

## Nordic Employers Joint Position Paper – AI at Work

Artificial intelligence is a transformative asset that can horizontally enable European competitiveness and remedy some of the fundamental challenges of the EU. To fulfil the potential, EU needs to adopt supportive measures for companies and not impose new regulatory barriers to their utilisation of the new technology.

One of the potentials for AI is to raise efficiency. An analysis of the Danish public sector shows that the introduction of AI could save up to 12% of total salary expenditures<sup>1</sup>. AI can thus help bridge the €800 billion investment gap identified in the Draghi-report.

At the same time, AI has the potential to reshape employment and increase jobs, similar to earlier technological developments. In Sweden, for instance, while 140,000 jobs in manufacturing disappeared since 2000, over 800,000 new ones were created in the service sector. Overall numbers from Sweden show that only 6% of workers are at initial high risk of being replaced, while 25% of workers will be helped and complemented in their work tasks.

AI can contribute considerably to employees' well-being by remedying labour shortages, which have been proven to affect well-being negatively<sup>2</sup>. AI enables a shift from repetitive activities to more strategic and creative pursuits, thus promoting innovation. AI can detect injuries at work and sound alarms, thus benefiting health and safety at work.

The EU is facing demographic challenges in the coming years. The EU's workforce is projected to shrink by close to 2 million workers each year, while the ratio of working to retired people is expected to fall from around 3:1 to 2:1. Utilising AI can free up labour to increase market capacity and reduce bottlenecks in the EU.

### Main priorities

New technologies are an important enabler in securing EU's future and autonomy, and AI uptake needs to take pace and not slow down. However, European companies do not start from a position of strength as the EU attracts only a fraction of investments in AI and tends to experience outflow of AI startups<sup>3</sup>. As such, Nordic employer confederations note the following:

- Compliance with existing regulations should be simplified and no regulation introduced that will entail new administrative burdens or hamper the uptake of new technologies in European companies.
- Measures to support the uptake of AI in companies should be amplified. Notably up- and reskilling of workers to increase AI literacy and skills is key to harness the benefits of AI.
- A comprehensive legal framework exists in the EU already. This framework needs to be applied efficiently and without introducing unnecessary gold-plating.

<sup>1</sup> [genai significant-potential-for-the-danish-public-sector-in-2040 chapter1 final.pdf](#)

<sup>2</sup> [Mangel på medarbejdere går ud over trivslen på arbejdspladserne](#)

<sup>3</sup> [Catch-up with the US or prosper below the tech frontier? An EU artificial intelligence strategy](#)

## **The EU already has comprehensive AI regulation in place**

With an estimated 116 pieces of legislation under the EU Digital Agenda 2030, the current framework robustly addresses issues such as cybersecurity, data privacy, and employee consultation, ensuring that any AI application deployed in the workplace upholds high standards of accountability and 'human in control' principle.

### **Factsheet: The EU acquis on AI in the world of work**

- **High risk systems in the AI Act**

AI is thoroughly regulated in the EU, also in the world of work. High-risk AI systems must comply with strict technical, transparency, and oversight requirements. This includes detailed documentation, human oversight protocols, and data impact assessments. AI systems are considered as high-risk AI systems when they relate to areas such as: hiring, dismissal, terms of employment relationships, promotions, performance evaluation, behaviour of employees, etc. Thus, a human in control principle is effectively present in the relevant aspects of AI in the world of work.

- **Data protection and requirements for data processing**

GDPR lays out requirements on transparency. Data protection impact assessments are obligatory when AI systems are deployed in a workplace and are used for the processing of employee data, in particular where information on trade union membership, health data, personal traits etc. are processed. The use of AI systems to infer emotions of employees or to categorise employees based on their biometric data to deduce their race, political opinions or trade union membership is altogether prohibited. Employers must inform employees about intended data processing activities, including when AI systems are used for the processing of personal data. Employees also have the right to correct, move or delete personal data. Compliance with data protection requirements ensures a reliable usage of data and effective safeguards against pernicious practices.

- **AI tools do not alter employers' responsibilities**

A central factor is that AI does not change the responsibilities that individual employers already hold towards their employees. These responsibilities include situations with hiring or dismissal. Here a concrete and individual assessment is still required, and there must be legitimate and objective purposes for processing the personal data of employees. Employers, both today and in the future, will be responsible for the decisions that are made in the company regarding employees. This is the case regardless of whether it is decided independently by a person or with the assistance of an AI tool. In any case such decision can always be adjudicated in the social dialogue labour courts or in the civil courts.

