

## Artificial Intelligence:

### High Opportunity for Inclusive and Efficient EU labour markets

WEC-Europe welcomes the White Paper on AI and a coordinated European approach to adopting Artificial Intelligence (hereafter: AI) technology in a value based and trustworthy way. This document provides input from WEC-Europe, the European association representing the Private Employment Services (hereafter: PrES) Industry, for the consultation of the European Commission on its White Paper on AI.

#### Main messages

- The European Private Employment Services Industry - associated through WEC-Europe - is committed to inclusive and diverse labour markets as well as fighting labour market discrimination, irrespective of the deployment of (AI) technology in its various services such as agency-work, recruitment and career management.
- Artificial Intelligence and other technologies deliver more transparent, inclusive, and efficient labour markets. The EU should embrace this as 'high opportunity' for the EU society and economy. Especially now, as the Covid-19 pandemic exposes Europe to an unprecedented challenge for its economy and labour market.
- WEC-Europe believes proposals to classifying all recruitment and workers' rights related AI applications as 'high risk' is insufficiently substantiated and specific. Argumentation is missing on 'why' the Commission has classified it as such. Although WEC-Europe recognizes that AI application in human resources might contain risks, further materialisation and proportionality are needed to tailor a more specific framework on "high-risk" AI application on the labour market that embraces technological opportunities to the benefit of employment in the EU.
- WEC-Europe recognizes the Commission's concerns on application of AI as well as the requirements for mitigating these concerns.
- For private employment services to create and leverage value-based recruitment AI, WEC-Europe calls for the creation of a safe space – including through public-private collaboration - to test and train AI to deal with data that currently cannot be processed in the framework of GDPR, including sensitive personal data.
- WEC-Europe stands ready to work with all European stakeholders to further the application of AI in the EU and European labour markets in particular.

### AI application in recruitment and other Human Resource services grow the EU economy

AI like any other new (digital) technology holds great potential for better labour market functioning. AI allows to identify skills needs, support recruiters in matching people to jobs, improve fact-based matching, identify and predict the interoperability of skills, traits and competences, predict labour market developments, identify and prevent human-bias in recruitment procedures, identify the sustainability of employment matches, support better efficiency of roles and tasks vis-à-vis skills and competences available, support remote

applications including for those that face disabilities, anticipate labour demand fluctuations, create and configure jobs and tasks that align with the supply of workers (and their work preferences, competence and skills), support human resource management, support risk management and advise on the configuration and creation of efficient and diverse teams and workforces. These, and many more applications of AI in the workplace, support growth of the European economy, society, integration, and labour markets. **It is from this perspective WEC-Europe welcomes the White Paper and aligns on the vast potential the European Commission identifies on the deployment of responsible and value-based AI in the European Union and beyond.**

## **AI will support activation and transition to work in the wake of the Covid-19 crisis**

AI will support labour market activation, allocation and transition challenges following the outbreak of Covid-19 across the world as well as the ongoing digitalisation, globalisation, and demographic developments in the European economy. These trends confront people and business with a vastly different and more dynamic labour market. **To those faced with labour market change and challenge, responsible AI in human resources services will contribute to their labour market activation, transition, lifelong learning, and employability.**

## **PrES contribute to skilling and the adoption of new technologies in the workplace**

WEC-Europe recognizes the (re- and up-) skilling and awareness challenges European labour market faces with the adoption of AI. This strengthens WEC-Europe's existing resolve and dedication to contribute the EU's New Skills Agenda and the responsible adoption new technologies in the workplace, the labour market and employment services. In this respect we direct towards [WEC-Europe's Vision Paper 'Making Europe the best Place to Work!'](#) on the industry's contribution to European labour markets and track record on skilling, lifelong learning, social innovation, career guidance and labour market transition support.

## **A more proportional, granular, and specific assessment on labour market AI is needed**

The White Paper classifies all 'worker's rights' related AI applications and especially recruitment processes as "high risk", exposing it to proposals for new regulations that will stifle the responsible application of AI in the EU. To WEC-Europe this classification is insufficiently proportionate, substantiated, or specific.

WEC-Europe is convinced the existing regulatory frameworks cover the technicality and application of AI in HR services. Existing requirements and guidelines on human oversight, accountability and explainability create a platform to deal with possible opaqueness in AI outcomes or functioning. The White Paper does insufficiently address where HR related AI application fall outside of the regulatory frameworks, or why existing European fundamental rights would not apply to technology deployed in the European Union and thus why additional regulatory action is needed in this respect.

