

EXECUTIVE SUMMARY · POLICY BRIEF NO. 01 · VOYCE TECHNOLOGY COMMISSION 2025-26

Workplace risk tradeoffs in the era of AI.

How AI is reshaping professional risk across Europe, and what EU policymakers must do to protect workers, empower SMEs, and unlock the opportunities ahead.

AUTHORS

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FOCUS

European labour market & AI policy

FRAMEWORK

A four-dimensional Professional
Risk scoreboard

OUTPUT

Five prioritised EU policy proposals

GDP UPSIDE

€416_{bn}

Additional GDP AI could contribute to the European economy annually by 2030.

MCKINSEY GLOBAL INSTITUTE

NEED FOR RESKILLING

94_m

European workers estimated to require reskilling by 2030 as AI reshapes roles.

MCKINSEY · EUROPEAN COMMISSION

WORKFORCE RISK

25%+

European employers already undertaking or planning AI-driven workforce reductions.

LITTLER 2025

CONTENTS · THE BRIEF IN EIGHT MOVEMENTS**READING TIME**

Two parts: a diagnosis, and a *policy response*.

Twelve minutes, or jump straight to the proposals.

PART I The *diagnosis*.

The productivity surge, the framework we use to read it, and the map of who wins and loses.

- The Surge**
A real productivity opportunity, with real stakes. CONTEXT
- The Framework**
Four dimensions of professional risk in the AI era. LENS
- Central Thesis**
Who captures the value, and at what level? THESIS
- Risk & Opportunity Map**
Asymmetric effects across large firms, SMEs, and entrepreneurs. MAPPING

PART II · THE ACTION Policy Recommendations.

What the EU has, what it is missing, and the five-instrument package proposed here.

- Governments Must Act** IMPERATIVE
Safety Net *and* Launchpad: the EU's twin obligation.
- The EU Today** LANDSCAPE
Existing tools, real gaps, and the implementation chasm.
- Five Proposals** R1-R5
A coherent package, not five isolated instruments.
- Direction of Travel** CLOSING
A north star for European AI policy.

R1 PAPC

R2 ATRG

R3 SACCH

R4 AAIS

R5 AEB

The AI productivity surge is *real*, and so are the stakes.

A *I is not a future risk; it is a present transformation. Productivity gains are large, measurable, and accelerating. The question is no longer whether AI will reshape European work, but who will capture its benefits, and who will bear its costs.*

ADOPTION

71%

of businesses globally using GenAI in at least one function by end of 2024.

MCKINSEY 2025

TIME EXPOSURE

60–70%

of employee time spent on tasks with automation potential via GenAI.

MCKINSEY 2025

PRODUCTIVITY UPLIFT

+15_{pp}

productivity rise projected by European business leaders over the next eighteen months.

ACCENTURE 2025

ADOPTION GAP

55 / 20%

large EU firms vs small firms already using AI; a structural divide.

EUROSTAT 2025

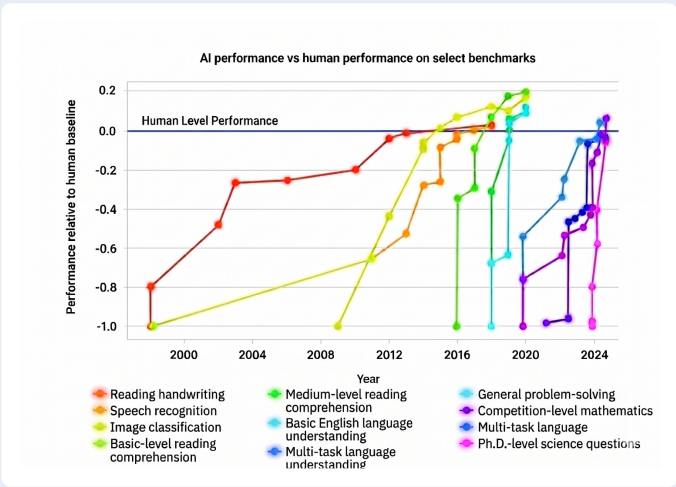
FIGURE 01

AI is catching up on human performance *faster than ever*.

