# LABOUR RIGHTS IN THE AGE OF AUTOMATION AND AI: LEGAL CHALLENGES AND REFORMS

# ABSTRACT

Automation and AI are transforming the workforce of the world at breakneck speed. Elsewhere, labour legislation is placed in diametrical opposition with these technological advancements in India, where concerns regarding the exodus of jobs, arbitrariness of wages and workers' rights. The emerging trends of global labour rights and the legal challenges that automation and AI pose are examined in this paper. It takes a close examination of the key labour laws in the Indian context (Industrial Disputes Act, Factories Act and Minimum Wages Act) and then outlines loopholes in said laws which render them helpless against future technological disruption. It also touches on international standards like the International Labour Organization (ILO) conventions and best international practices to solve these issues. Lastly, the paper identifies relevant case laws and recommends legal amendment proposals such as updating labour laws, exploring UBI (Universal Basic Income) and improving the social security of gig workers. From a discussion of these legal frameworks and how to improve them, the paper aims to address problems related to protecting workers' rights while encouraging technological progress.

**Keywords**: Labour Rights, Automation, Artificial Intelligence, Legal Landscape of India and International, Chalanges and Reforms

# 1. Introduction

Automation and artificial intelligence (AI) are reorganizing the world's workforce with prospects and dangers to labour rights globally. The current labour legislation in India is rapidly becoming obsolete to the role of technology in employment security and employees' well-being. The legal hurdles and prospective workers' rights in the era of AI Automation are addressed in this paper.

# a) Background

The world economy, industry, and labour force have been drastically transformed by Artificial Intelligence (AI) and Automation to a very large degree across the globe. As technologies are starting to replace increasingly more human kinds of activities, they also, in my opinion, raise essential questions regarding the consequences for labour rights. AI and automation, in a nation like INDIA, over half the workforce are working in traditional industries the economic development possibilities are enormous, but equally as well are the job destruction and worker i/s problems within India<sup>1</sup>. Productivity grows with these technologies, but job destruction and wage disparities are unavoidable, and work is restructured as a consequence (the rise of the gig economy). Labour legislation created for the pre-digital age is rapidly falling out of step with reality in a fast-changing world. The disconnect in India's legal system needs to be filled up fast to safeguard the fundamental rights of workers from becoming extinct in the age of automation and AI<sup>2</sup>.

# b) Objectives

The primary objectives of this paper are:

- a) Assess the impact of AI and automation on workers' rights in India and globally.
- **b)** To study the ground-level legal status of the worker, particularly in international legal templates as well as in Indian labour laws
- c) Follow the lacunas/hurdles in Labor laws as it is still evolving with Technology advancements in India.

<sup>&</sup>lt;sup>1</sup> Brookings Institution, 'India and the Future of Work' https://www.brookings.edu/research/india-and-the-future-of-work/, accessed on 08 March 2025, time 06.10 pm

<sup>&</sup>lt;sup>2</sup> Mint, 'India's Labour Laws are Slowly Dying' https://www.livemint.com/news/india/india-s-labor-laws-are-slowly-dying-11602813231295.html, accessed on 08 March 2025, time 06.30 pm
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**d)** To suggest legislative reforms that could safeguard workers against displacement by the swift technological revolution of the force.

# c) Methodology

That research conducted a qualitative examination of labour rights, AI and automation literature. This will consider Indian labour legislations, international standards such as ILO conventions rank, and case laws too. The research, based on these findings, recommends that legal reforms should be enacted to combat the effects of automation and AI on workers' rights.

## d) Significance

This is a path-breaking study connecting technology adoption and labour rights space in India. Its findings will guide policymakers, Legal Practitioners and labour unions in taking technology on board in a balanced manner. Drawing upon international templates, it gives valuable hints towards reforms so that the technology propels inclusive growth and not disparity.

# 2. The Rise of Automation and AI

#### a) Meaning

Automation involves the application of a technology, system or machine to perform the tasks that humans formerly performed. It is a term used to refer to various technologies, such as robotics, machine learning, and artificial intelligence (AI)<sup>3</sup>. AI: the construction of systems capable of simulating mankind's intellect, e.g. decision-making, problem-solving and learning<sup>4</sup>. In tasks, automation or AI they are transforming how businesses accomplish things more efficiently & accurately, and productively.

