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Republic of Bulgaria  
ECONOMIC  
AND SOCIAL COUNCIL

**Analysis of the expected effects of artificial intelligence  
on the labour market in Bulgaria.  
Proposals for concrete measures to overcome the problems.**

**(on the proposal of the President of the Republic of Bulgaria)**

**Sofia**

**October 2024**

Based on Article 5(1) and in conjunction with Article 4(1)(5) of the Economic and Social Council Act, by letter ref. No RD-08-7/18.01.2024, the President of the Republic of Bulgaria proposed to the Economic and Social Council the elaboration of an ‘Analysis of the expected effects of artificial intelligence on the labour market in Bulgaria. Proposals for concrete measures to overcome the problems”.

Based on Article 13(1)(7) of the Rules of Procedure of the ESC, the President of the ESC allocates to the Committee on Labour, Income, Standard of Living and Industrial Relations and the Committee on Economic Policy the development of the draft analysis.

Valentina Zartova (Group I – employers), Aleksandar Zagorov (Group II – employees) and Ina Agafonova (Group III – civil sector) were appointed rapporteurs for the act. The work of the rapporteurs was supported by the experts Dimitar Velez, Atanaska Todorova, Milen Baltov.

The committees held two joint meetings on 16 July 2024 and 2 September 2024, where a draft analysis was discussed and adopted.

At its plenary session on 4 October 2024, the Economic and Social Council adopted this analysis.

## **1. Main conclusions and recommendations**

- 1.1 Over the past six years, the Economic and Social Council (ESC) has been researching the challenges, trends, transformation, and development of digitalization in Bulgaria and developing its own acts<sup>1</sup> on these important issues.
- 1.2 The ESC believes that Bulgaria is not yet among the leaders in the EU in terms of the adoption and use of artificial intelligence (AI) in all spheres, but the country has the potential to become a significant factor in the field of AI.
- 1.3 The ESC considers that the implementation of Regulation (EU) 2024/1689<sup>2</sup> of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence will require serious organisational efforts. The deadline set in the Regulation is not short (2 August 2026), but the matter is relatively new, and there is almost no regulation in this area in our country. The regulation requires the adoption of laws and regulations, as well as the creation of new state regulatory bodies and units of experts with special knowledge at employers working in high-risk areas (within the meaning of the regulation).
- 1.4 The ESC proposes that the development of these regulations be carried out in close cooperation with the social partners (at sectoral and national level) and with the relevant sector of civil society. The implementation of the Regulation will have a serious impact on employers as well as workers in these fields.
- 1.5 The ESC fears that the existing mechanisms and tools for monitoring the development of industrial relations and the labour market cannot adequately record changes related to AI and to initiate and implement the necessary actions in a timely manner.
- 1.6 The ESC finds that AI creates new opportunities and transforms jobs, professions, and the workforce. Workers who are ready to learn and adapt will be best equipped to take

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<sup>1</sup> Opinion on: 'The Future of Work: Challenges of the Fourth Industrial Revolution', 2018.

Opinion on: 'Digital Transformation in Bulgaria – Challenges and Opportunities in the Context of Europe's Digital Future', 2020.

Opinion on: 'Digital Bulgaria: policies, measures and challenges', 2023.

Opinion on: 'The Role of Artificial Intelligence in Human Capital Management and Working Conditions of Digital Platform Workers in Bulgaria (COVID-19 - Catalyst of Digital Transformation in Bulgaria)', 2023.

<sup>2</sup> [https://eur-lex.europa.eu/legal-content/BG/TXT/HTML/?uri=OJ%3AL\\_202401689](https://eur-lex.europa.eu/legal-content/BG/TXT/HTML/?uri=OJ%3AL_202401689)

advantage of these opportunities. The state should play an active role in education and training to acquire and develop digital skills related to AI.

- 1.7 The ESC believes that it is useful for the government to use the unified profiles of digital skills prepared by the social partners in 90 economic activities by job and profession when designing educational programmes. The profiles are developed based on the identified necessary digital skills in the short and medium term.
- 1.8 The ESC recommends the periodic development of research and analysis, including through a public private partnership, to make full use of the capabilities of AI, while mitigating the negatives associated with potential challenges.
- 1.9 The ESC finds that AI will create a variety of new opportunities and boost economic growth. Businesses and organisations need to invest in skills development and training of their workforce to ensure they have the necessary skills to work in an AI-enabled environment.
- 1.10 The ESC believes that countries that can afford access to artificial intelligence and new technologies at the earliest will have a competitive advantage over other countries. In this sense, access to new technologies is key to the development of economies and limiting digital inequalities in socially acceptable norms.
- 1.11 The ESC is adamant that new technologies, including AI, must be both to support the implementation of work processes and to assist employees in their work.
- 1.12 The ESC recommends that, in connection with the development of work through digital platforms, an interdepartmental working group be set up with the participation of the social partners and ministries and agencies that are relevant to the labour market.
- 1.13 The ESC considers that AI also carries significant risks for the workforce, including increasing inequality and reducing income, especially when the necessary skills or access to modern digital technologies are not available.
- 1.14 The ESC draws attention to ethical issues related to AI and insists on ensuring both the rights of workers and the protection of the interests of economic operators.
- 1.15 The ESC considers that the legislative and executive powers must consider the potential impacts generated by AI and develop safeguards to mitigate negative effects, while taking advantage of the opportunities of AI.

- 1.16 The ESC warns of a potential conflict between green and digital transition policies and the development of AI, which may arise from the need for additional energy sources. The processing of big data will increase the carbon footprint.
- 1.17 The ESC will initiate the identification of the effects of the introduction of circular economy principles on the required skills of the workforce at risk of dismissal because of the intensive application of AI and automation in operations and processes in the tangible and intangible spheres.
- 1.18 The ESC urges the state to develop policies to encourage the widespread use of AI applications by both young people and all workers, such as successful models in the world.
- 1.19 The ESC notes the need for implementation of the provisions of the European Autonomous Framework Agreement for Digitalization by the social partners in Bulgaria. The agreement requires the development of equal opportunities policies in the workplace. This will ensure that artificial intelligence benefits everyone and does not contribute to generating socio-economic inequalities between workers. In this regard, sectoral efforts to implement the third and fourth pillars of the Agreement, which require the application of the principle of human control over AI decisions and prevent the unregulated collection and processing of data on AI performance, should be stepped up.

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**Zornitsa Rusinova**

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL