SUMMARY 25/03E | May 2025

SER

AI and Work

Building an AI-powered future of work

SOCIAL AND ECONOMIC COUNCIL

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Main outline of the advice

Developments with regard to artificial intelligence (AI) have accelerated in recent years. AI has become increasingly visible, partly due to the rapid emergence of generative AI applications such as ChatGPT. New applications or developments hit the news almost every week and AI applications are also increasingly being used in the workplace. They range from the standard responses generated by Microsoft Outlook for emails and a chatbot used by customer service departments, to automating stock management, the use of autonomous robots in distribution centres and robots used in the healthcare sector to support surgery. Another current development is AI assistants (AI agents). They go one step further than a chatbot and should make it possible to perform all kinds of digital actions with simple instructions, such as ordering your groceries for you, booking a holiday, etc. In view of all these developments, it is clear that AI is having an impact on work and that this impact will increase.

In this *AI and work*[1] advice, the SER further studies the impacts of AI as they are also central to the government's request for advice: impacts on labour productivity, the quality of work, work and income and what is needed to make good use of the opportunities of AI. The latter is important given the major challenges facing the Netherlands, such as labour productivity falling behind and tight labour markets.

Full impact of AI not clear

The full impact of AI in the context of work is hard to predict. The technology is still in full development and the extent to which various applications are effectively used will become apparent over time. Also, its impact is not clear. Firstly, because there are so many varieties of AI applications. It may involve applications whose effects on the workplace or the labour market are relatively limited, such as a better junk mail filter in your email inbox. But some applications may have a bigger impact, because they lead to a decrease in demand for certain activities (consider translation models that lead to less demand for translators) or because they significantly change the nature of the work (for instance, because some tasks are automated), which can affect workers both positively and negatively. This is related to a second reason why it is difficult to make general statements about the impact of AI: much depends on the specific context. The effects may differ, depending on which AI application is deployed, in which sector, where in the work process, how

1 This is a brief version of the full advice, available at www.ser.nl/nl/publicaties/ai-en-werk

and for what purpose. Will unpleasant or dangerous tasks be taken over by using AI? And what happens with the time that is being freed up? Will people be made redundant, will work intensity increase, or will workers be able to focus more on creative or meaningful tasks, or will they be given more time to recover? Does an AI application cause stress among workers because they don't know how to use the technology, or are they supported by AI, allowing them to work more independently? And how are entrepreneurs affected? Can AI save costs or increase revenue, or will they face increased competition from companies that are already using AI more or better? These questions show that the effects will largely depend on the choices made during the development and use of AI.

Lastly, the effects are hard to predict, because we don't yet know what exactly the use of AI will mean. Take the field of learning, for instance. AI can take over tasks that are now undertaken by interns or junior employees. How will this affect performance, the learning process and the required training? In addition, little is known about the effectiveness of training with AI applications, nor about the impacts of an AI application on the workers' willingness and capacity to learn. Many of these effects will only become apparent in practice and being able to interpret them better will take a couple of years.

Despite the uncertainties, a lot of insight has been gained over time into the effects of AI and the factors that play a role in this, as well as into the barriers to AI use. In the full advice[2], we discuss the most important insights.

SER vision on AI and work

AI offers opportunities for the economy and labour market

The correct use of AI can help address challenges in the workplace such as lagging labour productivity growth, tight labour markets and high workloads. These are important issues for the Netherlands that have broader impacts, such as for competitiveness and the health of the working population. AI can also be used to give people better access to work (consider AI applications that convert speech into text for the hearing impaired, or that translate instructions for non-Dutch speakers) and there are many examples where AI can help improve the quality of work. For instance, AI applications can increase safety by allowing dangerous tasks to be performed remotely, they can increase the self-confidence and autonomy of workers by providing support in the form of feedback, or they lower stress by

2 See Chapters 2 to 5 in the full advice, available (in Dutch only) at: www.ser.nl/nl/publicaties/ai-en-werk

reducing the chance of human error (in stock management, for instance). Lastly, AI can be used to develop new services, markets and/or revenue models, creating opportunities for existing companies and self-employed persons, as well as for start-ups. Given the opportunities offered by AI and the existing challenges for the Dutch economy and labour market, it is important that the Netherlands responds to these opportunities.