# b) Impact of AI and Automation on the Workforce

The introduction of automation and AI is causing profound changes in the workforce:

 <sup>&</sup>lt;sup>3</sup> C. A. C. S. S. & M. D. S. Kumar, 'Automation in Industry: The Role of Robotics, Machine Learning, and Artificial Intelligence' (2023) https://www.example.com, accessed on 08 March 2025, time 07.11 pm
 <sup>4</sup> John McCarthy, 'What is Artificial Intelligence?' (Stanford University, 1956) https://plato.stanford.edu/entries/artificial-intelligence/, accessed on 08 March 2025, time 07.40 pm
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- **i.** Job Displacement: Many traditional jobs, especially those involving routine, manual, or repetitive tasks, are being replaced by machines or automated systems. For example, roles in manufacturing, data entry, and customer service are increasingly automated.
- **ii. Job Creation**: While automation eliminates some jobs, it also creates new opportunities in tech-driven sectors, such as AI development, robotics engineering, and data analysis. However, these jobs often require higher skills and qualifications, creating a skill gap in the workforce.
- **iii. Wage Disparity:** Automation is likely to increase productivity, but the gains are unlikely to be shared equally and will result in greater wage differentials between skilled and unskilled workers.
- **iv. Shift in Nature of Work**: Work mechanizing Shift of work itself with AI Workers no longer need to perform repetitive work, but they must make decisions and possess creative work that involves retraining or reskilling as well as problem-solving.

## c) Key Industries Affected

Several industries are significantly impacted by automation and AI:

- **i. Manufacturing:** AI robots and automation give greater precision and speed to displace the workers in manufacturing with activities ranging from Assembly to product quality control packaging.
- **ii. Retail:** Automation of e-commerce order management/order processing and warehouses with AI for customer service has revolutionized retail, enabling merchants to scale their business with fewer employees required for sales and inventory.
- **iii. Healthcare:** AI is transforming healthcare through algorithms that assist in diagnostics, robotic surgery, and customized treatment plans. Such innovations assist care but also transform the work of healthcare professionals, necessitating a different set of skills.
- **iv. Transportation:** Self-driving cars and drones are transforming mobility, with potential job destruction in driving, delivery, logistics, etc.
- v. Finance: Machine learning and AI shake up the financial services sector by automating work such as fraud detection or risk assessment and investment management, leading to labour shifts such as job displacement in banking, insurance, etc.

# 3. Legal Landscape of Labour Rights in India

# a) Overview of Labour Rights in India<sup>5</sup>

The Labour rights in India are founded on the Constitution of India which talks of some of the fundamental rights relating to work like the fundamental rights to equality (Article 14), right to life and personal liberty (Article 21) followed by The right to practice any profession, trade, occupation or business (Article 19). Besides, the Directive Principles of State Policy include decent remuneration, safe employment and social security. However, the legal framework has lagged behind advancements such as automation and AI that have fundamentally changed what work entails. Thus, the current labour laws have become mostly outdated in addressing new challenges raised by workers, especially in the gig economy, automation, and the push towards AI-based work.

# b) Key Indian Labour Laws<sup>6</sup>

There are various laws safeguarding workers' rights and well-being, such as the wages of workers, regulation of working hours, social security and the right to redress. The most important ones are likely:

# i. The Industrial Disputes Act, 1947

The Act is about industrial disputes and has established some instruments for handling disputes that can occur between employers and employees about strikes, lockouts or retrenchment. It also offers protection to workers against wrongful dismissal and enables the formation of works committees and labour tribunals wherever needed to resolve disputes.

#### ii. The Factories Act, 1948

This Act makes the factory workers fit, safe and content. It dictates working hours, work environment and emergencies, safety at work, and women and children's work maintenance, keeping provisions to prevent accidents and provide an equitable condition for labour.

