



CUPE

Canadian Union of Public Employees

Submission to the Social Affairs, Science
and Technology Committee

Study to examine and report on matters related to
the impact of artificial intelligence in Canada

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1375 St. Laurent Blvd
Ottawa, ON K1G 0Z7
613-237-1590
cupe.ca

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Introduction

The Canadian Union of Public Employees (CUPE) is Canada's largest union, with over 800,000 members. CUPE members take great pride in delivering quality services in communities across Canada in a broad cross-section of the economy — including health care, education, municipalities, libraries, universities and colleges, social services, child care, communications, public utilities, emergency services, transportation, and airlines.

The study to examine and report on matters related to the impact of artificial intelligence in Canada being carried out by the Social Affairs, Science and Technology Committee is extremely important at this critical juncture where artificial intelligence (AI) technology is being implemented in workplaces, public services and more broadly throughout our society. The impact of AI on the workforce and public services should form a central component of any study on the challenges posed by AI and its regulation.

This submission will explore many of the challenges experienced by workers with regards to AI technology adoption as well as recommended legislation, regulation and public programs to address the impact. As a society, we must ensure that the benefits of AI are shared among workers and the public. Implementing necessary protections will put Canada on a path toward a future that is more equitable and fair.

Key recommendations for federal action

1. Develop comprehensive laws and regulations
 - Mandate transparency, consultation and negotiations when AI systems are introduced in the workplace.
 - Enact restrictions on invasive electronic monitoring and algorithmic decision-making in hiring, promotions, discipline and terminations.
 - Develop strong data protection and privacy laws that protect workers' dignity and autonomy.
 - Require bias and discrimination audits and enact sustainability mandates for AI that protect the environment.
2. Invest in education, skills, and retraining pathways for workers
 - Support foundational literacy and digital skills for all through a national literacy strategy.
 - Incentivize and fund workplace digital and AI training delivered with trade union involvement.
 - Provide targeted programs for workers displaced by AI.
3. Engage in labour market planning and inclusive consultation
 - Establish sectoral partnership tables to engage in active labour market planning for the workplace impacts of digital transformations.
 - Ensure any consultations on AI include a wide range of voices from trade unions, civil society and equity-deserving communities.
4. Build public sector capacity, leadership and public digital infrastructure
 - Invest in in-house public sector expertise for the development and implementation of digital technology to reduce reliance on private tech corporations.

- Connect researchers, data scientists, government IT specialists, trade unions, and public service users to build publicly owned digital infrastructure to serve the public interest, not private profit.
5. In addition to a public sector capacity strategy, develop public procurement processes that strengthen transparency and accountability
- Ensure federal government procurement of digital systems involves transparency and explainability in AI systems, inclusive governance, rights of access and control, a prohibition on repurposing or selling data to third parties and environmental and human rights impact assessments.

AI in the workplace

AI is actively being adopted across workplaces and sectors of the economy affecting job classifications across the income scale. Over 12% of private businesses reported using AI in mid 2025, doubling the rates from 2024.ⁱ While data on public sector AI use is not being collected by Statistics Canada, one report suggests that 23% of municipalities are using AI and over half are actively exploring or planning AI adoption.ⁱⁱ CUPE members are reporting AI use in many sectors including health care, energy, universities and colleges.

Researchers from Statistics Canada estimate that 31% of workers are in jobs likely to dramatically change or disappear because of AI and 29% of workers are in jobs where they will likely do their jobs alongside AI systems.ⁱⁱⁱ Some research has indicated that the impact of AI implementation will be gendered with twice as many women-dominated jobs at risk compared to men-dominated jobs.^{iv}

Research is showing how increasing AI-amplified monitoring, surveillance and algorithmic management in the workforce is affecting the well-being of workers, the human rights of workers and power dynamics between workers and employers.^v For example, AI hiring tools have been found to discriminate against women, Black and racialized people, older people and people with disabilities^{vi} while AI surveillance and monitoring and automated decision-making tools in the workplace can result in higher anxiety rates for workers, pressure to work at unsafe speeds, and increased rates of injury.^{vii} These tools can discourage and penalize workers from taking breaks to which they are entitled, increase the speed of work and result in psychological harm and mental health problems for workers in cases of high demands and little control over the work process.^{viii}

Employment law used to be known as master and servant law for a reason. Employers have a lot of power within the workplace even without AI technology.