International AI Safety Report 2025

KEY TENSION

The productivity gains are real and substantial, but adoption is deeply unequal. Large firms capture the bulk of efficiency improvements, while smaller firms and workers in AI-exposed roles face disruption without equivalent tools to adapt.



The *Professional Risk* Framework.

The AI transition will redefine risks and opportunities in professional careers. To map them, this report introduces an original analytical tool, built on the OECD Job Quality Framework and the UNECE Quality of Employment Framework, adapted for the AI context. It is the lens used throughout the report to assess the impact of AI on different careers.

1. Income Security Stability of current and future earnings; the financial foundation of professional life. - Earning predictability & consistency - Time-to-security - Displacement risk - Skill & knowledge obsolescence	2. Social Security & Downside Protection Tools that protect workers during shocks, transitions, and career disruptions. - Unemployment insurance & severance - Health & pension coverage - Portability across job changes - Asset protection	3. Legal & Fiscal Risk Compliance burden and liability exposure tied to a role or business structure. - Tax compliance costs - Regulatory barriers - Legal liability exposure - Cross-border fragmentation	4. Autonomy & Agency The psychological and social dimensions of work: freedom, purpose, predictability. - Decisional autonomy - Career path predictability - Work-life balance - Social integration & belonging
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HOW IT IS USED

Both as a diagnostic lens, identifying where AI increases or decreases risk; and as a scoreboard: every proposed policy is evaluated by which dimensions it improves, and at what cost to the others.

Who captures the value?

AI increases aggregate productivity, but the distribution of its benefits is deeply unequal. In vertical hierarchies, benefits pool at the top. In horizontal structures, they reach individuals directly. The profiles below describe effects at the individual level: what a worker, founder, or owner of each firm type actually experiences.

THESIS

AI is reshaping the traditional employee–entrepreneur tradeoff, lowering barriers to entrepreneurship and raising productivity, while creating new forms of volatility in job demand, career ladders, and workplace governance. Risk exposure is uneven across firm types, and so must be the policy response.