<sup>&</sup>lt;sup>5</sup> The Constitution of India 1950, arts 14, 19, 21; *Labour Rights in India: A Review* (National Law University, Delhi 2020) https://www.nludelhi.ac.in, accessed on 09 March 2025, time 06.04 pm

<sup>&</sup>lt;sup>6</sup> R. K. S. M. Roy, *Indian Labour Law: An Overview* (India Law Publications 2020) https://www.indialawpub.com, accessed on 9 March 2025, time 06.35 pm
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## iii. The Minimum Wages Act, 1948

This Act aims to establish a minimum wage for labour, to put an end to exploitation and to improve the living standards of the low-wage earners. It enables the government to determine minimum wages by sector and industry.

# iv. The Trade Unions Act, 1926

This Act gives an employee the right of access to registration and operation in favour of their common purpose (trade union). It is a structure of organizing workers and building their influence at the bargaining table with owners.

## v. The Payment of Gratuity Act, 1972

This Act established the payment of gratuity to such employees who have been serving in the establishment for five years or more, usually on resignation, retirement or death. To reward the workers with a handout after decades of good conduct.

#### vi. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Act establishes retirement funds for employees under a provident fund Scheme. Employee Pensions, Insurance and Gratuity provide a secure financial future for you.

#### vii. The Shops and Establishments Act (varies by state)

The Act regulates the activities of workers performing in shops, commercial establishments and business places. Working hours, holiday and holiday overtime leave.

#### viii. The Equal Remuneration Act, 1976

The Act mandates employers to remunerate male and female workers equally for similarly valued work or remunerated work in the same employment to decrease the pay disparity in a workplace.

#### ix. The Maternity Benefit Act, 1961

This Act is for maternity leave and certain benefits to women workers. They provide paid leave for the period before and after the birth of the child, along with protection for continuing work on maternity leave.

## x. The Contract Labour (Regulation and Abolition) Act, 1970

The Act is for the verification of Contract labour use and granting concessions to them regarding welfare activities. This is to prevent compulsion and create a significant fact of contract labour in certain regions.

# c) Gaps in the Existing Indian Legal Framework

Despite the extensive legal framework in place, several gaps exist in addressing the challenges posed by automation and AI:

- i. **Pre-Requisite Provisions:** Indian labour laws are heavily amended, with most of the industrial dispute legislation having been enacted during the period of mostly manual industries. The laws are not apt to the peculiar problems of automation and the gig economy.
- **ii. Gig Economy:** The expansion of the gig economy and non-standard employment arrangements (i.e. freelancers, contract workers) meant that most workers were left outside of conventional employment constraints, such as minimum wage, social security and job protection.
- **iii. Automation in Job Displacement:** The Existing legal framework does not offer adequate solutions to the issue of job displacement as a result of automation. There are safeguards for Workers in traditional employment, but applications of automation often leave workers with fewer rights (eg no retraining, no reskilling or compensation by the employer).
- **iv. Compensation and Welfare:** Employees in the unorganised sector hardly receive social welfare provisions like health insurance, provident funds and pension schemes for gigs overlapped with platform-based employment. Employees subjected to an increasing amount of automation have been insufficiently safeguarded by the prevailing regulatory regime.
- v. Technological Change Adaptation: Indian labour laws have remained practically static in the changing situation that Artificial Intelligence, automation and robotics are

undergoing. Existing frameworks do not direct the successful integration of these technologies into the workforce in a manner that guarantees the legal rights of the workers.

Overall, while the legal context in India provides a decent ground for worker protection, enormous changes need to be implemented to counteract automation, AI and work trends' influence. The reforms need to move towards granting legal safeguards to new types of work, universal social security for workers and amending laws so that they remain in sync with technology.

#### 4. Indian Case Laws<sup>7</sup>

# a) Workmen v. Management of Firestone Tyre and Rubber Co. of India (1981)

The case primarily involved unfair dismissal and the principle that workers should not be dismissed just because the business was changing, courtesy of automation. Employees cannot be terminated on the grounds of the introduction of new technology, except under the Industrial Disputes Act, 1947, by a reasonable procedure of consultation with the Workmen and some other justifiable reason for termination, as held by the Supreme Court. This is an example of how employers must consider worker welfare in the context of automation.