The balance of power shifts even further toward control and coercion when employers implement invasive AI surveillance and algorithmic management technology.

Data to understand AI workplace risks and develop responses

The federal government needs to invest in data and research — both quantitative and qualitative — to understand how AI is affecting individual workers, industrial sectors, public services and the Canadian economy as a whole. As a trade union, CUPE has seen how AI technology can affect different job classifications in disparate ways that require distinct policy and legislative responses.

Budget 2025 provided \$25 million over six years and \$4.5 million annually for Statistics Canada to implement an Artificial Intelligence and Technology Measurement Program (TechStat). The program will collect and analyze data to understand AI's impact on society, the labour force and the economy. This is a good start; however, much more needs to be done.

CUPE has called for the federal government to create a Canadian Observatory on AI and Work to develop data and disseminate research on the impact of AI on work. This observatory should include academics, trade unions, civil society and government. Through the observatory, the federal government should support the development of high-quality data and research to help us better understand the impact of AI on workers and how best to minimize those risks.

Transparency, consultation and negotiations

Employers regularly implement AI systems or the collection, processing and use of data without informing or consulting workers or their union. Workers cannot understand and mitigate the risks of AI or data collection in the workplace without transparency and consultation. When employers negotiate with unions, harms to workers from technology implementation can be reduced or eliminated altogether.

Our governments need to pass laws that require:

- Employers to inform and consult with unions and workers before the implementation of all AI systems and data collection, processing and use.
- Employers to provide information to unions and workers about AI and data on a yearly basis.
- Employers to negotiate with unions about harms that arise from technological change.

Job loss, work restructuring and training

AI technology is expected to automate certain job tasks, which can lead to job restructuring. In some cases, the job functions of entire job classifications can be automated, resulting in job loss. CUPE is already seeing job loss amongst workers in certain sectors and job classifications including workers who did closed captioning for TV stations, medical transcriptionists in health care settings, dispatch workers in hospitals and food-services workers in long-term care.

Governments should put in place incentives for employers to implement technology that increases the capacity of workers to their jobs well, rather than eliminating jobs. All governments should strengthen the social safety net, which is the bedrock of our society and economy.

Our governments need to:

- Pass legislation requiring employers to retrain workers who lose their jobs due to AI.
- Stipulate that companies and organizations that receive public funding for AI developments cannot cut jobs.
- Strengthen our social safety net so programs like employment insurance, social assistance and broader public services (for example health care and child care) provide security and support for workers affected by technological change.

Privacy, electronic monitoring and algorithmic management

Our world is increasingly digitized, and the volume of data being collected in many workplaces has exploded. Data is being collected through workers' time logs, tasks completed, content of e-mails, vehicle location, conversations on customer service calls or workers' physical movement in the workplace.

Digital technology like AI can involve greatly increased electronic monitoring of workers. A new group of tools referred to as “bossware” involves unprecedented levels of electronic surveillance that allows employers to monitor keystrokes, listen to conversations and track employee movements, emotions or attention.

This data can be processed through algorithmic management systems to build worker profiles, suggest actions or predict worker behaviour. These systems can shape critical employer decisions like who gets hired, how tasks are assigned, who gets promotions, how much workers get paid in non-union settings and even who faces discipline or termination.

Our governments should pass laws that:

- Codify that workplace data collection must follow privacy by design and data minimization principles. Employers should have to prove that data collection is reasonable, necessary, and proportional. Employers should be required to take steps to protect all worker data including conducting privacy impact assessments and having a written data storage, use, retention and destruction policy.
- Regulate employers electronically monitoring workers. Legislation should prohibit employers from mass, continuous surveillance of workers, electronically monitoring workers on breaks, after work hours or in sensitive areas, or identifying workers exercising their freedom of association and union rights. Electronic monitoring should only be allowed when strictly necessary (e.g., legal compliance), affecting the smallest number of workers, collecting the least amount of necessary data and involve the least invasive means.
- Ban the use of high-risk technologies such as biometric, facial or emotion recognition systems.
- Prohibit employers from making significant decisions about workers (e.g., hiring, promotions, discipline, wage setting and termination) based on output from algorithmic management systems. Similar restrictions should be in place for AI systems involved in significant public or private service delivery decision-making (e.g., benefit or financial service eligibility, fraud detection, etc.)
- Require employers, public institutions and private sector organizations to notify workers and the public when an algorithmic system (this includes AI and other digital systems) was used in making a decision about them. The employer or organization should be required to explain any decision made and provide a mechanism to be able to correct the data and appeal the decision to a human.