At the same time, our expectations have to remain realistic: AI is unlikely to be able to fully solve these challenges and it should therefore not be seen as a silver bullet. There are examples where AI applications can bring about major improvements in labour productivity on individual tasks, but AI cannot be used for all tasks and the use of AI often creates new tasks, such as checking the results of an AI application. Also, not all AI applications are aimed at improving productivity, and productivity gains will vary greatly from application to application. The effects should therefore not be overestimated. However, lagging labour productivity growth in the Netherlands makes it important to use the possibilities of AI where possible.

Seizing the opportunities requires attention to the risks

Like any technology, AI brings with it not only opportunities but also risks. And that also includes potential adverse effects of using AI. We must identify the risks and reduce them where necessary, so AI can be developed and used responsibly and effectively, and people maintain confidence in the use of that technology. Only then can the opportunities of AI be optimally seized.

The risks vary in nature and can also vary greatly from one AI application to the other. It is important to note that many of the risks are not inherent to the technology, but arise from the choices people make during the development and use of an AI application. For instance, if a selection system is trained on historical data when screening CVs, the system may select men rather than women, because the data includes more men with that position. Therefore, risks may arise (often unnoticed) in the development of AI, in this case bias, due to the choice of datasets and how these are used in the AI system. However, the use of AI can also ensure that existing bias is detected and reduced. When an AI application is used in the workplace, human choices determine the impacts.

There are various examples that show that the use of AI can reduce the quality of work. For instance, if workers in distribution centres continuously receive instructions for the next task and that task is also continuously assessed by an AI application, this may lead to an intensification of the work and thus to increased

stress and overworking. Autonomy will also decrease. In addition, the use of AI can lead to more interaction between man and machine, whereas that interaction previously took place with colleagues, thereby leading to fewer social relationships in the workplace. Opportunities to use AI to make an ideal planning for the customer can also lead to workers having to deal with peak loads in short time slots and/or having to work outside regular working hours more often.

In terms of employment and income effects, certain tasks are increasingly being performed with the use of AI, putting some jobs under pressure. At the same time, AI will also create new jobs. It is clear there will be shifts in the labour market and certain groups of people will have to find other jobs.

Much has been done in recent years to ensure that AI is developed and used responsibly. Many AI companies apply principles for responsible AI. The Organisation for Economic Cooperation and Development (OECD) has developed principles for AI and the European Union (EU), for instance, has adopted new AI legislation to ensure safety and fundamental rights. Nevertheless, continued attention is needed to properly manage the development and use of AI and its impacts. Companies, workers, knowledge institutions, relevant societal organisations and the government each have a role to play in this. Together, we must find solutions where they do not yet exist or are insufficient, so the risks do not lead to inertia.

The Netherlands must prepare better: the main recommendations of the SER

The foregoing shows that the Netherlands should not sit back, despite the uncertainty that still exists about AI and its impact. Many of the future effects will be determined by choices made now. Many steps have already been taken in recent years, but more is needed to seize the opportunities, involve people and prevent misconduct, so AI contributes to broad prosperity.[3]

The Council makes the following four main recommendations:

1. Invest in AI innovation and adoption.
2. Put decent work at the heart when using AI.
3. Continue to learn and develop together to leverage AI.
4. Anticipate potential distributional effects of AI.

3 The ecological dimension is of great importance and must be taken into account when developing and using AI, but falls outside the scope of this advice.

These recommendations should together lead to an increasing and responsible use of AI, which contributes to higher labour productivity and better quality of work, with attention to the effects on the labour market and a balanced distribution of income. We will explain these recommendations in more detail below.

