AI FutureForce

AI Regulatory Sandbox Initiative to Future-Proof Europe's Workforce

How can we future-proof Europe's workforce
in light of rapid technological disruption?

A Prototype Blueprint

2024

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INTRODUCTION

This prototype blueprint was created by international parliamentarians and experts in the Policy Design Sprint on "AI, Tech and the Future of Work" led by the Open European Dialogue and APROPOS in summer 2024.

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In the context of rapidly evolving technological developments such as Generative Artificial Intelligence, the Policy Design Sprint aimed at developing ideas for solutions that would help to future-proof the European workforce – A workforce that is being confronted with a changing job market, new skills requirements but also questions around rights and ethics related to the application of AI-driven solutions in the workplace.

Within the broader thematical framework of AI, tech and the workforce, the Sprint team decided to tackle the question: *"How can we raise awareness across stakeholders, about the potential and risks of the deployment of AI in the workplace, and consequent regulatory needs?"*, focusing on the reconciliation of innovation and commercial secrecy with the right to know and the regulation of said technologies.

Against the backdrop of art. 57 of the EU AI Act, which calls upon all Member States to establish AI Regulatory Sandboxes, to foster and facilitate the development and testing of innovative AI systems, the AI FutureForce policy prototype envisages how the tool of regulatory Sandboxes could be used to raise awareness about regulatory needs for AI-driven solutions in the workplace without pre-emptively hindering innovation.

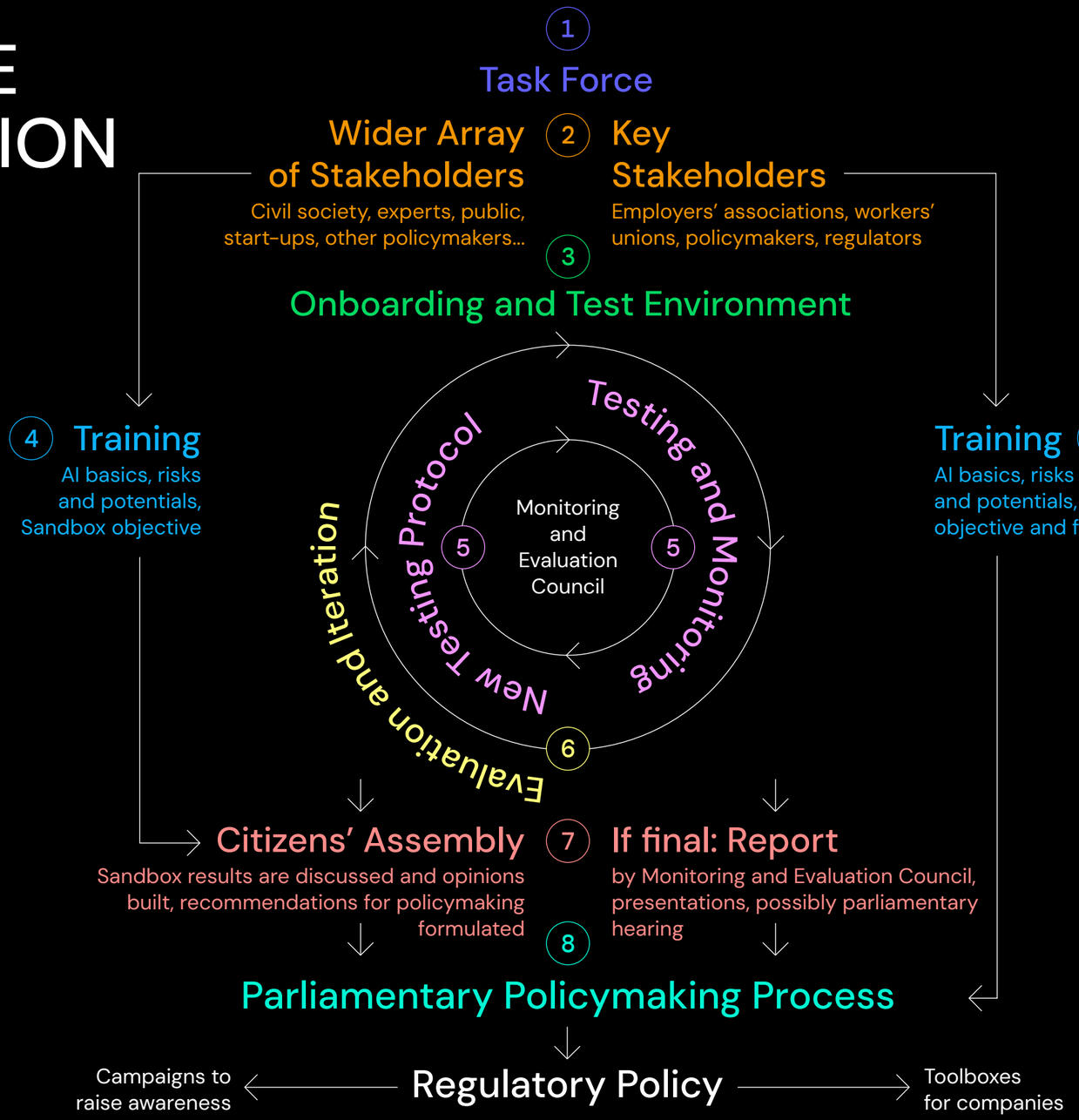
The concept of a Sandbox typically denotes a confined space where actions taken do not impact the outside world. The AI FutureForce Regulatory Sandbox Initiative aims to establish such a controlled environment, allowing businesses across Europe to test AI applications for a limited amount of time under oversight to determine which regulation approaches are needed to safeguard worker's well-being while, at the same time, leaving room for the utilisation of AI for enhanced productivity, safety and other potential benefits.

AI FutureForce proposes a coordinated effort to launch a pan-European Sandbox, or series of national Sandboxes, acting in close coordination, to answer questions such as: *How can AI tools improve the quality and conditions of human labour? How can AI enhance workforce upskilling and reskilling? What impact do new AI tools have on worker productivity and well-being? And how can we address the related regulatory challenges?*

The initiative also emphasises engagement with key societal stakeholders: in particular through curated training and dialogue spaces for policymakers and through the use of a citizens assembly with a consultative function with which it envisages collaboratively developing policies related to AI governance.

The content of this policy prototype does not represent the views of the Open European Dialogue, APROPOS or its partners. It is based on the individual contributions of the policymakers and experts who participated in the Policy Design Sprint.

PROTOTYPE VISUALIZATION



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SANDBOX DESIGN AND FRAMEWORK SETUP

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Step 1:

Governance Structure

A task force, including policymakers, sets up the Sandbox. The task force establishes a clear scope and learning objectives for the Sandbox, determines what form of AI applications to test, what industries to include, sets guidelines and boundaries, and defines success metrics - with the aim to better understand, test and evaluate the benefits and risks of the deployment of specific AI tools for Europe's workforce, promoting innovation while mitigating potential harms. The task force needs to establish an Advisory Board or other permanent governance structure to oversee the operation of the Sandbox through its lifecycle.

Requirements

In this step, it is important to have all stakeholders aligned on the purpose of the initiative. Especially the inclusion of policymakers is relevant to ensure political relevance. Other key players are industry associations, employer's associations and trade unions – or put differently: the tripartite group among stakeholders – as well as other regulatory bodies.

It is desired that the setup of the AI Regulatory Sandbox is cross-border, cross-country, and pan-European to ensure best practice sharing, prevent repetitiveness of test cases, ease regulation implementation at a later stage and hence operate efficiently and collaboratively. This could either be achieved by creating a pan-European Sandbox or a coordinated setup in multiple countries at the same time, that communicate through a coordination office.