Bias and discrimination

AI systems can result in bias and discrimination that affects equity-deserving workers. The data used to train the AI system may include bias, the data being fed into the AI system may include bias and the actual programming code in the algorithm may include bias. This bias can be difficult to detect given the lack of information provided by system developers and employers.

We need to ensure rigorous processes are in place to prevent bias and discrimination in AI systems used in workplaces.

Our government should pass laws that:

- Require employers to provide the following information to workers and the union where there are concerns about bias and discrimination:
 - The data used to train the algorithmic system;
 - A list of employees' data captured by the system; and
 - The parameters, rules and instructions underlying the system.
- Workers' identity characteristics (race, gender, disability, immigration status, etc.) should not be processed in algorithmic systems within the workplace.
- Require employers to conduct bias and discrimination audits prior to algorithmic systems being used in employment-related decisions and annually afterward.
- Mandate AI developers and AI system deployers to test and disclose any incidents or risks related to bias and discrimination.

The environment, our energy systems and climate change

The federal government should actively manage data centre growth to ensure the security and sustainability of our energy system and climate change goals. Canada had 239 traditional data centres as of March 2025, but AI-focused data centres need more space and power to function properly. These new AI-focused data centres demand more than 100 megawatts of energy to run, and have an annual electricity consumption equivalent to 350,000 electric vehicles' worth of power, compared to the five to ten megawatts that traditional centres require.

Without active management and intervention, Canada risks energy system outages, rising consumer prices and far exceeding Canada's greenhouse gas emission targets.

The federal government must enact legislation that includes sustainability mandates including:

- requirements for AI technology to be powered by clean energy,
- transparency about energy and water use for AI technology, and
- public registries to track AI energy and water use.

Education and skills development for workers

The federal government should invest in education and skills development for workers to ensure this technological transition leaves no one behind. The federal government should adopt a three-pronged approach:

- 1. Support foundational literacy and digital skills for all.**
- 2. Incentivize and fund workplace digital and AI training delivered with trade union involvement.**
- 3. Provide targeted programs for workers displaced by AI.**

A national literacy strategy, coordinated with provinces and territories, is essential to address digital skills gaps. Nearly 19% of working-age adults struggle with basic literacy,^{ix} creating barriers to participating in the digital economy and society more generally.

Employers must be encouraged to invest in training. Canadian employers spend only \$240 per employee annually^x — well below international standards. AI training is particularly lacking: only

36% of workers report employer-provided AI training,^{xi} and most adapt to new tools on their own, increasing risks such as privacy breaches and misinformation. The federal government should work with employer organizations and trade unions to make AI training mandatory in implementation processes.

Finally, workers affected by AI-related job loss need clear pathways to retraining and quality employment. Increased funding for Employment Insurance Part II and union involvement in training programs is critical. The government should collaborate with unions and researchers to plan for AI-driven job disruption and strengthen Canada's training and social security systems.

Robust planning and inclusive consultation processes

The federal government must prioritize sectoral planning and active labour market policies and invest in our social safety net. Outside Quebec, there are few ongoing consultative bodies where workers, through unions, can systematically gather and share information, coordinate, and negotiate planning.^{xii}

The federal government should re-establish sectoral partnership tables. This would help identify and address the needs of workers in different sectors and occupations in the context of technological change driven by AI. These tables can develop plans regarding recruitment, retention and succession planning and the employment, training, health and safety and human rights consequences of AI, automation and technological change in the workplace.

The SOCI committee should ensure a broad range of voices are consulted when considering the impact of AI in Canada. This includes unions from a wide array of sectors, civil society voices including those with unique knowledge on workers' rights, AI governance, privacy, data rights, civil liberties, bias and discrimination and human rights.

The federal government should ensure the voices of those who may experience harm as a result of AI systems are heard. This includes people from equity-deserving communities including Indigenous peoples, Black and racialized people, people with disabilities, and members of the 2SLGBTQI+ community. Consultation processes that lack broader representation will lack legitimacy and throw into question the authenticity federal government endeavors on AI.