§ Risks & Opportunities for individuals

Effects experienced by the worker, founder, or owner, not the firm

LARGE FIRMS · VERTICAL · INDIVIDUAL-LEVEL Workers in large firms. 250+ employees · pyramidal structure; gains pool at the top. RISKS – Entry-level job collapse. Employment for workers aged 22–25 in AI-exposed occupations has fallen 15–16%; AI automates the codified tasks that served as career entry points; senior workers remain stable. – Workforce reductions underway. 25%+ of European employers have undertaken or are planning AI-driven headcount cuts; one in four CEOs expects 5% staff reductions in 2026 through AI alone. – Career ladder compression. As junior roles disappear, the traditional junior → senior progression breaks down. – Algorithmic surveillance & burnout. Workers under AI monitoring perform worse and are more likely to quit; the EPRS finds increased stress, burnout, and anxiety. – Skill obsolescence. 37% of EU workers lack basic digital skills; large-firm reskilling at scale is slow and often deprioritised against replacement. OPPORTUNITIES – Productivity gains are real. But they flow primarily to firm revenues and shareholders, not to working conditions. – Augmentation can free strategic capacity, when AI handles redundant tasks, employees gain space for higher-value work, but only with deliberate organisational design. BOTTOM LINE Large-firm employees need managed transition. Protection from risk is the priority.	SMES & INNOVATIVE COMPANIES · INDIVIDUAL-LEVEL Workers in SMEs & startups. Startups · scaleups · flatter structures; gains reach workers more directly. OPPORTUNITIES – AI closes capability gaps. 46% of SMEs that saw positive AI effects cite skill-gap closure as the main reason; non-technical workers gain access to advanced tools. – 83% of SMEs using AI report no change in headcount. Adoption here is additive, not subtractive; AI fills gaps rather than eliminating roles. – AI dramatically lowers compliance cost. LLMs and specialised platforms cut the need for expensive external advisors. – Less redundant work, more direct benefit. In flatter structures, productivity gains reach workers, not only shareholders. RISKS – Adoption lag threatens market share. Only 18–20% of small firms use AI vs 55% of large firms; AI-adopters already show up to 5% relative revenue advantage. – Weaker reskilling capacity. No internal academies, higher per-employee training costs, less HR capacity; the capability gap widens precisely when it matters most. – Fragile career ladders. In small firms with few rungs, eliminating one role can collapse the entire internal progression; no lateral departments to absorb workers. BOTTOM LINE SMEs need empowerment. Removing barriers to adoption is the priority.	ENTREPRENEURSHIP · SOLO FOUNDERS · INDIVIDUAL-LEVEL Entrepreneurs & solo founders. Self-employed · solo founders; maximum autonomy, maximum exposure. OPPORTUNITIES – Lower asset exposure to begin. AI reduces the need for physical offices, large inventories, and outsourced infrastructure; the minimum viable asset base is lower than ever. – Lower cost to test and iterate. No-code and GenAI tools let solo founders prototype products and run campaigns that previously required a full team. – Better odds per attempt. Small teams can run sophisticated research and outreach at near-zero marginal cost, increasing the chance of product-market fit before running out of runway. – AI as legal & fiscal equaliser. Basic documentation, contracts, and tax filings are accessible without external consultants. – Autonomy at maximum. AI handles repetitive operational work, freeing the entrepreneur for the creative and strategic work that motivated them in the first place. RISKS – The social protection cliff. The moment a worker leaves employment to start a venture, coverage disappears: no unemployment insurance, no pension contributions, no sick pay. The single biggest structural barrier to entrepreneurship in Europe. – Over-reliance risk. The line between AI-augmented work and cognitive offload is thin; over-dependence without literacy frameworks creates new vulnerabilities. – Competition gap persists. Large firms with AI at scale still hold data, distribution, and capital advantages. BOTTOM LINE Entrepreneurs need a launchpad. Removing the protection cliff is the priority.
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A map of asymmetric effects.

Across the four dimensions of professional risk, AI's effects are asymmetric by firm type. The matrix below maps documented impacts across large firms, SMEs, and entrepreneurs. Read a row to compare one dimension across firm types; read a column for the full risk profile of each.

	 LARGE FIRMS	 SMES	 ENTREPRENEURS
 Income Security	⚠ High Risk 15–16% drop in junior employment; reduced hiring; compressed career ladders; skill obsolescence for 37% of workforce	↑ Opportunity AI closes skill gaps and lifts SME efficiency & competitiveness; productivity and income gains flow through to employees	↑ Opportunity Lower starting costs and faster time-to-revenue; AI augments the entrepreneur's reach, easing what was previously the riskiest income profile
 Social Security & Protection	↓ Weakening Benefits tied to employment status; displacement creates coverage gaps; protections don't move with workers	↓ At Risk Similar gaps if workers are displaced; cross-border portability issues for mobile workers in smaller firms	⚠ Critical Gap Social protection cliff: leaving employment means losing all coverage; single biggest structural barrier to entrepreneurship
 Legal & Fiscal Risk	→ Stable Large firms have compliance departments; new AI Act obligations manageable internally; relatively lower per-unit cost	↑ Opportunity Historically a heavy burden (30:1 cost ratio vs 5.9:1 for large firms); AI now opens access to information and tools that make basic legal and fiscal compliance achievable in-house	↑ Opportunity AI tools dramatically lower cost of basic legal compliance, contract drafting, and fiscal procedures, levelling the playing field
 Autonomy & Agency	⚠ High Risk Algorithmic surveillance; performance pressure from automated metrics; reduced discretion; increased burnout and stress (EPRS 2024; Schlund & Zitek 2024)	⚡ Mixed Less formal surveillance, but AI adoption pressure and skill gaps create stress; smaller teams have more autonomy in how they use tools	↑ Strong Gain AI handles repetitive tasks; founders focus on high-value, creative work; decisional authority preserved; flexibility increases

THE CRITICAL INSIGHT

The same technology creates opposite trajectories depending on who you are. A junior worker in a large firm and a founder using AI as a capability multiplier face completely different risk profiles; yet current EU policy treats them with broadly the same toolkit.

