

**Bill No. LXIX of 2023**

THE ARTIFICIAL INTELLIGENCE (PROTECTION OF RIGHTS OF  
EMPLOYEES) BILL, 2023

A

BILL

*to protect the rights of employees in relation to the use and implementation of artificial  
intelligence in workplaces and regulate the use of and ensure transparency in the  
implementation of artificial intelligence technologies at workplaces and for  
matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of  
India as follows:—

1. (1) This Act may be called the Artificial Intelligence (Protection of Rights of  
Employees) Act, 2023.
- 5 (2) It shall come into force on such date as the Central Government may, by  
notification in the Official Gazette, appoint.
2. In this Act, unless the context otherwise requires,—
  - (a) "appropriate Government" means in relation to a State, Government of that  
State and in all other cases, the Central Government;

Short title and  
commencement.

Definitions.

- (b) “AI Algorithm” means a set of computational instructions or rules that enable machines to learn and analyze data and make decisions based on that knowledge to autonomously perform tasks, typically requiring human intelligence such as recognizing patterns, understanding natural languages, problem solving and decision-making; 5
- (c) “AI implementation” means utilising and integrating artificial intelligence technologies in tasks and work processes within the workplace;
- (d) “Artificial Intelligence (AI)” means the simulation of human intelligence processes by machines, especially computer systems, which are designed to operate with varying levels of autonomy, and which can, for explicit or implicit objectives, generate outputs such as predictions, recommendations, or decisions influencing real or virtual environments; 10
- (e) “Data Privacy” means safeguarding sensitive and personal information and ensuring that individuals have control over and can make their own decisions about the collection, use, and storage of their personal data and the authority who can process such data and the purpose therefor, and includes implementing measures to prevent unauthorized access or misuse of sensitive and personal data; 15
- (f) “employee” means any person, who is employed or engaged for wages or remuneration, in any kind of work, manual or otherwise, in connection with the work of an organization, entity, establishment or agency, either in the government or private sector; 20
- (g) “Employer” means any office, organization, entity, establishment or agency, either in the government or private sector ;
- (h) “Equality Impact Assessment” means a holistic evaluation aimed at understanding the extent to which the introduction or utilization of AI technologies, including AI algorithms, in a workplace adversely affects or has the potential to adversely affect individuals or groups based on factors such as race, gender, ethnicity, or other protected characteristics; 25
- (i) “prescribed” means prescribed by rules or regulations made under this Act; and 30
- (j) “workplace” includes the premises and physical and technological infrastructure of any office, organization, entity, establishment or agency, either in the government or private sector, where and through which an employee performs tasks or jobs related thereto. 35

Duties of appropriate Government in AI Implementation.

3. It shall be the duty of the appropriate Government to take all necessary measures to ensure that AI implementation by any employer adheres to the following, in such form and manner as may be prescribed –
- (a) ensure transparency in AI implementation within the workplace by furnishing comprehensive documentation elucidating the purpose, requirement, functionality, and ramifications thereof on employees, their jobs and other relevant stakeholders; 40

	(b) mitigation of biases in AI algorithms that may adversely affect employees' rights or opportunities by regular conduct of performance audits and impact assessment, as specified in section 5, and the application of bias-mitigation techniques;	
5	(c) upholding employees' right to refuse tasks or decisions solely based on AI generated processes if they feel it violates their rights or ethical standards and the right to review high-risk decisions made by AI processes, affording them the opportunity to challenge choices or decisions adversely impacting their employment;	
10	(d) providing adequate training and up-skilling opportunities for employees affected by AI implementation to ensure they can effectively adapt and engage with the technology; and	
15	(e) protection of employees' rights during AI implementation, including data privacy, and confidential handling of personal information, in compliance with the provisions of the Digital Personal Data Protection Act, 2023 and other such related laws and regulations for the time being in force.	
	<b>4. The appropriate Government shall ensure that -</b>	Appropriate Government to take measures in obtaining consent .
20	(a) employers must obtain explicit and informed consent, in writing in such form and manner as may be prescribed, from employees before AI implementation within the workplace which directly affect their work or rights adversely, and	
	(b) in cases, where deemed consent is used, employers must provide clear information and avenues to the employees to either opt-out or seek modification of their consent.	
25	<b>5. The appropriate Government shall design and conduct an equality impact assessment, of any employers' AI implementation process within the workplace, to ensure fairness, non-discrimination, and compliance with established rules and regulations, at five-year intervals, in such manner as may be prescribed:</b>	Equality Impact Assessment.
30	<b>Provided that the first equality impact assessment shall be conducted immediately after five years of implementation of the Act.</b>	
	<b>6. The Central Government shall, after due appropriation made by Parliament by law in this behalf, provide requisite funds to the State Governments, from time to time, for carrying out the purposes of this Act.</b>	Central Government to provide funds.
35	<b>7. (1) The appropriate Government may, by notification in the Official Gazette, make rules and regulations for carrying out the purposes of this Act.</b>	Powers to make rules.
40	(2) Every rule and regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately	