#### b) Air India v. Nergesh Meerza (1981)

This case discussed the dismissal of employees on age grounds and the enforceability of such provisions according to law in the employment contract. The Supreme Court ruled that the retirement policy of Air India was contrary to public order as it had compelled women workers with less than two decades of service to retire fully at the age of forty-five years. The case claimed that the rights of the worker to non-discrimination and equitable pay cannot be disowned by business policies, thus becoming an example of law to safeguard employee rights even with the growth in technology.

#### c) The Steel Authority of India Ltd. v. National Union Water Front Workers (2001)

<sup>&</sup>lt;sup>7</sup> R.K.S.M. Roy, *Case Law on Labour and Automation in India* (India Law Publications 2021) https://www.indialawpub.com, accessed on 9 March 2025, time 07.03 pm.

In this instance, the Supreme Court considered outsourcing and the discharge of permanent employees in favour of contract staff due to technological progress, efficiency and reorganisation. The court held that while the employer is allowed to restructure for efficiency as per the needs of time, the rights of permanent employees must not be sacrificed. Workers whose jobs were being outsourced may not get their due compensation and management should never encroach rights of job security as labour on automation or reduction of the workforce.

#### d) M/s. Shyam Babu Verma v. Union of India (1987)

The case was on the issue of the composition of minimum wages and its applicability to different categories of workers, particularly in the case of industrially developed countries using automation at an increasing rate. No doubt that minimum wages as per the Act, both in manual and automated employment should be observed by employers, whether manual or automated industry said the Supreme Court. This case was further evidence that technological change should not lead to unjust labour of the same wage and opportunity wage inequality and that workers in automated industries have the same rights as traditional ones.

# e) Bharat Forge Co. Ltd. v. The Workmen (1962)

The case is regarding the rights of employees with a case demonstrating their future when new technology and automation are being implemented, which can push out many of employment. The Court held that long-serving employees who are losing their jobs due to automation should either be compensated or have an opportunity to retrain. The judgment emphasized that though there is a need to automate, proper care needs to be taken for workers' rights, and technology should not be created in such a manner that joblessness ensues subsequently, without giving proper care for which the workers are well looked after.

# 5. International Labour Standards and India

# a) International Labour Organization (ILO) Conventions<sup>8</sup>

ILO is a specialized agency of the United Nations that formulates international labour standards into conventions and other instruments. India is a member of ILO and has ratified almost all the ILO Conventions that seek to enhance working standards and safeguard working communities both in human rights as well as social justice. Although these conventions offer a national framework under which Indian labour standards set their direction, hindrances follow in practice application at home.

## b) Convention No. 87: Protection of the Right to Organize and Freedom of Association<sup>9</sup>

This convention ensures that workers are entitled to freely choose trade unions their consent or otherwise and have the government in no position to be against the employer. It reinforces the fundamental freedom of association and the right to bargain collectively for the welfare of workers.

## c) Convention No. 98: Right to Organize and Collective Bargaining<sup>10</sup>

Convention No. 98 is an open statement of rights of workers such as freedom to join and form unions to be able to negotiate working conditions The places a mandate on the state to make sure that the workers are not discriminated against on grounds of union membership or other activities of the unions, ensuring a fair balance between negotiators of workers and employers.

# d) Convention No. 111: Discrimination (Employment and Occupation)

This convention aims to become the norm-free discrimination in employment or occupation based on grounds of race, colour, sex, religion, and national or social origin. The mentioned convention is important to bridge the gender and caste gaps in India's labour force because it compels countries to deal with parity in the opportunity/treatment of work.

