

# TransFormWork 2 / Project 101145650

Social partners together towards a better and effective regulation of Artificial Intelligence for a just transition to the work of the future

**Second European Round Table**  
**Bologna, March 27<sup>th</sup>, 2025**  
**Review of AI in Cyprus**

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## Introduction to AI at the National Level in Cyprus

- AI is reshaping industries worldwide, and Cyprus is no exception.
- As an EU member, Cyprus's approach to AI aligns closely with EU regulations, particularly the EU AI Act and GDPR.
- The national AI strategy focuses on ethical and transparent use of AI to ensure both technological advancement and the protection of citizens' rights.

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## Key AI Policies and Regulations in Cyprus

- Cyprus follows the General Data Protection Regulation (GDPR), ensuring personal data is used responsibly, especially in algorithmic management in workplaces
- The National AI Strategy of Cyprus (2020) highlights the development of an ethical and reliable AI framework that emphasizes transparency, responsibility, and fairness in AI development
- A National Committee on Ethical and Reliable AI has been set up to monitor AI implementation and ensure that AI systems are in line with Cyprus's social and legal values

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## Social Partners and AI

- SEK and OEB both participate in the projects Transformwork and Tranformwork 2.
- OEB is also a partner in the DiGiNN Project (Digital Innovation Hub Cyprus) which is a one stop shop for businesses and public sector entities on all AI and digitalisation issues.
- In 2023 OEB carried out a survey amongst 210 SMEs on digital transformation as part of OEB Pillars Project. AI was ranked high amongst the issues relating to the skills gap and the gap in training.

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## Digital Skills and Workforce Development

- There is a strong emphasis on training needs as in order for businesses to stay ahead of the curve, it is crucial to integrate AI into their operations and for employees to gain or retain the necessary skills.
- Understanding the power of AI is essential to keep businesses ahead of the competition.
- Trainings focus to give insights on:
  - How can AI be used to solve problems?
  - How can AI be used to improve operational efficiency and reduce cost?
  - How can AI improve customer experience?
  - What are the potential ethical implications of using AI?
  - What skills do you need to develop and what roles will be required in the future of AI?
- AI is a powerful tool, but it's not a silver bullet.

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## Digital Skills and Workforce Development

- AI can revolutionise the world of work but:
  - Requires analysis of the basic principles of AI and its application in business.
  - Requires understanding of how to leverage AI to make better decisions.
  - Requires understanding of the limitations of AI.
  - Needs to identify the processes that can benefit from AI and how to implement them.
  - Needs compliance with regulations and standards.
  - Requires involvement of people.

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## Transformwork 2 – Preliminary Survey Results - Employees

- Organization Profile:
  - Size: Ranges from 50 to 2500 employees
  - High rate of union representation (50-100%)
  - Most organizations covered by collective agreements
  - No response from media sector
- AI Adoption:
  - Gradual introduction of AI systems
  - Mainly used in administrative functions and data processing
  - Limited use in human resource management
- AI Impact:
  - Minor changes in specific work tasks (e.g., faster text processing)
  - Minimal effect on working hours
  - Uncertain impact on service quality

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## Transformwork 2 – Preliminary Survey Results - Employees

- Employee Training and Participation:
  - Limited employee involvement in AI implementation planning
  - Inadequate training on new AI systems
- Transparency and Human Control:
  - Lack of clear rules for human control in AI-related decisions
  - Low transparency regarding AI use for internal monitoring
- Data Protection and Surveillance:
  - Limited use of monitoring systems
  - Lack of clear measures for personal data protection
- Algorithmic Management:
  - Minimal use of platform workers
  - Limited knowledge of the proposed EU Directive on platform work

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## Transformwork 2 – Preliminary Survey Results - Employees

- **Lack of Awareness and Transparency**

1. Limited knowledge about AI: Many employees seem inadequately informed about AI use and applications in their organizations, suggesting a lack of transparency and open communication from management.
2. Unclear AI implementation: The numerous "Don't know" responses may indicate that AI implementation is still in early stages or not apparent in many employees' daily work.

- **Inadequate Training and Participation**

3. Lack of training: Responses suggest insufficient employee training on AI systems and their impacts.
4. Limited employee involvement: Many negative responses regarding consultation and employee participation in AI system introduction indicate a lack of active workforce involvement in decision-making.

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## Transformwork 2 – Preliminary Survey Results - Employees

- **Governance and Control Issues**

5. Lack of clear policies: "No" answers to questions about human control rules and data protection suggest an absence of comprehensive AI governance policies.
6. Uncertainty about human control: Lack of knowledge about who has final control in AI-assisted decisions raises concerns about the "human-in-control" principle.

- **Limited AI Implementation**

7. Gradual introduction: Many negative responses regarding the use of specific AI applications indicate that the technology is not yet widely implemented in many organizations.
8. Lack of experience: Limited AI use means many organizations and employees have not yet gained significant experience with these technologies.

- **Data Protection Challenges**

9. Uncertainty about data protection: "Don't know" responses to data protection questions indicate a lack of clarity and awareness about privacy protection measures.



## Transformwork 2 – Preliminary Survey Results - Management

- No replies from the Media sector – 3 organisations contacted said they do not use AI.
- In the Education sector:
  - All organisations use AI not only for general management and administration purposes, but also for teaching/vocational training services.
  - It is barely used for HRM purposes.
  - None of the organisations monitor employees via digital tools and or AI surveillance systems.
  - 50% of the organisations are aware of the proposed EU Platform Work Directive.

## Transformwork 2 – Preliminary Survey Results - Management

- In the Health services sector:
  - 40% of organisations use AI for general administration and improvement of medical diagnosis.
  - No organisation uses it for HRM purposes.
  - No specific tasks have changed after the introduction of AI systems.
  - In organisations using AI there are rules on the control of decisions (the Human in Control Principle is applied).
  - None of the organisations monitor employees via digital tools and or AI surveillance systems.
  - None of the organisations are aware of the proposed EU Platform Work Directive.

## Transformwork 2 – Preliminary Survey Results - Management

- In Financial Services:
  - 60% of organisations use AI systems.
  - AI is mainly used for data management and in accounts departments.
  - Only 1 of the organisations had consultation and/or involved its employees or their representatives, regarding the introduction of AI Systems.
  - Only 1 uses AI for HRM purposes.
  - No impact on working time by the introduction of AI systems.
  - All provided training for employees required to use AI systems.
  - No specific tasks have changed due to the use of AI.
  - None of the organisations monitor employees via digital tools and or AI surveillance systems.
  - Only 1 of the organisations are aware of the proposed EU Platform Work Directive.

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## Transformwork 2 – Preliminary Survey Results

- In Industrial Production:
  - 60% of organisations use AI systems.
  - AI is used for automation of previously manual operations.
  - Of the organisations using AI, the response was that the introduction of AI impactes significantly or somewhat positively the quality of the output of the business..
  - None of the organisations monitor employees via digital tools and or AI surveillance systems.
  - Only1 of the organisations are aware of the proposed EU Platform Work Directive.

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## Conclusion

- AI use in Cyprus is still lacking.
- The focus on training is evidently a correct priority.
- The further analysis of the survey results will show more clearly of the state of play in Cyprus.



Thank you very much!!