Main recommendation 1: Invest in AI innovation and adoption

To remain internationally competitive, the Netherlands and the EU must invest heavily in responsible AI. In a world where AI developments are moving so fast, and where significant investments are being made in the US and China - but also in France and Germany - it is important for the Netherlands and Europe to keep up with these developments and, where possible, lead the way. Given the geopolitical changes, it is also important for the EU to be less dependent on AI (and other digital systems) from outside the EU.

Firstly, this means that Dutch and European companies that develop AI applications can continue to grow. These companies play a crucial role in AI being adopted in the economy. They are also important in the current geopolitical situation. By building our own AI capacity, no new dependencies are created, which contributes to our strategic autonomy (focus on creating mutual dependencies). At the same time, this can lead to a wider range of AI applications that are more in line with European and Dutch values.

Secondly, more companies have to start using AI, so the productivity effects also translate into higher productivity at a macroeconomic level. The adoption rate of AI is still limited, especially among small and medium-sized enterprises (SMEs). In both the development and adoption of AI, attention must be paid not only to productivity, but also to the quality of work.

It's not just about a competitive business community, in the public sector too, opportunities must be seized. This can increase productivity and in some cases lead to financial savings. But perhaps even more importantly in the context of an increasingly tight labour market, the use of AI can help to reduce workload and maintain or improve public services.

What is needed?

It is up to both the government and the business community to invest in AI. The government has two roles: it can invest in AI itself and it can create the right conditions to stimulate business community investments. European collaboration is important in both roles. This means that:

1. The government and business community must invest in science and innovation. Attention must be paid not only to the technical side, but particularly also to the social, economic, ethical, legal and cultural dimensions. The government and the science and business communities must jointly develop a plan to increase investments in research and development (R&D), including AI, to the target of 3 percent of gross domestic product (GDP). Also, we should not lose sight of the dialogue with society.
2. Improve the preconditions for the development of start-ups and scale-ups in AI, particularly in terms of financing and infrastructure. The government must stimulate the availability of venture capital for large risky investments in particular. Furthermore, efforts must be made to complete the capital markets union. In terms of infrastructure, an AI facility based on a European concept, providing access to computing power, data and additional services, among other things, would stimulate the development of these emerging companies. The government is exploring the possibilities in that respect.
3. Create more practical support for SMEs, especially in the early steps of the AI adoption process. The SER advocates that the government, together with trade associations, sector organisations and regional networks of (SME) entrepreneurs, sets up a network of platforms for digital innovation. This network can support SME entrepreneurs in the various phases of AI adoption, where necessary. By gaining a better understanding of existing support and finding out what works well, this network can be further expanded and strengthened, building on existing (often public and private) initiatives such as AI hubs, AI labs and initiatives by regional development agencies. For both AI companies and the broader SME sector, it is not just about supporting individual companies, but about strengthening the AI ecosystem.
4. The government and business community must develop measures that help all groups of companies and public service providers in the development and use of AI. The following are particularly important:
   - ensuring sufficient knowledge and skills to develop and use AI. Both employers and the government have a role to play in this (see also the following recommendations).
   - a better explanation and clarification of relevant legislation, such as the AI Act,[4] including practical tools to comply with legislation. This serves to prevent important legislation from having a paralysing effect.
   - strengthening, attracting and retaining talented people.

4 EU Regulation 2024/1689 laying down harmonised rules on artificial intelligence.

Main recommendation 2: Put decent work at the heart of the use of AI

At a European level, rules have been agreed on the development and application of AI, which mainly focus on high-risk AI applications: the AI Act. This EU regulation is an important step towards guaranteeing fundamental rights and security. But the effects of AI in its full breadth will largely result from the choices made within a company or government institution when developing and using AI. It is important for employers to take the human side into account when using AI. If people do not trust the technology, do not have the will or skills to deal with it, or experience disadvantages from the technology, the AI application may be suboptimally used or not be used at all in practice. Potential benefits in terms of productivity, the quality of work and income are then not (fully) exploited. Employers and employees must work together in that respect.

