markets undergo important transitions, fostering effective social dialogue is essential to address the challenges and opportunities presented by AI, ensuring that the benefits are shared, and potential risks mitigated. Social dialogue is a useful mechanism to design effective laws, policies and practices, at the national, regional or sectoral level. It also plays a central role in enabling the implementation of effective due diligence mechanisms in supply chains²¹

Emerging risks such as work intensification, enhanced labour control through algorithmic management, and ethical challenges related to privacy, discrimination and accountability are becoming increasingly evident. To ensure a trustworthy use of AI, possible ethical risks should be addressed such as risks in terms of human rights (privacy, fairness, agency and dignity); transparency and explainability; robustness, safety and security; and accountability.²² In some cases, existing policies and laws can be adapted to regulate the introduction of AI in the workplace. Al systems do not operate in a regulatory vacuum, which means that already existing laws such as on data protection and anti-



discrimination provide a framework. However, in some instances, it can become necessary to develop AI-specific policies and legislation. In both cases, when adapting existing rules and regulations, and when developing new ones, it is key to consult social partners.

The 2021 Global Deal Thematic Brief on Artificial Intelligence²³ explored the role of social dialogue in managing the risks and benefits of AI technologies for the labour market and the workplace, even before the emergence of GenAI systems. The brief underscored the role of social partners in helping companies develop tailor-made and fair solutions to organisational and technological changes in workplaces, thereby increasing the quality of working environments.

Given the rapid evolvement of AI, it becomes necessary to further explore the role of social dialogue in supporting the various changes in the workplace, to address concerns, harness the benefits of AI and mitigate its risks.

^{21 -} The Global Deal (2023), Tool: Enabling effective due diligence on human rights risks through social dialogue, available at: <u>https://</u>www.theglobaldeal.com/resources/tool-due-diligence-human-rights.pdf

²²⁻ Salvi del Pero, A., P. Wyckoff and A. Vourc'h (2022), "Using Artificial Intelligence in the workplace: What are the main ethical risks?", OECD Social, Employment and Migration Working Papers, No. 273, OECD Publishing, <u>https://doi.org/10.1787/840a2d9f-</u>en

²³⁻ The Global Deal (2021), The impact of Artificial Intelligence on the labour market and the workplace: What role for social dialogue?, https://www.theglobaldeal.com/news/The-impact-of-artificial-intelligence-on-the-labour-market-and-the-workplace.pdf

Box 1: The role of social partners for the adoption of AI

Now, more than ever, social partners stand to play a crucial role in:

- Measuring the implications of AI on occupations and skills and fostering workers' training;
- Supporting labour market institutions to ensure effective labour market transitions;
- Monitoring and addressing the impacts of AI-based technologies on occupational health and safety in the workplace, productivity, wages and job stability;
- Ensuring that algorithmic management protects labour rights and personal data;
- Preventing discrimination and bias in decision-making by ensuring human oversight, especially in the context of HR policies, giving workers the possibility to contest AI-made decisions;
- Combating cybersecurity, misinformation at the workplace and protect workers' data.

The OECD Employment Outlook 2023²⁴ addresses how social partners can support the introduction of AI in the workplace while safeguarding workers' rights and facilitating transitions. For example, through collective stakeholders can negotiate bargaining, agreements that safeguard workers' rights and ensure transparency in AI deployment. Furthermore, agreements can be reached on data privacy, algorithmic management and the ethical use of AI in decision-making processes. This collaborative approach not only protects workers but also promotes trust for and acceptance of AI technologies in the workplace. As the OECD AI surveys of employers and workers reveal, consultation with workers or worker representatives results in better outcomes with respect to worker

productivity, working conditions, employment and wage expectations.²⁵ For example, Figure 5 shows that the impact of AI on performance and mental health is greater when there are worker consultations. Consultation with workers and their representatives on the development and deployment of AI systems in the workplace reduces job loss anxiety and improves engagement with AI technologies.