A shared understanding is needed that the process should focus on the attempt to solve real-life societal problems and regulatory challenges.

Keep in Mind

Power dynamics need to be considered when setting up the governance structure of the Sandbox. The voice of people being directly affected by the introduction of AI-driven solutions in the workplace should be strongly taken into account directly from the beginning.

In any case, it is advised to prevent installing too many governance bodies. A management and a monitoring body should be enough. Agility is key, and oversight as well.

When it comes to the governance structure of the Sandbox, we face a dilemma of full independence vs. ownership: Options would be to be completely independent or housed within existing institutions, such as an EU department or agency. .

Step 2:

Collaboration With a Wider Circle of Stakeholders

In a second step, actively facilitating stakeholder engagement ensures broad input and cooperation throughout the Sandbox lifecycle, fostering a collaborative environment for AI development and deployment.
In addition to a circle of key players, a wider circle of stakeholders needs to be involved in order for the Sandbox initiative to reach its full potential. Appointed AI Ambassadors promote the initiative to corporations and stimulate public debate around the issue.

Requirements

In the second step, actively facilitating stakeholder engagement ensures broad input and cooperation throughout the Sandbox lifecycle, fostering a collaborative environment for AI development and deployment.

In addition to a circle of key players, a wider circle of stakeholders needs to be involved in order for the Sandbox initiative to reach its full potential. Appointed AI Ambassadors promote the initiative to corporations and stimulate public debate around the issue.

Keep in Mind

Multistakeholder engagement is important for success but practically difficult to navigate. Building two clear layers of engagement could help with that: Differentiate key stakeholders from a wider range of other stakeholders and design a structure around those different circles that is appropriate, effective and efficient.

Step 3:

Participants Onboarding and Setup of Test Environments

In this step, AI-developing companies and companies willing to test new products together with their employees will set up their test environments. In doing so, they are closely supervised: They undergo a structured onboarding process and receive feedback on compliance and testing protocols by independent researchers and the Monitoring in Evaluation Council.

Requirements

At this stage, a decision needs to be made, on how the application process would look like, if there is one. In general, reaching out to industry and e.g. startup associations as multipliers for the Sandboxes could be helpful. Include associations early in the process to leverage their networks.

In order to ensure participation in multiple rounds of testing, monitoring and evaluation, participation must be attractive enough for AI-developing companies and other companies willing to test the applications, despite the time and indirect costs involved. An attractive participation scheme needs to be designed.

Keep in Mind

It is important to reach a broad variety of companies, especially SMEs, not only the well-equipped big players that are most likely not encountering problems in either providing well-fleshed-out AI applications to test or in their ethical and purposeful application with the employees. To reach companies that might lack the funding and capacity to participate in the Sandbox on their own, state financial support could be an incentive to participate.

Other incentives for participation could be: To actively bring investors on board with the initiative, to emphasise that participation in Sandbox testing could be seen as part of Corporate Social Responsibility activities and to highlight that Sandbox participation is somewhat equal to user testing and might offer the opportunity to improve the product based on the findings.

The idea of a participation scheme beyond voluntary participation could potentially be explored. Testing could in principle be compulsory for potentially risky technologies and/or applications – the idea is to have everything tested before it is widely applied.

ACCOMPANYING THE SANDBOX: TRAININGS AND ENGAGEMENT

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Step 4:

Trainings and Continued Stakeholder Engagement

The technological advancement is continuing rapidly and so is the development of new risks and opportunities for the workforce. All stakeholders, that is, the circle of key stakeholders as well as the wider stakeholder landscape, need to be up to speed with those developments and their meaning for society. Therefore, a continued discussion, including tailored training formats, is needed.

Requirements

This step involves AI awareness-raising and training sessions among others for the public, public opinion leaders, and policymakers. It aims to educate these groups on AI use in the workplace and equip policymakers with the knowledge for evaluation of the Sandbox results and informed policymaking.