Safety Net and Launchpad.

The asymmetric distribution of risks and opportunities shown above is not inevitable; it is a policy choice by default. Without deliberate intervention, large firms capture efficiency gains, workers bear adjustment costs alone, and AI-enabled entrepreneurship remains structurally inaccessible.

 Safety Net: Protecting Against Risks	 Launchpad: Empowering Opportunity
Interventions that prevent, cushion, or compensate AI-driven downside risks for workers.	Interventions that open AI's upside to workers, SMEs, and entrepreneurs currently locked out.
 Reskilling and transition support before displacement becomes permanent	 One-stop compliance support hub for SMEs to adopt AI without drowning in regulation
 Mandatory firm-side Workforce Transition Plans for AI-driven restructuring	 Entrepreneurship bridge: social protection continuity for workers transitioning to self-employment
 Enforceable limits on algorithmic surveillance and automated management	 Augmentation Incentive Standard to make human-enhancing AI deployment fiscally preferable
 Portable social protection that follows workers across status and borders	 Differentiated compliance pathways so SMEs aren't held to identical burdens as large firms
 Verifiable AI literacy credentials to prevent entry-level job lock-out	 EU-level harmonisation to eliminate regulatory fragmentation that locks out cross-border SMEs

Reduce downside risk while ensuring adoption isn't halted. The proposals that follow are not anti-AI; they are designed so that AI's transformative potential reaches the broadest possible share of Europe's [ninety-four million](#) workers who need to transition by 2030.

6. THE EU TODAY · POLICY LANDSCAPE

A foundation, and a *usable-pathway* gap.

Europe has meaningful instruments across all four risk dimensions. The challenge is not the absence of tools; it is the gap between formal rules and workable compliance pathways, especially for workers in transition and SMEs navigating fragmented national implementation.

RISK DIMENSION	✓ EXISTING EU TOOLS	✗ KEY GAPS
 Income Security	● ESF+ & RRF funding for reskilling and upskilling ● EGF (European Globalisation Fund) for mass redundancy support ● Active labour market policy frameworks at MS level	● No instrument to make AI transitions a managed process rather than a personal emergency ● No firm-side obligation to anticipate AI-driven restructuring proactively ● 94M workers need reskilling by 2030; no coordinated delivery pathway
 Social Security & Protection	● Social security coordination Regs 883/2004 & 987/2009 across MS ● Work-Life Balance Directive 2019/1158 ● ESSPASS digital portability tool in development (2026)	● Stronger on cross-border mobility than on domestic status changes (employee → self-employed) ● Social protection cliff: transitioning to entrepreneurship means total loss of coverage ● Gig & micro-entrepreneurs fall between regimes
 Legal & Fiscal Risk	● AI Act: harmonised risk-based framework; employment as high-risk context ● GDPR Article 22 on automated decision-making ● AI Office + Service Desk for implementation support	● SMEs face tax compliance cost ratios 30:1 vs 5.9:1 for large firms; no harmonised relief ● No standardised compliance toolkits: firms rely on expensive case-by-case legal advice ● Fragmented MS transposition creates grey areas especially for cross-border services
 Autonomy & Agency	● Working Time Directive 2003/88/EC ● Platform Work Directive 2024/2831: algorithmic management safeguards ● OSH Framework Directive 89/391/EEC on psychological risk	● No directive adapted to AI-augmented workplaces specifically ● Labour inspectorates struggle to apply OSH rules to AI surveillance without guidance ● Platform Work Directive protections don't extend beyond platform workers

THE HEADLINE CONCLUSION

The EU's main weakness is not the absence of legal tools; it is the gap between formal obligations and usable compliance pathways, particularly for firms without large compliance departments and workers navigating status transitions.