Consultation and negotiation between employers and workers is key in this regard for designing and instituting skills development programmes to facilitate redeployment and training over job losses as well as designing social protection schemes to cushion negative effects of the introduction of AI.²⁶



²⁴⁻ Cazes, S. (2023), "Social dialogue and collective bargaining in the age of artificial intelligence", in OECD Employment Outlook 2023: Artificial Intelligence and the Labour Market, OECD Publishing, https://doi.org/10.1787/c35af387-en.

²⁵⁻ Lane, M., M. Williams and S. Broecke (2023), "The impact of AI on the workplace: Main findings from the OECD AI surveys of employers and workers", OECD Social, Employment and Migration Working Papers, No. 288, OECD Publishing, <u>https://doi.org/10.1787/ea0a0fe1-en</u>

²⁶⁻ Gmyrek, P., J. Berg and D. Bescond (2023), Generative AI and Jobs: A global analysis of potential effects on job quantity and quality; ILO Working Paper 96, ILO, <u>https://doi.org/10.54394/FHEM8239</u>

Box 2: The OECD AI Principles

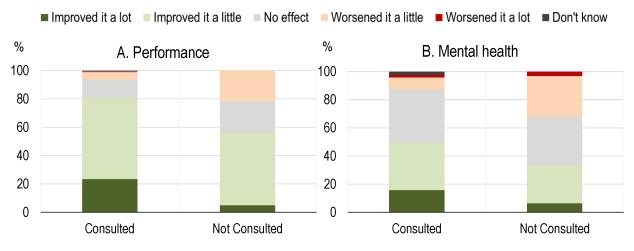
The OECD AI Principles were first adopted in May 2019 and subsequently updated in May 2024. These values-based principles for trustworthy AI are: inclusive growth, sustainable development and well-being; human rights and democratic values, including fairness and privacy; transparency and explainability; robustness, security and safety; and accountability.²⁷

The critical role played by social dialogue is also underscored in one of the recommendations for policy makers within the OECD AI Principles: "Building human capacity and preparing for labour market transition". This principle highlights the importance of social dialogue to "ensure a fair transition for workers as AI is deployed, such as through training programmes along the working life, support for those affected by displacement, and access to new opportunities in the labour market". Therefore, social dialogue plays a critical role in addressing concerns related to job displacement by advocating for comprehensive reskilling and upskilling initiatives. By engaging in social dialogue, stakeholders can collaboratively develop training programs that equip workers with the necessary skills needed as a result of the adoption of AI technologies.

Figure 5: The impact of AI on performance and working conditions, by worker consultation

Social dialogue can lead to better outcomes

The impact of AI on performance and working conditions by worker consultation, % workers who work with AI



Source: OECD worker survey on the impact of AI on the workplace (2022)

On 12-13 September 2024, G7 Labour and Employment Ministers and the EU Commissioner for Jobs and Social Rights met in Cagliari, together with the Director-General of the ILO, the Director for Employment, Labour and Social Affairs of the OECD, and representatives of the social partners and engagement groups to reaffirm the need for a human-centered approach in seizing the opportunities and addressing the risks to the world of work. A Ministerial Declaration has been published together with "Annex 1: G7 Action Plan for a human-centered development and use of safe, secure and trustworthy AI in the World of Work".28 This Action Plan emphasises both the opportunities and risks that come with the adoption of AI in the world of work. It underlines the importance of social dialogue "to fully leveraging the potential and addressing risks of AI in labour markets and to supporting ethical and socially responsible uses of AI that improves workers' lives, positively augments human work, and helps all people to safely enjoy the gains and opportunities from technological innovation." The Action Plan envisages three suggestions to make this happen;

• Promoting the active involvement and consultation of workers and workers' organisations in the adoption of AI systems in the workplace.

• Supporting the development of AI-related expertise and skills among social partners. Engaging social partners in the delivery of training for AI and digital literacy initiatives.

• Promoting social dialogue and collective bargaining at all levels, including on the development, deployment and monitoring of Al and to help employers and workers better understand the nature, capabilities, limitations, and impact of these technologies.