Keep in Mind

Different groups of stakeholders require different training contents. Two rounds of trainings might need to be considered: The first round on the topic of AI, tech and the workforce in general and a second round on the Sandbox and its findings, to stimulate public discourse around those findings and to equip a wider array of policymakers with the knowledge to take regulatory decisions.

INSIDE THE BOX

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Step 5:

Sandbox Testing and Real-time Monitoring

In this step, AI products undergo testing in simulated or limited real-world settings with performance, compliance, effects and impacts on the workplace and the workforce monitored by regulators and experts. Feedback from stakeholders, including AI developers and employees, is gathered to ensure safe, ethical, and effective operation and to build a foundation for evidence-based regulatory recommendations.

Requirements

Involved parties include regulators, AI product developers, managers from the employing company, and employees. Regular feedback is gathered from all stakeholders through interviews and other methods. Monitoring tools to track AI behaviour in real-time, capturing data on decision-making processes, interactions, and adaptability.

Failsafe mechanisms to quickly address any malfunctions or unexpected outcomes during testing.

Monitoring is conducted by independent researchers who report to a diverse Monitoring and Evaluation Council.

Accessible and regular reporting is made available to all stakeholders ensuring the transparency of the Sandbox's operations and findings.

Keep in Mind

The goals of the operation include safeguarding worker autonomy, ensuring human oversight, enhancing productivity without harming mental health, and maintaining fairness and equity.

Ethical considerations for workforce involvement in testing will be paramount. What considerations are necessary regarding employee consent when testing AI products in a workplace environment? Their willingness and understanding of the testing process are essential.

The testing environments should reflect the complexity and variability of real-life scenarios where AI will eventually operate.

Optional: Pre-selected citizens' observers could observe the monitoring and evaluation process and later independently report to the citizens' assembly to ensure another layer of control.

Step 6:

Evaluation and Iteration

This step includes continuously gathering and integrating feedback from stakeholders, adjusting testing protocols and conducting more rounds of testing and monitoring as needed. The goal is to comprehensively assess the impact of new technology against learning objectives and desired outcomes. Within this framework, it makes sense to test first with minimal regulations and then test several regulatory approaches and their impact.

Requirements

The Monitoring and Evaluation Council assesses data, proposes regulations, and communicates with AI product developers and the management of testing companies for further adjustments.

Should the Monitoring and Evaluation Council come to the conclusion that enough testing of products and regulatory approaches has been conducted, a final report will be published. This report will serve as an informational basis for regulatory policymaking.

Keep in Mind

A lot of consideration has to be given to the composition and the exact mandate of the monitoring and evaluating entity (here called: Monitoring and Evaluation Council), especially regarding the formulation of final recommendations for regulatory approaches.

One additional suggestion would be to invite Members of Parliament and other national and European policymakers across borders to participate as independent evaluators (as it is done in universities).

AFTER THE SANDBOX RESEARCH PHASE

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Step 7:

Consultation by Citizens' Assembly

This step includes installing a citizens' assembly to discuss Sandbox results and review regulation proposals. This assembly engages with the results - in the form of the final report as well as optionally the findings of their own independent citizens' observers - and contributes to drafting regulations, enhancing the ethics and legitimacy of the process by incorporating public wisdom. The citizens' assembly only carries out a consultation function and its outcome non-binding for policymaking decisions.

Requirements

Participating citizens should have received training prior to reviewing the Sandbox results.

The citizens' assembly could be established after 8 - 10 successful Sandbox projects have been scrutinised to ensure efficiency.

Optionally, the citizens' assembly could be established earlier in the process, review regulation proposals made by the Monitoring and Evaluation Council during testing, aided by reports from citizen observers, and directly influence the testing protocol for the next rounds of testing. However, it was noted that this would come with an additional layer of complexity in decision-making during the Sandbox process.