As such, WEC-Europe believes the proposal to determine AI application in 'recruitment processes' as "high risk" without further specification or determination to be disproportionate with regards to (1.) the existing legal safeguards, (2.) the potential of AI application in recruitment processes for the European labour market, (3.) the substantiation provided in the White Paper and (4.) the track record of the private employment services industry with regards to delivering labour market stepping stones and inclusive workplaces.

WEC-Europe furthermore identifies that the GDPR extensively covers the key concerns addressed in the White Paper. As the GDPR has been put in place less than two years ago and is currently in the process of review, it is far too early to conclude the GDPR does not safeguard against the risks addressed for labour market AI application. Moreover, data-subjects, data processors and National Data Protection Authorities are still accustomed to their new opportunities, responsibilities, and requirements. Creating new regulation will upend this consolidation process and create more legal uncertainty than it would solve.

WEC-Europe stand ready to work with the Commission and all European stakeholders to identify more specifically where AI application on the labour market requires mitigation and where existing regulatory framework and sectoral activities insufficiently address them.

## **WEC-Europe welcomes the requirements for responsible “high risk” AI**

WEC-Europe welcomes the risk-based approach taken for the adoption of trustworthy AI. The Commission identifies testing, record keeping, information provision, robustness & accuracy, human oversight, and specific requirement for remote biometric identification as key denominators for dealing with “high risk” AI Applications. Indeed, these are elements that contribute to the quality of both the data and the algorithm of an AI application. These are also the elements operators of AI in the EU should be held accountable to.

## **Promoting non-discrimination through Recruitment AI**

The Private Employment Services industry is aware of the general and specific risks that could arise out of the use of AI technologies such as insufficiently diverse training data, biased data set, exacerbation of prejudices and discrimination, limited transparency in the decision making. To ensure trust in private employment services, the industry is committed to the development, use and implementation of lawful, ethical, and robust AI technologies.

WEC Europe identifies and recognizes the extensive existing European and national regulatory safeguards with regards to fighting labour market discrimination, with or without the involvement of digital technology (incl. AI). Next to this the industry has a vast set of national and international initiatives to fight labour market discrimination<sup>1</sup> and has dedicated to continuing these irrespective of the application of AI technologies in recruitment. Already WEC-Europe has taken the initiative to develop guidelines for its members to comply with [the WEC-Europe Code of Conduct \(including the provisions on non-discrimination\)](#) in a new digital enhanced labour market.

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<sup>1</sup> See the WEC compendium of voluntary initiatives promoting ethical recruitment practices ([link](#))

### *Eliminating labour market bias through AI: proposal for a 'safe space'*

Programming and deploying responsible recruitment AI start with an acceptance that AI will represent its data inputs from a biased reality. Mitigating this will require testing, human oversights of outcomes, upgrades, and ongoing improvements. From this premise, mitigating bias does not 'just' require more data, it requires the 'right' data: data that can help identify and potential biases. Yet, data that could be used to identify bias is currently off limits given it is classified as sensitive personal data in existing regulations.

WEC-Europe does in no way seek to alter this classification. It calls on the European Commission to create a 'safe space' for businesses that want to develop responsible AI for recruitment. In this safe space business should be able to assess, train and analyse data and algorithms and integrate the lessons learned in technology they seek to improve labour market functioning. Doing so would be exemplar for the value-based AI deployment the European Commission seeks in the EU.

## **Equal treatment of public and private employment services**

Public and Private Employment Services equally seek to contribute to labour market activation and transition. In this they both deploy (AI) technology. In the setting of a European regulatory framework, the EU should ensure requirements for AI technology apply for public and private employment services equally.

## **WEC-Europe supports the deployment of value-based AI on the European Labour Market**

As the White Paper moves forward to future policy initiatives, WEC-Europe is happy to contribute to the debate on how to make sure AI is deployed on the labour market and private employment services in a way that aligns with European values and regulations. We look forward to work with the European Commission to ensure trustworthy and value-based AI in Europe and beyond.



**About the World Employment Confederation–Europe:** The World Employment Confederation-Europe is the voice of the employment industry at European level, representing labour market enablers.

With 30 countries and 6 of the largest international workforce solutions companies as members, the World Employment Confederation–Europe is fully representative of the industry, both in size and diversity. It brings a unique access to and engagement with European policymakers (EU Commission, European Parliament, and Council) and stakeholders (trade unions, academic world, think tanks).

The World Employment Confederation-Europe strives for a recognition of the economic and social role played by the industry in enabling work, adaptation, security, and prosperity in our societies. Its members provide access to the labour market and meaningful work to more than 11 million of people in Europe and serve around 1,5 million organisations on a yearly basis.