In parallel, the labour and business leaders of G7 countries – the Labour 7 and Business 7 – published a joint statement entitled "Shaping the advancement of Artificial Intelligence through social dialogue".²⁹ They welcome the G7 Action Plan and underline the role of social dialogue in the design, implementation and monitoring the use of AI systems in the world of work and the need to foster social dialogue to monitor the advancements of AI.

Possible new ways to further promote social dialogue in the age of AI are under discussion as well. For example, the SeCoIA Deal project (Serving Confidence in AI by Deal)³⁰ bringing together actors at the European level was launched in 2021 and is co-funded by the European Commission. The project aims to explore first avenues to design "renewed" social dialogue with the adoption of AI. Because of the ever-changing nature of AI systems, the project aims to establish operational tools for an ongoing social dialogue at enterprise level with a bottom-up AI governance approach. Some of these suggested operational tools at the company level are

1) the introduction of AI register systems to monitor AI systems deployed in companies,

2) ensuring long-term social dialogue through the inclusion of a review clause of AI-based tools in collective bargaining agreements, a charter or a declaration

3) corporate AI ethics committees for first level control in the workplace.³¹ Another example

30- Serving Confidence in AI by Deal, SecoAIDeal, https://secoiadeal.eu/

²⁸⁻ G7 (2024), Towards an inclusive human-centered approach for new challenges in the world of work, <u>https://www.g7italy.it/</u>wp-content/uploads/G7-2024-LEM-Declaration.pdf

²⁹⁻Joint statement of the Labour 7 and the Business 7, Shaping the advancement of Artificial Intelligence through social dialogue, https://www.ituc-csi.org/IMG/pdf/I7_b7_joint_statement_ai_1109.pdf

^{31 -} Chagny, O. and Blanc, N. (2024) "Social dialogue as a form of bottom-up governance for AI: the experience in France", in Ponce del Castillo A. (ed.) (2024) Artificial intelligence, labour and society, ETUI: <u>https://www.etui.org/sites/default/</u><u>files/2024-03/Artificial%20intelligence%2C%20labour%20and%20society_2024.pdf</u>

can be found in France, where social partners have come together in the framework of the DIALIA project ("Pour un dialogue social au service des bons usages de l'IA et d'une nouvelle étape de progrès social dans les entreprises et les administrations") to build a common understanding of the impact of AI on the labour market and to strengthen social dialogue along the AI cycle, to be able to act before, during and after the introduction of AI in a workplace.³²

In the end, the successful integration of AI in the workplace hinges on the ability of social partners to effectively engage in dialogue and cooperation. Here, the importance of transparency appears to be a precondition for successful social dialogue. The information asymmetry between employers and workers should be addressed via regulatory initiatives. Workers and their representatives have the right to information whether they are subject to the use of AI systems in the workplace, especially to know when and under which circumstances AI systems are used. Another important factor is the respective industrial relations system in place and the role attributed to information and consultation rights with differences having been observed in France,

Italy, Sweden and Spain when it comes to the role of social dialogue when introducing AI systems.³³ Social partners already respond to AI adoption by engaging in outreach and awareness campaigns, by providing advisory activities; by calling for the introduction of new rights particularly linked to workplace data and surveillance; and by providing guidance through framework agreements and negotiating collective agreements. For example, in Austria and Germany, work councils proved to be effective in influencing the design of AI technologies.

However, the lack of expertise among social partners can impact the potential benefits AI offers, including advancing social partners' own goals. Responses to AI are very concentrated among a few active social partners in countries with dynamic social dialogue and strong capacities. Besides, a shared understanding of the potential impacts of AI needs to be developed. Under-representation by social partners can also limit the potential of social dialogue to address the challenges presented by AI, yet, using AI technologies can support workers' and employers' organisations to effectively organise and reach out to potential members.