Five proposals for an *AI-ready* European labour market.

A coherent package, not five isolated instruments. Together they address the full spectrum of professional risk across firm types: from the graduate locked out of the entry-level market, to the experienced worker displaced without support, to the SME drowning in compliance, to the entrepreneur who cannot afford the leap.

R1 · INCOME SECURITY · AUTONOMY
& AGENCY

♥ SAFETY NET

Professional AI Proficiency Certificate

PAPC

"Employment for workers aged 22–25 in AI-exposed occupations has fallen sharply, not because firms don't need human skills, but because they have no way to verify whether a young hire can actually provide them."

A modular, EU-anchored credential that certifies workers can operate with, oversee, and govern AI tools in professional contexts. Converts the AI Act's Article 4 literacy obligations from a compliance abstraction into a verifiable, market-facing signal for both workers and hiring firms.

⚙️ HOW DOES IT WORK

- Establishes a **modular certification framework** with stackable levels, from basic AI literacy to advanced oversight and governance.
- Anchored in **AI Act Article 4** obligations, converting a compliance requirement into a positive market credential.
- Delivered through accredited training providers across Member States, with EU-wide mutual recognition.
- Firms hiring certified workers gain simplified AI Act documentation for relevant roles.

👥 FOR

Recent graduates

Early-career workers

AI-exposed occupations

🎯 ACHIEVES

Reduces displacement risk

Preserves career predictability

EU-wide portable signal

R2 · INCOME SECURITY · SOCIAL
SECURITY & DOWNSIDE PROTECTION

♥ SAFETY NET

AI Transition Reskilling Guarantee

ATRG

"94 million European workers will need reskilling by 2030, and the current policy landscape has no instrument that makes transition a managed process rather than a personal emergency."

A dual-obligation framework: a funded personal transition bundle for workers and a mandatory firm-side Workforce Transition Plan requiring large companies to anticipate and manage AI-driven restructuring proactively, not react to it after the fact.

⚙️ HOW DOES IT WORK

- Workers in AI-exposed roles access a **funded bundle**: skills assessment, accredited training, and temporary income support during transition.
- Large firms file **Workforce Transition Plans** identifying roles at AI-displacement risk and their mitigation approach, triggering proactive reskilling.
- Funded via scaled **ESF+ and EGF** instruments, with co-financing obligations for large firms.
- KPIs tracked via existing Eurostat labour market flow data and EU-SILC income monitoring.

👥 FOR

AI-exposed workers

Firms 250+ employees

🎯 ACHIEVES

Limits wage scarring

Coverage continuity

Firm-side accountability

SME AI Capability & Compliance Hub

SACCH

"SMEs are not held back by lack of motivation. They are held back by a weaker digital baseline, compliance costs disproportionately higher than large firms, and a fragmented regulatory environment that forces them to pay external advisors just to stay legal."

A one-stop support architecture that turns lawful AI adoption from an expensive puzzle into a navigable pathway for firms without internal compliance capacity. Combines standardised toolkits, helpdesk guidance, capability-building assistance, and outcome-linked financial support.

HOW DOES IT WORK

- A network of **national AI hubs** (built on existing Digital Innovation Hubs) provides compliance support, standardised AI Act templates, and sector-specific guidance.
- An **outcome-linked voucher scheme** subsidises AI tool adoption and employee training for qualifying SMEs.
- Cross-border compliance guidance tackles regulatory fragmentation that blocks SME growth across Member States.
- Coordinated with the AI Office's Service Desk to avoid duplication and ensure consistent interpretation.



