

IMPACT OF AI ON LABOUR LAW REGIME IN SRI LANKA: INSIGHTS FROM EU

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The growing integration of artificial intelligence (AI) and automation into the world of work is reshaping the traditional model of employment and causing far-reaching implications for labour laws around the world and Sri Lanka is no exception to this reality. Against this backdrop, the objective of this research is to explore the impact of AI integration into workplace from the standpoint of employment law. Sri Lankan labour law framework is rooted in the social welfare legislations such as the Industrial Disputes Act and the Termination of Employment of Workmen Act. They are designed to address legal issues arising from the traditional contract of employment and, arguably, remain ill-equipped to respond to innovative challenges posed by the use of AI in the workplace, including structural job losses caused by technological substitution. This research finds that the current labour law regime in Sri Lanka would have to face multi-faceted challenges of AI deployment in the workplace in the years to come. These include legal risks associated with workplace discrimination, data privacy, the lack of transparency in decisions taken with the support of AI-and mass redundancies. Therefore, the labour legislations in Sri Lankan would have to struggle with problems caused by an intricate web of legal complexities. In this regard, European experiences can offer valuable guidance in addressing legal issues caused by AI in the workplace. The groundbreaking EU legislation, the AI Act 2024, considers employers’ use of AI in the workplace as potentially high-risk and imposes obligations for their use and potential penalties for violations. Moreover, the General Data Protection Regulation (GDPR) 2016 of the European Union lays down stricter rules for data protection and privacy of all individuals at workplace. In going forward, Sri Lankan policymakers should revisit the country’s labour laws to incorporate comprehensive AI governance frameworks that enshrine the responsibility of employers, ensure worker consultation, and prescribe clear guidelines for AI deployment. In terms of the implication of this research, the researcher is of the view that this research would enlighten the law reform process with suggestions for policy makers. The methodology of this research is library-based methodology and is carried out by employing both doctrinal and comparative legal research methodology.

Keywords: *AI in the Workplace, Labour Redundancy, Legal Risks, Law Reforms, EU Experiences.*