32- See Dialia, Pour un dialogue social au service des bons usages de l'IA et d'une nouvelle étape de progrès social dans les entreprises et les administrations, <u>https://dialia.alwaysdata.net/</u>

33- See; Part 5 Labour perspectives, in Ponce del Castillo A. (ed.) (2024) Artificial intelligence, labour and society, ETUI, : <u>https://www.etui.org/sites/default/files/2024-03/Artificial%20intelligence%2C%20labour%20and%20society_2024.pdf</u>

5. HOW CAN SOCIAL DIALOGUE HELP CONCRETELY - EXAMPLES OF GOOD PRACTICES³⁴

5.1. RESPONSIBLE ADOPTION OF ARTIFICIAL INTELLIGENCE THROUGH COLLECTIVE BARGAINING AGREEMENTS

The Public Services International (PSI) Digital Bargaining Hub³⁵ and the UNI Global Union Database of AI and Algorithmic Management in Collective Bargaining Agreements³⁶ provide valuable resources for workers' organisations to regulate the adoption of AI in workplaces in a way that respects worker' rights and promotes transparency and fairness. The PSI database structures clauses found in collective bargaining agreements around 8 themes, including one on "Digital tools, artificial intelligence, and algorithms" further divided into four sub-themes. The UNI database focuses on AI and algorithmic management

more specifically and categorises 23 collective agreements from various sectors and countries around eight topics. Both databases represent key resources to support social dialogue on the introduction of AI in the workplace, helping workers' organisation identify key issues, anticipate changes and strategise, building on successful experiences from unions around the world. By providing strategies and examples of successful negotiations, these platforms empower unions and workers to engage effectively with employers and ensure that AI adoption is ethical, transparent, and beneficial for all the parties involved.

5.2. SOCIAL DIALOGUE TO AGREE ON A COMMON APPROACH: THE EUROPEAN SOCIAL PARTNERS FRAMEWORK AGREEMENT ON DIGITALISATION

The European Social Partners Agreement on Digitalisation³⁷ was concluded between the European Trade Union Confederation (ETUC), BusinessEurope, SGI Europe (as CEEP - European Centre of Employers and Enterprises providing Public Services) and SMEunited in June 2020. It provides an action-oriented framework to encourage, guide and assist employers, workers and their representatives to support the introduction of digital technology in the world of work taking a human-centred approach. Even though the agreement dates back to 2020, i.e. before the introduction of GenAl technologies, it provides important principles to ensure trustworthy Al, guarantees the human in control principle,

upholds transparency in the deployment of Al and ensures data protection. After four years of implementation, some good practices applying the agreement to different industries and local contexts have emerged, including the Netherlands Artificial Intelligence Coalition (NLAIC), aiming at adopting a joint approach to AI implementation through one national knowledge and innovation network. Another example is the platform "Industrie 4.0 Österreich". The objective of this platform is to make the best possible use of new technological developments for companies and employees, and to shape labour market transformations in a socially responsible manner.

³⁴⁻ For more information about the good practices, see: The Global Deal Flagship Report (forthcoming) Shaping Transitions to Decent Work: Social dialogue for a better future.

³⁵⁻ Digital Bargaining Hub - PSI - The global union federation of workers in public services, <u>https://publicservices.international/</u> <u>digital-bargaining-hub</u>

³⁶⁻ A database of AI and algorithmic management in collective bargaining agreements - UNI Europa, <u>https://www.uni-europa.org/news/a-database-of-ai-and-algorithmic-management-in-collective-bargaining-agreements/</u>

³⁷⁻ European Social Partners Framework Agreement on Digitalisation, <u>https://esp.therightclick.gr/</u>

5.3. INCLUSIVE APPROACHES TO HARNESS THE BENEFITS OF AI FOR ALL – THE UNITED STATES EXECUTIVE ORDER ON AI

The United States of America (U.S.) Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence³⁸ underlines the importance of involving various stakeholders in developing and implementing Al policies to ensure they are fair, transparent and beneficial to all. Building on the views of workers, labour unions, educators, and employers, the Executive Order emphasises a focus on responsible uses of AI that improve workers' lives, positively augment human work, and help all people safely enjoy the gains and opportunities from technological innovation. As part of the Executive Order, the Secretary of Labor was tasked to develop and publish principles and best practices for employers to be used to mitigate Al's potential

harms to employees' well-being and maximise its potential benefits. The U.S. Department of Labor held listening sessions and met with developers, employers, government officials, unions, worker advocates, and AI researchers to develop these principles³⁹ and best practices to accompany them⁴⁰. They provide a framework for the ethical and responsible use of AI in the workplace, by, for example, emphasising the importance of worker empowerment, human oversight, transparency, protecting labour and employment rights and responsible use of worker data. AI should be used to complement and enhance workers' capabilities and workers should be supported to adapt to new roles through upskilling.

5.4. UNI-GLOBAL UNION ALGORITHMIC MANAGEMENT GUIDES

Algorithmic management refers to the use of algorithms to oversee, manage, and sometimes control workers' activities, often through automated decision-making processes. In 2020, UNI Global Union developed a comprehensive guide to algorithmic management aimed at equipping trade unions with knowledge and tools needed to address the challenges it poses and ensure workers share in the gains made possible by technological advances.⁴¹ The guide provides practical advice on how to negotiate fair and transparent use of algorithms in the workplace so that all the parties can bargain over and mitigate any potential harm and seize the opportunities brought by algorithmic management.

UNI Global Union published a new edition of the guide in 2023 focusing on performance management, an emerging topic in the global trade union movement.⁴² It offers practical strategies for trade unions that can be used in collective bargaining negotiations. The Guide

³⁸⁻ Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence, The White House, <u>https://</u>www.whitehouse.gov/briefing-room/presidential-actions/2023/10/30/executive-order-on-the-safe-secure-and-trustworthydevelopment-and-use-of-artificial-intelligence/

³⁹⁻ Artificial Intelligence and Worker Well-being: Principles for Developers and Employers, U.S. Department of Labor, <u>https://www.dol.gov/general/AI-Principles</u>

⁴⁰⁻ AI-Principles-Best-Practices, U.S. Department of Labor, <u>https://www.dol.gov/sites/dolgov/files/general/ai/AI-Principles-Best-Practices.pdf</u>

⁴¹⁻ Algorithmic Management: A trade union guide, UNI Global Union, <u>https://uniglobalunion.org/wp-content/uploads/uni_pm_algorithmic_management_guide_en.pdf</u>

⁴²⁻ Algorithmic Management: Opportunities for Collective Action, UNI Global Union, <u>https://uniglobalunion.org/wp-content/uploads/Algorithmic-Management-Opportunities-for-Collective-Action.pdf</u>

outlines strategies for collective resistance based on already existing protections with examples from different countries, including data protection laws, fair work standards, health and safety laws, and obligations to bargain over algorithms. The Guide concludes with ten key negotiating demands for trade

5.5. THE EU AI ACT

The European Union's AI Act⁴³ came into force on 1 August 2024 with provisions coming into operation gradually over the following 6 to 36 months. The Act aims to ensure the safe and trustworthy development, deployment, and use of AI across the EU. It adopts a risk-based approach to regulation, categorising AI systems into different levels of risk: unacceptable, high, limited and minimal risk.

The development of the EU AI Act involved extensive consultations with a broad range of stakeholders, including social partners and civil society groups. Initially, in February 2020, the European Commission started a public consultation process for ethical and legal requirements of AI.⁴⁴ Trade unions advocated for stronger protections against job displacement and for the upskilling of workers to adapt to new AI-driven roles. Employer organisations emphasised the need unions to use during collective bargaining over the question of algorithmic management. These demands focus on notice and assessment periods, decision making, the right to know, discrimination, discipline, health and safety, data collection and access, monitoring and surveillance, sharing benefits, and training.

for a balanced approach that would not stifle innovation while simultaneously ensuring worker protection. The final version of the Act includes specific provisions for AI systems used in employment contexts, requiring transparency on their use in recruitment, performance evaluation, and decision-making processes. However, critics highlight that the Act is open to interpretation with several exemptions and derogations. Harmonised standards by the European standards organisations, implementing delegated acts adopted by the European Commission and the General-Purpose AI Code of Practice by the European AI Office may provide the necessary clarity.⁴⁵ In addition to the standards, trade unions stand for the compulsory scrutiny of worker representatives and trade unions for the implementation of AI systems and the data provided to the systems.⁴⁶