FOR

SMEs <250 employees

All sectors

SME workforce

ACHIEVES

Lower compliance cost

Closes capability gap

Enables AI adoption

AI Augmentation Incentive Standard

AAIS

"One in four CEOs expects to cut headcount by 5% in 2026 through AI. The EU is watching this happen with no lever to pull before the damage is done."

A taxonomy-based classification mechanism that makes firms' augmentation vs replacement strategies visible, measurable, and fiscally consequential; the only proposal in this package that intervenes before displacement occurs rather than after.

HOW DOES IT WORK

- Firms classify AI deployments on an **Augmentation–Replacement spectrum** via a standardised taxonomy, disclosed through existing CSRD sustainability reporting.
- Firms that demonstrably augment human work unlock incentives: **R&D tax top-up, EU procurement preference, EIB preferential lending, and Augmentation Employer certification.**
- Taxonomy developed by the AI Office in consultation with social partners and updated as AI capabilities evolve.
- Labour inspectorates and works councils gain a concrete reference point for information and consultation procedures.



FOR

Large firms 250+

AI in people management

Their employees

ACHIEVES

Prevents displacement

Shapes firm AI strategy

Augmentation preferable

AI Entrepreneurship Bridge

AEB

"AI is lowering the barriers to entrepreneurship, but most displaced workers cannot take that opportunity. The moment a worker leaves employment, social protection disappears. The most promising escape route from AI disruption is structurally inaccessible to those who need it most."

A structured three-phase transition programme providing social protection continuity for formally displaced workers, and those whose roles have been significantly degraded by AI, who pursue entrepreneurship. Built on existing unemployment insurance architecture, not a new system: a new eligibility frame.

HOW DOES IT WORK: THREE PHASES

PHASE 1

Exploration Months 1–3

Worker retains unemployment-benefit equivalent while completing business-plan assessment and entrepreneurship readiness evaluation.

PHASE 2

Supported Launch Months 4–12

Graduated income support (70% → 40%) as revenue builds; access to the SME Hub (R3) for compliance and capability support.

PHASE 3

Independence Months 13–18

Further graduated withdrawal tied to revenue milestones; option to extend in cases of documented early-stage viability.

- Eligibility anchored in formal AI-displacement status (triggered by R2 Workforce Transition Plans) to prevent abuse and contain fiscal cost.



FOR

AI-displaced workers

AI-degraded roles

Aspiring entrepreneurs

ACHIEVES

No social-protection cliff

Viable post-displacement path

Risk → opportunity

“Europe has a choice: be subject to AI's disruption, or shape the terms on which it arrives.”

It should neither approach workplace AI through passive optimism nor through defensive resistance; the real choice is whether to embed this change with a strong social and institutional vision of what progress is for.

1. A transition <i>done right</i>. Europe's strength in this transition is not its capacity to slow things down; it is its tradition of keeping the human element at the centre of economic progress. The AI transition should not be measured only by productivity gains or adoption rates, but by whether it expands the <i>professional freedom, security, and agency</i> of the individuals living through it. That is the north star of this report, and it should be the north star of European policy.	2. EU Inc & structural reform. The five policies proposed here work considerably better inside a more unified European ecosystem. The <i>EU Inc initiative</i>, pan-European incorporation, harmonised employee ownership, reduced cross-border legal fragmentation, is the structural ground on which R5's Entrepreneurship Bridge and the broader launchpad vision can deliver at scale. Europe has a well-documented habit of diluting bold structural proposals until they are harmless. This moment does not allow for that.	3. Digital sovereignty as the long game. Over 80% of EU digital infrastructure is imported from outside Europe. The five proposals in this report are considerably more powerful if the AI tools shaping European workplaces are ones that European institutions have had a hand in building: European cloud, European foundation models, European AI governance architecture. The <i>EuroStack</i> vision is not isolationism. It is the precondition for making human-centred AI something Europe can actually deliver, not just legislate about.
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Executive Summary of the full 126-page report by Matteo Mio & Stefano Serra. Published by the Voyce Technology Commission, 2025–26.

THE FULL REPORT

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