Public sector capacity and leadership in AI and digital technology

The federal government must prioritize developing in-house capacity to implement technology safely and responsibly, ensuring it augments the workforce and improves public service delivery. Currently, the government appears to rely heavily on technology corporations — the same companies seeking lucrative IT contracts.

Entrenching large tech firms in the public sector gives them market power to set AI standards.^{xiii} These corporations have actively lobbied against regulatory safeguards despite documented harms.^{xiv} Budget 2025 signals further memorandums of understanding with tech companies, alongside changes to the interchange program embedding 50 private-sector workers in government — granting tech companies insider influence over technology adoption.

Research shows that hollowed-out public sector capacity and overreliance on consultants increase the risk of failed technology implementation.^{xv} This is no surprise given that technology corporations have very different interests than those of the public sector.

The federal government should invest in its IT workforce, providing targeted training and upskilling in AI development and implementation. Strengthening internal capacity will enable the creation of worker-centred AI applications that augment jobs and enhance public service delivery.

Canada should prioritize research and technological development that augments workers rather than replaces them, ensuring workers' voices are central in technology design and implementation. Involving workers in defining problems, shaping technical features, and providing training leads to better outcomes than top-down approaches.

Public digital infrastructure

The federal government should become a leader in public digital infrastructure that is operated for the public interest, rather than private profit. This infrastructure, including cloud computing, AI, and digital platforms could improve the quality of public service delivery and protect sensitive and private data.

The federal government should connect researchers, data scientists, government IT specialists, trade unions, and public service users to develop digital solutions to identified problems. These technology developments should centre worker voice, community involvement and environmental sustainability. The goal would be to create publicly owned digital technology applications that can be shared throughout the public sector in Canada at cost.

Technological advancements are frequently driven by substantial public investment, yet the resulting innovations often serve corporate interests.

Developing public digital infrastructure can promote greater transparency, accountability, and cost efficiency. It also helps ensure that intellectual property remains in Canada and is leveraged for the public good.

Public procurement requirements that strengthen democracy

The federal government should ensure its own procurement of AI technology serves to strengthen democracy through strong transparency, accountability and privacy measures.

Key recommendations include:

Transparency and explainability in AI systems: Organizations must have a clear understanding of how the AI system works, what data was used to train the system, and how the AI system produces any outputs. Employers should disclose the purpose of digital systems and how the system will be used to anyone who works with or is exposed to the AI system.

Inclusive governance of digital systems: Ensure that all stakeholders who are affected by digital systems including workers and citizens are integrated into oversight and governance structures.

Rights of access and control: Employers need to retain control over their own functions and decision-making when digital systems are implemented. This includes control and access to the data and algorithms that are used. This mitigates risks associated with proprietary technologies that compromise organizational autonomy.

Prohibition on repurposing or selling data to third parties: The data collected through AI systems should be protected with safeguards so that it will not be used to train AI systems or be sold to

third parties. Data has become a valuable resource, and organizations need to safeguard data when dealing with external technology corporations.

Environmental impact and human rights impact assessments: Organizations should understand the environmental and human rights impacts of digital systems. An assessment should be conducted prior to implementation and at regular intervals post-implementation.

Managerial and worker competencies: AI procurement, implementation, use and governance require a range of skills and competencies that managers and workers will need to develop. Specific workshops, skills building and training sessions should be co-developed to address this up-skilling need.

The federal government should be a model employer in building transparent and inclusive processes in its own implementation of digital technology. The federal government should engage in robust consultation and negotiations with federal unions and public service users. Digital technology like AI should not be used to privatize public services, replace workers or surveil workers or the public.

Conclusion

We are facing a period of rapid technological change that requires strong laws and regulations to protect workers and the public. Right now, technology corporations and autocratic governments are implementing AI systems in a way that result in harm to communities and the public.

Key recommendations include:

- Develop comprehensive laws and regulations
- Invest in education, skills, and re-training pathways for workers
- Engage in labour market planning and inclusive consultation
- Build public sector capacity, leadership and public digital infrastructure
- build public procurement processes that strengthen transparency and accountability

Acting on these recommendations will help ensure developments in digital technology benefit workers and society.

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