⁴³⁻ Regulation - EU - 2024/1689, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32024R1689

⁴⁴⁻ Artificial intelligence - ethical and legal requirements, European Commission, 2020, <u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12527-Artificial-intelligence-ethical-and-legal-requirements/public-consultation_en</u> 45- Ponce Del Castillo A. (2024) Exposing generative AI: human-dependent, legally uncertain, environmentally unsustainable, Policy

Brief 2024.07, ETUI, <u>https://www.etui.org/sites/default/files/2024-09/Exposing generative AI-human-dependent%2C legally</u> uncertain%2C environmentally unsustainable_2024.pdf

⁴⁶⁻ Giorgi, N. (2024) "Standardising AI - a trade union perspective", in Ponce del Castillo A. (ed.) (2024) Artificial intelligence, labour and society, ETUI, <u>https://www.etui.org/sites/default/files/2024-03/Artificial intelligence%2C labour and society_2024.pdf</u>

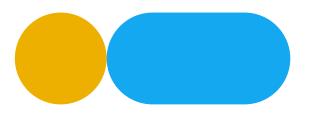
6. KEY LESSONS

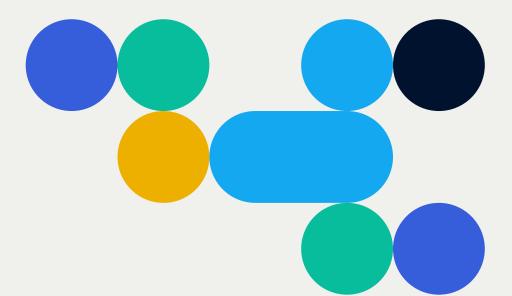
• As labour markets undergo important transitions with the AI systems, fostering effective social dialogue is essential to address the opportunities and risks presented by AI, ensuring that the benefits are shared, and potential risks mitigated.

• The digital divide may be a major barrier hindering the potential impacts of GenAl in the Global South because of the absence of, or limited access to digital infrastructure, technology and training. Further, Al systems may deepen existing inequalities among countries, companies, occupational groups, groups of workers as well as skill levels, if necessary measures are not taken for inclusive growth and sustainable development along the Al value chain.

• Collective bargaining agreements can set protective measures around AI use, so that AI technologies enhance rather than diminish job quality. Both the PSI Digital Bargaining Hub and the UNI Europa Database of AI and Algorithmic Management in Collective Bargaining Agreements provide a useful resource for trade unions and highlight the critical role of social dialogue in ensuring trustworthy AI adoption through collective bargaining. • Cross-industry agreements between social partners can be a useful instrument to adopt common approach to reply to the digitalisation of the world of work. The European Social Partners Framework Agreement on Digitalisation provides a framework at the European level that can guide implementation at national level tailoring approaches to national contexts and to specific industries to enforce a common approach.

• The introduction of AI in the workplace poses new challenges and risks. To mitigate Al's potential harms to employees' well-being and maximize its potential benefits, consultation of various stakeholders, including social partners is key. They play a crucial role in adopting and implementing new policies, legislation and guidelines to close legal and policy gaps that are needed for a safe, responsible and ethical adoption of AI in the workplace. For example, the U.S. AI Executive Order identifies guiding principles and priorities for safe, secure and trustworthy development and use of AI, which recognise the importance of consultation of various stakeholders, including social partners, for implementation.





THE GLOBAL DEAL FOR DECENT WORK AND INCLUSIVE GROWTH

The Global Deal is a multi-stakeholder partnership of governments, businesses and employers' organisations, trade unions, civil society and other organisations for the promotion of social dialogue and sound industrial relations as effective means for achieving decent work and inclusive growth. The Global Deal enables knowledge sharing, facilitates policy discussions, strengthens the capacity of partners to engage in dialogue, and produces evidence-based research. As a unique action-oriented platform, the Global Deal accelerates positive change by encouraging partners to make voluntary commitments to advance social dialogue.

More information on how to join the partnership

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