What is needed?

To properly take the human side into account when using AI, the Council makes the following recommendations:

1. As an employer, involve employees[5] in a timely and effective manner. Ask employees to participate in the development and use of AI, so potential implications are clearly identified and can be responded to at an early stage. Explicit attention to the quality of work is important. That is why the SER advises taking into account the impacts on the quality of work when introducing AI. Pay attention to competencies, autonomy, social relationships, control, intensity, work stress, fair and just treatment.
2. The method of employee involvement requires a tailor-made approach and depends, among other things, on the extent to which AI changes work tasks. By organising this process correctly, technological innovation will go hand in hand with social innovation. When involving employees, the rules regarding employee participation are leading, but the SER advocates more and earlier involvement because this can benefit the organisation.
3. As an employer, arrange human intervention in AI applications with great care. Human intervention or supervision is by law required for high-risk AI applications[6] and can also have positive effects on acceptance and performance in the case of other applications. There is no single right model for deploying people alongside AI and this therefore requires a tailor-made approach, which must be considered with employees at an early stage. Employees involved in the

5 And other stakeholders where relevant, such as customers or citizens, if they may also be affected by the AI application.

6 See Article 14 of the AI Act. The GDPR also requires meaningful human intervention in automated decision-making that concerns or affects people (Article 22).

intervention therefore need to have sufficient knowledge and skills, time, authority and protection to perform their duties properly. People affected by the outcomes of an AI application should always have the opportunity to file a complaint.

4. Make sure that workers can prepare for important changes. Employers must provide sufficient training and instructions to workers on how to use the AI application. Another possibility is that new positions are created or that employees can find work elsewhere through retraining and career tracks. Employers have important statutory obligations in this respect. Both employers and employees must be active and willing to participate in this process. Social partners can include the introduction of AI in the list of collective bargaining agreement negotiating points. For instance, more collective bargaining agreements will include provisions on retraining and the use of the existing labour market infrastructure or on a social plan in the event of restructuring.

Ensure proper compliance with both new legislation (such as the AI Act) and existing legislation (such as the General Data Protection Regulation (GDPR) or occupational health and safety legislation) that helps to ensure the responsible use of AI and decent work. The government (based on the legislative task), supervisory authorities and the business community have a joint responsibility to make the legally complex rules practically feasible through explanations and useful tools, in order to stimulate the adoption of responsible AI.

Main recommendation 3: Continue to learn and develop together to leverage AI

As we indicated in the introduction, there are still many uncertainties about the development, use and effects of AI. All parts of society (people, companies and governments) must therefore adopt a learning attitude. Effective use of AI requires us to continue learning, evaluating and responding to developments. Studies show that the Netherlands still needs to make progress in the areas of knowledge and skills. This not only concerns digital or specific AI skills, but also general skills such as collaboration, critical thinking, communication and flexible problem solving. In addition, monitoring and evaluation are vital in keeping an eye on developments and determining whether legislation or supporting policies are effective enough.

What is needed?

To continue learning about how to use the possibilities of AI effectively, the Council makes the following recommendations:

1. Provide appropriate training and development to enable the (continued) use of AI and to further develop AI applications. This applies to all groups in society: young people, the elderly, workers, but also those among the working

population who are currently not employed. The responsibility lies with several parties:

- Employers have an initiating responsibility for creating and utilising appropriate learning opportunities for workers. They can call on trade associations and educational institutions to help them develop training and education. In addition, employers can make use of the services of regional Job Centres. When developing the learning opportunities for workers, opportunities for non-workers must also be included in order to collectively promote the fitness of the working population. It is important for both employers and employees that the new competencies they acquire with a new technology such as AI are recognised and acknowledged.
- The Ministry of Education, Culture and Science (OCW) has primary responsibility for the further development and implementation of digital skills in the curriculum. Collaboration with professional groups in the educational sector is essential.
- In addition, the SER believes that the government has a responsibility to support basic digital skills for everyone, and recommends that a next step be taken in this respect, with specific attention to AI. These skills must be in line with what affects people and what they need. This can build on (the lessons from) existing initiatives, such as the AI course of the AI Coalition 4 NL (AIC4NL) or the libraries.