- **Rules on information and consultation apply and are fit for purpose**

EU legislation concerning information and consultation guarantees that employees are informed and heard whenever notable new technologies are introduced. This entails employee participation in the decision-making process in the company in an effective manner whether such decisions are related to AI systems or not.

## AI Literacy in the world of work and successful introduction of new technologies

A competitive future for Europe requires a workforce that is proficient in utilising and managing AI technologies. Unfortunately, current trends show a significant skills gap, where many Europeans lack the necessary digital skills to reap the benefits of AI. This hampers productivity and innovation now, and in the future.

### **Recommendations: Support uptake of AI in companies**

- **Draghi recommendation: EU needs to overhaul its investments in skills**

Take note of Draghi's recommendations of focusing funding on maximising employability and developing job-specific skills, especially focusing on AI skills and AI literacy. A considerable part of the European Social Fund Plus could be allocated to re- and upskilling, including to support employers. This includes training individuals in performing oversight of high-risk AI systems. These efforts should all be viewed in connection with the ambitious target of an annual training participation rate of 60% among adults. National efforts to increase the training participation rate should take note of the rapid development of AI technologies and the enhanced role of AI.

- **AI literacy and skills as significant drivers for AI uptake**

Central to a swift and well-balanced uptake of AI in the EU is improved AI literacy, not new regulation. For the introduction of AI in a workplace to be a success, both employees and management must take ownership of the implementation. This entails employees being able to understand the systems and how to best utilise them in ways that are relevant to their roles and contribute to the business's overall performance. EU and national efforts to improve AI literacy should include focus on preparing employees and management for new technologies and how they are utilised for the benefit of employees. By taking a positive and supportive stance on AI systems, they can contribute to increased efficiency and strengthened workplace safety. This not only enhances employee well-being but also strengthens European competitiveness.

- **Social dialogue at the center stage**

A well-functioning and balanced social dialogue at company level holds big potential in successful uptake of AI. Social partners need autonomy to ensure a flexible and functional social dialogue at company level. Nordic models for collaboration generally secure uptake of new technologies that enhances competitiveness *and* improve well-being of employees. New regulation with a one-size-fits-all will naturally fail to consider all employee preferences, as they vary immensely. The European Social Partners' Framework Agreement on Digitalisation outlines a path to ensure the necessary flexibility and to develop an environment for social dialogue cooperation on sectorial and company level.

## Concluding remarks:

- **New regulation will not enhance competitiveness, nor fulfil potentials of AI**

New regulatory measures risk increasing administrative complexity and stifling innovation, particularly among SMEs. Statistics indicate that while AI technologies were applied by 40% of large enterprises in the EU, only 11% of SMEs utilised these technologies.<sup>4</sup> Increasing compliance costs will further distort opportunities for SMEs to benefit from AI advancements. New regulation will restrain the EU from enjoying the potential benefits of AI. AI should not be restricted by outdated production models or protectionist instincts. Efforts to preserve old jobs by limiting technology usage tend to block the creation of the jobs of tomorrow.

There could be potential benefits in clarifying the role of AI within existing regulatory areas, such as those concerning information, hearing, and data transparency. However, introducing new regulation to this end is disproportionate and risky, and **non-binding EU acts**, such as recommendations, **are sufficient** to achieve this objective.

- **Focus on streamlining and simplifying implementation and compliance**

AI in the world of work is already thoroughly regulated, especially due to the two regulations, GDPR and AI Act. While using regulations as legislative instruments has provided a degree of harmonisation in the EU, fragmentations persist. Additional legislation, particularly directives, may exacerbate fragmentation and undermine efforts to achieve a more unified internal market. Consequently, efforts should be put in place to ensure **effective and harmonised implementation of existing rules** to guarantee they function as intended. Compliance requirements and bureaucratic burdens should be minimized, allowing businesses to utilise and develop AI solutions. Simplification of regulatory requirements can pave the way for scalable AI and innovative AI businesses in the EU.

- **Support uptake of AI in the EU**

Skills shortages are the real bottleneck, and efforts and funding for **re- and upskilling programs** should therefore be increased within the EU, with a focus on maximizing employability and developing job-specific skills. This objective could be financed through the European Social Fund Plus framework. Additionally, fostering cooperation and synergy with similar national initiatives would be beneficial. A **flexible social dialogue** is essential for the successful integration of AI in companies. When employees and management collectively assume responsibility for the implementation of new AI systems, the outcome is more likely to be successful, yielding mutual benefits for employers and employees alike. Therefore, social dialogue has significant potential as an enabler, particularly if social partners are granted the necessary flexibility when introducing AI at the company level.

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<sup>4</sup> [Use of artificial intelligence in enterprises - Statistics Explained](#)