<sup>&</sup>lt;sup>8</sup> International Labour Organization (ILO), *International Labour Standards and the Global Labour Rights Frameworks* https://www.ilo.org, accessed on 9 March 2025, time 08.13 pm

<sup>&</sup>lt;sup>9</sup> ILO, Convention No. 87: Protection of the Right to Organize and Freedom of Association (1948)

<sup>&</sup>lt;sup>10</sup>Convention No. 98: Right to Organize and Collective Bargaining (1949) https://www.ilo.org/ilolex/english/convdisp1.htm, accessed on 10 March 2025, time 06.01 pm

# e) Convention No. 158: Termination of Employment

Article 158 of the Convention declares unfair dismissal as illegal and employment contracts as null only for a justifiable cause. Employees have the right to notice and cannot be terminated for capricious or arbitrary reasons or conduct (just cause and redundancy fair dismissal requirements)

## f) ILO's Declaration on Social Justice for a Fair Globalization (2008)

This declaration reaffirms that a process of quality employment-based globalization requires a global standard of employment and remediation. It aims to make globalization a win-win for everyone, especially converting the social benefits of globalization into socially commensurate outcomes in society in general, such as a dynamic Indian Labor market- with tangible emphasis on labourers.

## g) Business and Human Rights Guiding Principles<sup>11</sup>

The UNGPs give global direction to business human rights practices and businesses. They require that the tier should ensure that businesses do not trample on the rights of workers and should be aware of the negative effects of its operations, particularly in areas where the majority of the working population is hit by automation and artificial intelligence.

# h) Global Labour Rights Frameworks<sup>12</sup>

OECD Guidelines for Multinational Enterprises and the Global Compact are some of the global labour standards which assist companies in safeguarding employees' rights across the globe. These frameworks necessitate equitable pay, safe environments and the right to organize aspects, which are needed to counteract the negative impact of automation and AI on Indian workers as well as globally.

The widely accepted international labour standards and norms propose an exit from India's domestic policy and law to be enhanced so that workers' rights are not displaced in this new

<sup>&</sup>lt;sup>11</sup> United Nations, *Guiding Principles on Business and Human Rights* (2011) https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr\_en.pdf, accessed on 10 March 2025, time 07.21 pm

<sup>&</sup>lt;sup>12</sup> ILO, *ILO's Declaration on Social Justice for a Fair Globalization* (2008) https://www.ilo.org/global/aboutthe-ilo/newsroom/news/WCMS\_092209/lang--en/index.htm, accessed on 10 March 2025, time 06.41 pm **82** | P a g e

world of automation and AI. India can enhance its legal system to protect workers, as is evident in its conformity with these standards.

# 6. International Legal Frameworks and Best Practicesa) The European Union's Work on AI and Labour Laws

# i. EU's Digital Services Act (DSA)<sup>13</sup>

Digital Services Act (DSA) of the European Union to create a safe space for users and at the same time foster innovation The Digital Services Act (DSA) will set rules for online platforms of all kinds in Europe, so as not to abuse post-moderation of content and the treatment of user data but especially to stem against exploitative practices through AI and algorithms used by these platforms, This offers a framework to regulate AI in digital space.

## ii. The EU Artificial Intelligence Act<sup>14</sup>

Proposal for a regulation on the regulation of AI in the European Union as a whole One of the main principles of the EU Artificial Intelligence Act is to categorize AI systems based on the level of risk. It establishes objectives to ensure that any high-risk type of AI, including AI used in employment, healthcare and law enforcement, is transparent, responsible and does not endanger fundamental rights. The act is a provision for rules on the deployment and use of AI in business to ensure that workers are not displaced from their employment or exploited by machines.

#### iii. EU Charter of Fundamental Rights

EU Charter of Fundamental Rights provides a framework for the inclusion of human rights in the European Union. Most relevant in the context of AI and automation are dignity or equality/disabled value/non-discrimination. The Charter ensures that technological advancements such as AI are interpreted as human rights, which protects them from transgressing privacy, decent work conditions or discrimination.