2. Intensify monitoring to gain better insight into the use of AI and its impacts on the labour market and society. This requires not only the specific inclusion of AI and its effects in existing monitoring instruments, but also monitoring it in short cycles and working on it in communities of practice. The government has a leading role in this process, but can make use of the signalling role played by other organisations – such as social partners, trade associations, planning agencies, scientists and public and private initiatives (such as the AIC4NL). Monitoring is about finding positive and negative developments and effects, but also about collecting good examples so parties can learn from each other. The SER undertakes to each year discuss the developments of AI for the labour market and economy on the basis of the monitoring data available for the Netherlands, combined with insights and experiences from the parties in the SER. The insights from that discussion will be shared with the relevant ministries.

Main recommendation 4: Anticipate potential distributional effects of AI

AI has the potential to change responsibilities, balances of power and distribution of income. For instance, these shifts have resulted in a growing awareness of the

importance of strategic autonomy in the fields of AI and digitalisation. Action is therefore already being taken in the field of resilience at national and EU levels. Some changes will only become apparent in the next few years and will emerge through the monitoring proposed above. In its comprehensive advice, the SER has identified several possible distribution effects that are relevant in the context of AI. It is not yet known whether and to what extent they will manifest themselves, but because they are critical for the preservation of the Dutch (and European) socio-economic model, they do require attention. This concerns themes such as potential increasing income inequality, risks to social and economic security and the suitability of existing instruments in social dialogue. In the event of major effects in these areas, preparations must be made so action can be taken more quickly.

What is needed?

To be well prepared, the government must conduct studies and assess whether the current set of instruments is suitable. For instance, when it comes to social security. AI could well be disruptive in certain sectors or professions, suddenly placing a major demand on social security. A scenario study can be used to determine whether and to what extent the social security system is resilient to this. A similar study can be conducted on the greater inequality in distribution of income between capital and labour that may arise with the use of AI. Can the current system of redistribution (including taxes and allowances) cope with this? After all, this system is already bursting at the seams. And does capital income going abroad pose a challenge and if so, what is needed to deal with this?

There are similar questions for other topics, for instance, when it comes to responsibilities and their distribution. When purchasing a product or system, it is the employer's responsibility to ensure that its use is responsible, both for employees and business operations. But if the properties or operation of the product or system change over time, for instance, through updates with AI, what are the options for an employer to continue taking responsibility for good employment practices? Can an entrepreneur then make agreements with the system provider? Will the employer be able to enable or disable certain options in the system? If the government identifies potential bottlenecks for employers in time through studies, solutions can be found, in which other parties may also play a role. This will make it easier for employers to take their responsibility for good employment practices.

These types of exploratory studies ensure that the government, but other players too, can better prepare themselves and take responsibility if certain effects do occur. This does not absolve other actors from taking responsibility in the meantime. In the context of a potentially more unequal distribution of income, employers and social partners will work to ensure that when AI is used, the benefits accrue to both employers and employees (in time and money). This means that in this way too, employers are responsible for good employment practices.

A closing note

The above recommendations now need to be initiated or developed further. The fact that some of the effects will only be felt in the long term should not be a reason to sit back. Employers and employees can now work together and actively explore the possibilities of AI to deliver added value for their organisations, both in the government and the business community. Attention must be paid to both the technical and economic aspects, as well as the social and ethical aspects, so any risks can be identified and mitigated in time. Ultimately, it is about using AI responsibly. This demands sufficient knowledge and awareness among those involved, which requires training, as well as monitoring and research. The government can already play a stimulating role in this. In short, we must seize opportunities, involve people and prevent abuses, so that AI contributes to broad prosperity.

Read more in the *full version* of the advice (in Dutch only).

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