Keep in Mind

The objective of the citizens' assembly is on the one hand, to formulate an opinion on certain regulatory approaches and create recommendations for policymakers, on the other hand, the citizens' assembly should build public confidence in the work of the Sandbox, representing a sample of the population. Additional tools like surveys, public forums, and social media can enhance online engagement and deliberation. The citizens' assembly should not have the power to diminish the voice of the workers/ employees that have been involved and surveyed during the testing since they directly represent the primarily affected group.

Other citizens' participation schemes beyond the citizens' assembly should be considered as well, especially in the early stages of the Sandbox. For example, citizens could help define use cases they would like to see "sandboxed" or jump in when there is a test case defined, helping describe potential risks and refine the case. In any case, it is important to determine which citizens exactly should be included: Employees or a random sample of the population.

Step 8:

Policy Development, Implementation and Adaptation

National parliamentarians that ideally have obtained training on the subject matter prior to decision-making review the final Sandbox report as well as the recommendations made by the citizens' assembly, draft and pass legislation or set up other regulations, aiming to make the EU a leader in responsible AI innovation.

Requirements

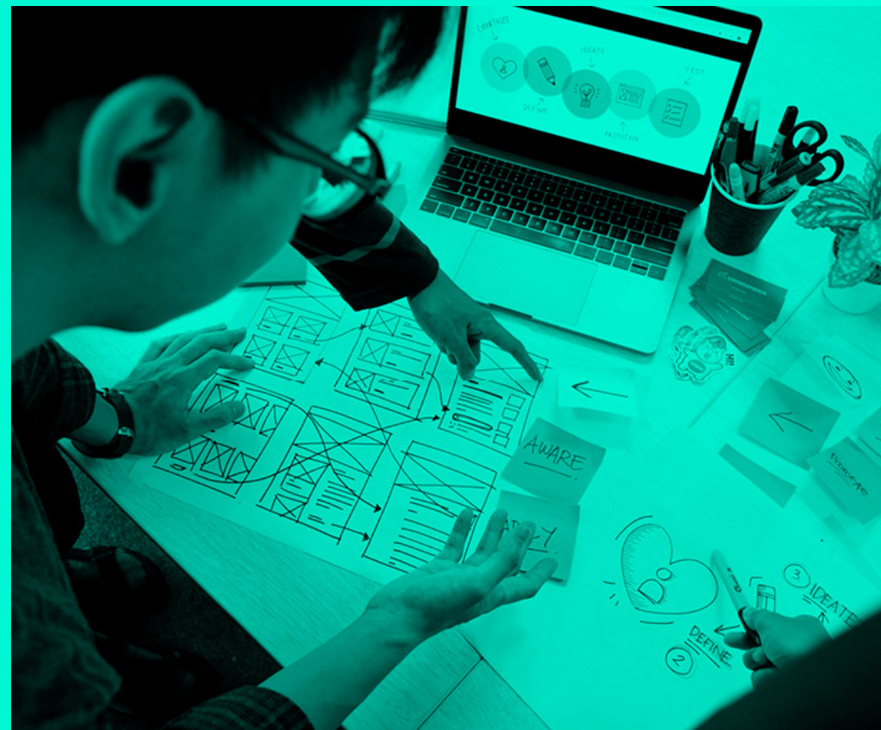
Input from both, the Monitoring and Evaluation Council as well as the citizens' assembly should be taken into consideration.

Once the policy is finalised, communicate and lobby through official channels, offering implementation guidance and support. Ensure that regulations are easily understandable, and communicated in plain English without technical jargon. Creating a toolbox for companies that informs about regulatory duties could ease implementation.

Keep in Mind

A comprehensive ecosystem has been built during the lifecycle of the Sandbox. It is worth considering keeping parts of the structure and nurturing this community of practice, for example establishing a network of AI-friendly cities, especially since further regulatory needs might arise shortly.

In this context, it is important to review the regulatory policies after a certain period of time has passed to see if they are still fit for purpose or if the technological progress calls for adaptation.



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