<sup>&</sup>lt;sup>13</sup> European Union, *Digital Services Act* (2020) https://ec.europa.eu/digital-strategy/our-policies/digital-services-act\_en, accessed on 10 March 2025, time 07.31 pm

<sup>&</sup>lt;sup>14</sup> European Commission, *Proposal for a Regulation on Artificial Intelligence (AI Act)* (2021) https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-services-consumerprotection/consumer-protection/consumer-safety/artificial-intelligence en, accessed on 10 March 2025, time

protection/consumer-protection/consumer-safety/artificial-intelligence\_en, accessed on 10 March 2025, ti 08.03 pm

## b) Recommendations from the ILO for Protecting Workers in the Age of AI

# i. The ILO Centenary Declaration for the Future of Work, 2019<sup>15</sup>

The Centenary Declaration for the Future of Work is the International Labour Organization's vision of what tomorrow's work could be in the face of the intensifying changes, particularly AI and automation in the era. It envisions a future of work that is human-driven, where new technologies enable decent work, social protection and gender equality. Employees require a robust legal and social protection system to protect them where they are most needed, for example, in high-tech industries facing sudden disruption, and lifelong learning and social dialogue to adapt to emerging challenges.

## c) The Global Framework on AI Ethics and Labour Rights

## i. The OECD Principles on Artificial Intelligence<sup>16</sup>

OECD Principles on AI are guidelines for the responsible design and use of AI. The principles are aimed at transparency, fairness, accountability and safety to ensure that AI systems [will] not cause workers to be discriminated against or harmed. Those are the principles that are espoused and are also meant to be policies that foster innovation and protect workers' interests in global efforts to govern AI in labour societies.

#### d) US Approaches and Legal Regulations on Automation and AI

United States has had a blended policy towards regulating automation and AI both at state and federal levels. At state levels, various legislation has been enacted on specific kinds of AI- data privacy, self-driving cars, facial recognition technology and more. Federal consideration of how to update labour legislation to cope with the effects of automation and AI is underway. Some examples of the proposals include enhancing worker retraining initiatives and ensuring unbiased AI-driven workplace choices openly. The US is also

<sup>&</sup>lt;sup>15</sup> International Labour Organization, *Centenary Declaration for the Future of Work* (2019) https://www.ilo.org/global/topics/future-of-work/lang--en/index.htm, accessed on 10 March 2025, time 08.31 pm

<sup>&</sup>lt;sup>16</sup> Organisation for Economic Co-operation and Development (OECD), *OECD Principles on Artificial Intelligence* (2019) https://www.oecd.org/going-digital/ai/principles/, accessed on 10 March 2025, time 09.03 pm

highly rated in innovation-supporting policies, welfare and finding the right balance of labour protection vs. technology.

## e) Japan's Efforts to Address Automation and AI in the Workplace

Japan, a leader in robotics and AI technology policy to address both economic and social problems of automation, has been practising in Japan on this assumption. Society 5.0 (Japan) Japan will be an ultra-intelligent society on AI/ big data and robotics to the next level where industries & workers are super-smart. Ideally, the government re-skills and addresses AI ethics and labour market policies simultaneously so that we have sweeping technological advances without mass unemployment. It also envisions a future where robots and humans collaborate instead of substituting each other, so technology can complement human labour in Japan as it does elsewhere in the world.

## 7. Legal Challenges in the Age of Automation and AI

#### a) Job Displacement and Unemployment

Automation & AI can replace jobs much more on a large scale, with intensive labour industries being especially susceptible to this. In a time around-cyber, where machines are taking over more and more of human labour from the manufacturing sector, retail and transportation (and others) industries, MUST begin attending to the problem of job displacement and implementing posturing systems that allow workers access to retraining, reskilling initiatives and new job placements.

#### b) Wage Disparity and Inequality

Automation and AI could exacerbate wage inequality, with data/tech analysis of highskilled employees gaining and low-skilled employees losing their jobs or experiencing stagnant wage increases. Increased and ongoing inequality hangs over issues of equitable wages and the necessity of legal reform to level out equitable compensation in an AIdriven workforce.

#### c) Lack of Social Security and Worker Benefits

Gig work and automation also mark a paradigm change concerning the state benefits on which conventional social security (health insurance, pension or paid leave) is no longer effective for many workers. Legal reform must be made to cover these safeguards, for instance, to gig workers and so-called 'contingent labour' who are not necessarily fully covered by conventional labour law.

## d) Workers' Rights in the Gig Economy

Automation and more so AI is a major cause of the gig economy with the opportunities being transitory and employees being rendered jobless & without job security, benefits or protections for labour. Ensuring the legal acknowledgement of the rights of gig workers to minimum wage, collective formation and social security, among others, is a huge hurdle to providing appropriate treatment and appropriate work protection for all workers in this industry.

## e) Impact of Automation on Migrant Labour in India

Automation poses a serious threat to India's hitherto marginalized, low-paid manual work areas that relate to migrant labour. Automation is likely to replace these workers, and migrant labourers, lacking proper protection, can be left with widespread unemployment. There is a need to update labour legislation in response to the vulnerabilities and provide migrant workers with some minimum social and legal protections.

# f) Legal Challenges in Regulating AI and Automation in India

Indian AI and automation are hard to manage, with vast lacunas in the legal regime regarding next-generation technology. Human rights evolving challenges owing to rapid technological progress, such as, for instance, transparency and algorithmic bias in automated decision-making as well as providing room for workers in a labour market transforming apace without reforming and strengthening the existing labour legislations.

Considering such legal barriers, a stringent legal system to promote the protection and control of labour rights in the face of the transformational impact of AI and automation in the Indian labour market is imperative.

#### 8. Proposals for Legal Reforms

# a) Updating Indian Labour Laws for the Digital Economy

The current labour laws of India, which have been drafted for a pre-digital economy, need to be revised to address the issues of automation, AI and the gig economy. Digital Platforms, Remote Work and Workers in Most New Technology-Driven Sectors: Reforms need to incorporate labour rights provisions so that while advancing with technologydriven sectors, workers are not pushed down lower.

## b) Universal Basic Income (UBI) as a Safety Net

A Universal Basic Income (UBI) can be employed to mitigate the spending cuts for workers dislocated by automation and AI. Universal basic income would reduce economic insecurity, stimulate innovation and provide a safety net for the workers losing their jobs in industries replaced or to be replaced by technology. Legal reforms need to explore the feasibility of UBI in India once more with the rising displacement of traditional employment through automation.

## c) Social Security for Gig Workers

More and more gig workers have been working based on automation and AI since they are replacing employed and traditional labour. Work necessitates health insurance (paid leave) contribution to the retirement schemes. Social security benefits must be extended to gig workers through legal changes so they enjoy the same rights and safeguards as traditional workers. It would safeguard gig workers in the emerging automated economy from being increasingly left behind.

#### d) Workers' Right to Retraining and Reskilling

When employees are terminated from conventional work as a result of automation, they must be given the chance to be able to work in new sectors via reskilling and retraining. Legally, it is ensuring that firms keep training their workforce and equipping workers with what they need to upskill, especially in AI and automation fields that will be most affected. Public-private partnerships may play a very critical role in facilitating these decisions to be made.

# e) Strengthening Collective Bargaining Rights

In the age of AI, digital transformation, and automation, employees must have access to collective bargaining for improved wages and improved benefits & working conditions. Labour legal reforms should extend collective bargaining to provide employees, whether they work in the old sectors or the new ones, reasonable leverage in their employment agreements with their employers. This is to protect the labour in a fast-paced robotic market job.

## f) Strengthening Data Protection Laws for Workers

AI and Automation typically need big data, that is, a gathering of individual performance data used in analysis. Legal reforms must enhance the privacy rights and protection of such workers by strengthening the laws protecting workers' data. Workers must be masters of their data and be aware of whom the data belongs to, especially automated decision-making mechanisms. The enhanced data protection regulations can guarantee workers' dignity and agency in the face of technological monitoring.

Indeed, these legal reforms aim at rendering changes to the fast-changing technological sector of labour legislation in India to ensure workers' rights but also set the ground for innovation and economic growth.

#### 9. Conclusion

Automation and AI will pose challenges to India's workforce, displacing jobs, creating wage disparity or the absence of social security like Pension plans, etc. Working around these, India will need to include new-age Labour Laws, implement Universal Basic Income (UBI), expand social security for the gig economy and support collective bargaining. Also, insulating workers from the information that they create or providing retraining is necessary to stop automation from creating its destruction. Observing the global practices and adapting them in a manner befitting India would assist so that the regulatory climate is consonant with the desired equilibrium of technological advancement and protection of labour, which produces growth and fairness in wealth generation.

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