following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both the Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation. 5

(3) Every rule and regulation made by the State Government under this Act shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such State Legislature consists of one House, before that House. 10

## STATEMENT OF OBJECTS AND REASONS

The impact of artificial intelligence (AI) on the workforce has been a topic of concern for many years. A recent survey conducted by Randstad, which was shared exclusively with ET, revealed that Indian employees are more concerned about losing their jobs to AI than their counterparts in the US, UK, and Germany. Similarly, a Microsoft report found that 74% of Indian employees are worried about losing their jobs to AI. As AI becomes increasingly integrated into the workplace, laws must adapt to protect workers' rights. As workplaces evolve, employees are facing new challenges in maintaining their autonomy and privacy. The lines between work and home life have become increasingly blurred, and the amount of data collected from workers has grown substantially with little transparency as to how it is being used. Clear guidelines are needed to address issues such as remote work, impact assessments, and accountability for AI-driven decisions.

2. One of the main issues with AI is the potential for perpetuating biases in the data on which the system is trained, resulting in discrimination in hiring, promotions, and overall performance evaluations. This issue has led to a need for laws that address algorithmic bias to ensure fair and equitable treatment of employees. However, the disproportionate representation within training data is a significant concern, which results in AI systems incapable of making unbiased decisions. In one of the most high-profile cases, one conglomerate had to discontinue an AI tool designed to screen job candidates' resumes. The tool had learned and replicated the disproportionate hiring trends in male-dominated industries, resulting in it downgrading applications from women.

3. Furthermore, the intricate nature of AI algorithms complicates the identification of biases within the data, creating challenges in comprehending their impact on decision-making processes. An industry report found that while there is a growing reliance on AI in business operations, there is also a parallel rise in apprehensions regarding data bias. Despite acknowledging data bias, many organisations are in the nascent stages of addressing it. Steps taken to combat bias include education, transparency, and training. Yet, there remains a consensus among industry respondents that more needs to be done to understand and mitigate data bias effectively.

4. To address these issues, governments must act to spur innovation in trustworthy AI. They must also foster accessible AI ecosystems with digital infrastructure technologies and mechanisms to share data and knowledge. Finally, people must be equipped with the skills for AI, and workers must be supported to ensure a fair transition.

5. The Bill seeks to lay down comprehensive guidelines to combat data bias in AI implementation within workplaces, including the need for transparency in algorithms, mandatory training, and the adoption of practices to detect and rectify biases within datasets. Addressing data bias will not only enhance the ethical and equitable use of AI but will also protect against potential risks stemming from biased algorithms, such as adverse business decisions and legal repercussions.

6. In conclusion, the impact of AI on the workforce cannot be ignored. As AI becomes integral to various decision making processes within organisations, this Act serves as a critical step toward ensuring fair and unbiased practices in workplaces. It emphasises the critical need for a more inclusive and comprehensive approach to AI development, requiring diverse participation and technical training to manage datasets and algorithms without bias, thereby ensuring an equitable and ethical AI-driven future in the workplace.

Hence, the Bill.

MAUSAM B NOOR

## FINANCIAL MEMORANDUM

Clause 5 of the Bill provides that the appropriate Government shall design and conduct an Equality Impact Assessment of the AI implementation process within the workplace of any employer at five-year intervals from the enactment of this Act. Clause 7 provides for financial assistance to the State Governments for carrying out the purposes of this Bill. The Bill, therefore, if enacted, will involve expenditure both of recurring and non-recurring nature. However, at this stage, it is not possible to estimate the actual expenditure likely to be involved.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8 of the Bill empowers the appropriate Government to make rules and regulations for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of normal character.

# RAJYA SABHA

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## BILL

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*(Shrimati Mausam B Noor, M.P.)*