

## Fourth Study Commission Public and Social Law

### Questionnaire 2024

#### Digital Revolution Impact on the Labor Market: Platform or Gig

#### Economy and Artificial Intelligence

#### FINLAND

1. *Provide a brief description of the presence of the “gig” or “platform” economy in your country. If possible, base your answer on official public data or academic reports, although we recognize that in some cases data may not be available.*

Gig or platform economy is a growing trend. The Occupational Health and Safety Institute has compiled a list of 43 platform economy companies operating in Finland in 2021. The spectrum of services is diverse. 24 of the companies offer services classified as professional services. Other categories include household, transport and construction and maintenance services. There were more than 50 job platform companies operating in 2023 and more than 60 in 2024. Active operators are Wolt, Foodora, Uber and Bolt.

2. *How does this development affect the traditional employee/employer relationship? What is the status of platform or gig workers in your country: employees, independent contractors or a third category? Is there any jurisprudential divergence regarding the status of these workers? Cite relevant examples.*

The concept of employer and employee is defined in Employment Contracts Act (55/2001). The employer has directive right, the right to manage work. The employer decides how, where, when and with what tools the work is done. The employee is obliged to follow the instructions and regulations given by the employer. In situations that are open to interpretation, the existence of an employment relationship is evaluated with an overall consideration, considering the conditions of doing the work, the conditions in which the work is done, the parties' intention regarding the nature of the legal relationship, and other factors affecting the actual position of the parties in the legal relationship. The application of Employment Contracts Act is not prevented only by the fact that the work is done at the employee's home or at a place of his/her choice, nor by the fact that the work is performed with the employee's tools or machines. (Employment Contracts Act chapter 1, sec. 1, subsec. 1 and 3, amended 3.3.2023/329)

The Insurance Court has given newly two decisions considering deliverymen's status:

-14.6.2024, VakO 1802:2022: The Court ruled that all the food distributor's work for the company had taken place in an employment relationship, because the

characteristics of an employment relationship were met. Among other things the food distributor had not registered in the official registers that he works as an entrepreneur. He had not taken himself insurance in accordance with the Entrepreneur's Pension Act. The entrepreneur had paid him a salary and deducted withholding tax from it. Employment Pension Act and not Entrepreneur's Pension Act had to be applied to the work of a food distributor. Working continued about 4 months in 2020.

-21.5.2024, VakO 2205:2022: The Court ruled that since all the characteristics required for an employment relationship were not fulfilled in the relationship between the food distributor and the company, there was not an employment relationship and Employment Contracts Act was not applied. Among other things the food distributor had right to change the contractor or use a subcontractor. He himself was not obliged to carry the food. The food distributor was an entrepreneur. Working continued about 2 months in 2020.

3. *What is the impact of artificial intelligence on the labor market of your country? If possible, base your answer on official public data or academic reports. Outline the positive and negative impacts.*

Statistics Finland has conducted research (3.12.2021) according to which artificial intelligence technologies are used by 16 percent of companies. 39 percent of the largest companies employing at least 100 people and 12 percent of the smallest companies employing 10–19 people use artificial intelligence technologies. By industry, artificial intelligence technologies are most used in the information and communication (41%) and professional, scientific and technical activities (30%) industries. The use of artificial intelligence technologies is also more common in industry (17%), administrative and support services (17%) and wholesale (16%) industries than other industries. Artificial intelligence technologies are used in the accommodation and food service (5%) and transport and storage (6%) industries.

4. *Do you have any laws regulating and/or relevant judicial decisions about artificial intelligence on the labor market? What are the challenges for employers, such as privacy, transparency, secrecy, plagiarism, and the claim that artificial intelligence will be replacing workers? What are the concerns of employees?*

ETLA, Economic Research for Finland has 6.6.2024 published research "Does AI Displace Work?" ETLA has examined the effects of generative artificial intelligence (GenAI) on the labor market. Labor demand has decreased in some sectors, while demand has increased in other areas. Greatest demand arose in jobs where work is speeded up when university educated employees make use of artificial intelligence. Such jobs include jobs related to programming and recruitment. Demand also arose in workplaces where the use of artificial intelligence does not speed up the performance of work tasks, such as visual design tasks. Demand for labor decreased in jobs where artificial intelligence can be used to perform work tasks with artificial intelligence without affecting the quality of the work. Such jobs include text production and translation.

Employees are worried about losing their jobs. Human work will not disappear, but AI will influence the distribution of work tasks.

The Government of Finland has drawn up guidelines on the use of Artificial Intelligence in public administration.

The Association of Finnish Local and Regional Authorities and several companies have also issued ethical guidelines for the use of AI.

New rules are Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence.