

# #FinAI

Anthropocentric approach to AI



Co-funded by  
the European Union

## SCIENTIFIC RESEARCH Partners and expected results

Andrea Paterlini

*First Cisl*



KU LEUVEN

Fondazione **ADAPT**



# KU LEUVEN /1



- History and Foundation

- KU Leuven University is one of the oldest universities in Europe, with a history dating back to 1425. It was founded with the **papal bull 'Sapientie immarcessibilis'** by Pope Martin V.
- KU Leuven is the oldest Catholic university in the world and **the oldest** in Flanders, Belgium.

- Academic Tradition

- KU Leuven University has had a tradition of academic excellence and ethical integrity for over 600 years.
- It has been a centre of critical learning and has been home to brilliant minds such as the humanist philosopher Desiderius Erasmus.
- Erasmus contributed to the publication of Thomas More's controversial work, 'Utopia', which appeared in Leuven in 1516.



# KU LEUVEN /2



- **Research and Innovation**

- KU Leuven is known for its high-quality research and its prominent position in the knowledge economy.
- The challenges we face today and tomorrow transcend the boundaries of traditional scientific disciplines. To address them, KU Leuven's institutes and central facilities stimulate interdisciplinary research in every possible way.
- The KU Leuven Institutes conduct interdisciplinary research with social relevance. They focus on topics that remain important in the long term and are based on an extensive interdisciplinary network

- **Campus and Community**

- The main campus is located in Leuven, a historic city with a vibrant student community. The city itself is an important centre of culture, art and science.



# Project Summary: context

- Banks and insurance companies → impacted by the digital transition
- Staff and branch reductions
- from 2010 to 2020 (banking desertification, Observatory on Banking Desertification, FIBA Foundation 2022) the reduction of staff in Italy was 14.8%, while the reduction of branches was 30.1%.
- Digitisation of services for the demands of more digitally advanced consumers (development of a digital culture)
- Need to balance business efficiency and effectiveness needs with safeguarding jobs, skills and working conditions  
→ better balancing through dialogue between the social partners



# Project Summary: what we are going to do

- Analysis of the impact of new technologies on the financial sector,
- (AI and machine learning),
- but also on the labour market,
- facilitating the exchange of good practices between social partners
- corporate, national and European



# Context of the sector

- Skills development is key for digital transition
- Digital skills are key in continuing education.
- The intangibility of banking services reinforces the demand for digital skills
- Digital banking is growing exponentially due to:
  - The development of FinTech
  - The increase of people using digital services
  - The effects of the pandemic
  - The new frontier of digitalisation is AI and machine learning



# Challenges of financial companies

- Organisational choices, strategies and integration of digital technologies
- ...but also...
- Managing the consequences on quality and working conditions...therefore...
- Skills development, retraining and further education of and for financial sector employees will be the focal point from which the balanced growth of the entire system will pass



# The European Social Dialogue

- AI and machine learning → process re-engineering
- The European social partners have been in the spotlight since the early 2000s with important joint declarations
- The ‘ideal place’ where the needs of workers and entrepreneurs can be brought together is the European social dialogue (a clearing house of opposing interests that generates profitable and competitive development for companies together with the professional growth and (also economic) well-being of workers)





# Research in the FinAI Project /1

- Multicultural character of the scientific partnership
- The aim of the project is to make a significant contribution to strengthening social dialogue in the financial sector in the face of accelerating digitization
- Past experience shows that the introduction of technologies ‘tout court’ in the financial sector causes an alteration of the human-machine relationship
- More complementarity and anthropocentrism is needed
- The basic principle is that the machine is at the service of man and not vice versa



# Research in the FinAI Project /2

- The risks of altering the man-machine relationship:
- De-empowerment of workers (example: financial analysts)
- Discrimination (example: Amazon with ML systems that in 2015 favoured hiring male candidates and discriminating against women)
- But also possible discrimination on the basis of ethnic origin.... Due to an algorithm containing bias in data processing



# Specific research objectives

- (The assumption is the centrality of man over machine in production processes).
- Analysis of likely medium- to long-term scenarios in terms of the spread of algorithmic and AI systems
- Quantitative analysis of inflows and outflows from the labour market in the financial sector
- Identification of risks related to the diffusion of new technologies and the most effective methods to counter them
- Identification of new skills emerging in the financial sector as a result of the development of new technologies



# WP2

Taking stock of the state of the art about:

- The impact on employment in terms of industry trends
- The development of new skills related to the digitisation process

The labour law situation in terms of worker protection

- The compatibility of the use of algorithmic methodologies with relevant legislation and the collection of best practices in the European field ('field' research)

Eventually, the following will be developed

- A package of training materials
- A comparative report on digitisation in the financial and fintech sector



# In particular Task 2.3...

- KU Leuven will carry out, with the support of Fondazione ADAPT, a quantitative analysis of labour market inflows and outflows within the European financial sector: this analysis will form the basis for the elaboration of a forecast on occupational transitions and new occupational profiles that might emerge in the financial sectors of the countries.
- The quantitative analysis and forecast will be included in a 20-page chapter of Deliverable 2.2



# Thanks for your attention