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THE IMPACT OF ARTIFICIAL INTELLIGENCE ON EMPLOYMENT AND LABOUR RIGHTS: A COMPARATIVE STUDY OF THE EUROPEAN UNION AND UZBEKISTAN

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Annotation. *This article examines the impact of artificial intelligence on employment and labour rights through a comparative legal analysis of the European Union and the Republic of Uzbekistan. Two dimensions of the problem are distinguished: the transformation of employment caused by the automation of work tasks, and the use of artificial intelligence by employers for recruitment, monitoring, evaluation and dismissal of workers (algorithmic management). The European model, based on the Artificial Intelligence Act, the General Data Protection Regulation and the Platform Work Directive, is compared with the Uzbek model, based on the Labour Code, the Strategy for the Development of Artificial Intelligence Technologies until 2030 and Law No. ZRU-1115 of 21 January 2026. The gaps in Uzbek legislation are identified, and proposals are formulated for incorporating guarantees against algorithmic risks into the Labour Code.*

Keywords: *artificial intelligence, labour rights, employment, algorithmic management, automated decision-making, AI Act, human oversight, Labour Code of the Republic of Uzbekistan, comparative labour law.*

INTRODUCTION

Artificial intelligence (AI) has become part of the ordinary infrastructure of the workplace. Its influence proceeds along two lines. First, AI changes the demand for labour by automating some tasks, augmenting others and creating new ones. Second, AI changes the way work is managed: software screens applications, allocates tasks, measures productivity and prepares recommendations on promotion or dismissal. The second line directly affects the core institutions of labour law – the managerial prerogative of the employer, the prohibition of discrimination, the protection of personal data and the requirement that dismissal be justified.

According to the global index published by the International Labour Organization in 2025, one in four workers worldwide is employed in an occupation with some exposure to generative AI, and in high-income countries the share reaches 34 per cent; the most likely outcome, however, is the transformation of jobs rather than their wholesale replacement [8]. For the lawyer, therefore, the central problem is not only possible job losses, but also the redistribution of managerial power towards opaque technical systems.

The European Union has chosen the path of comprehensive regulation: Regulation (EU) 2024/1689 (the AI Act) classifies AI systems used in employment as high-risk [5], although in July 2026 Regulation (EU) 2026/1744 postponed the relevant obligations to 2 December 2027. Uzbekistan gives priority to the accelerated introduction of AI: the Strategy until 2030 sets the target of reaching USD 1.5 billion in AI-based products and services [4]. The Constitution in its 2023 edition guarantees the right to decent work (Article 42) and the protection of personal data (Article 31) [1], and Law No. ZRU-1115 of 21 January 2026 prohibited relying exclusively on AI-generated conclusions when making legally significant decisions [3].

Labour legislation itself, however, does not yet address algorithmic management. The aim of the article is to identify how the European Union and Uzbekistan respond to the impact of AI on labour rights and to formulate proposals for improving Uzbek legislation.

LITERATURE REVIEW AND METHODS

Early occupation-based studies predicted large-scale job losses from automation, whereas later task-based research showed that technology replaces some tasks while complementing others. D. Acemoglu and P. Restrepo distinguished between the displacement effect of automation and the reinstatement effect of new tasks, emphasizing that the net outcome depends on institutions and policy rather than on technology alone [9]. In legal scholarship, J. Adams-Prassl demonstrated that the entire cycle of managerial functions – hiring, directing, evaluating and disciplining – can be automated, which deepens the information asymmetry between employer and worker [10]. In the national literature, the digitalization of labour relations and the protection of employees' personal data have been studied, but algorithmic management as an independent object of labour-law regulation has not yet been analysed systematically.

The study applied formal-legal analysis of the normative acts of Uzbekistan and the European Union, the functional comparative method, systemic analysis and legal modelling. The legislation is analysed as of September 2026.

RESULTS

The first result concerns the architecture of regulation. The European Union has built a multi-level system in which the AI Act, distributing obligations between providers and deployers according to the level of risk [5], is complemented by the General Data Protection Regulation [6] and the Platform Work Directive [7]; Member States may adopt rules more favourable to workers (Article 2(11) of the AI Act). Uzbekistan has chosen a horizontal model: instead of a standalone act, Law No. ZRU-1115 amended the Law "On Informatization" by defining AI, prohibiting exclusive reliance on AI for legally significant decisions and establishing administrative liability for the unlawful processing of personal data using AI [3]. The Rules of Ethics approved by the Minister of Digital Technologies in 2026 additionally require that the final decision be taken by a human. Thus, the EU provides detailed obligations, while Uzbekistan sets general principles not yet translated into labour-specific mechanisms.

The second result concerns access to employment. Under the AI Act, systems used for recruitment and selection, including the filtering of applications and the evaluation of candidates, are high-risk: their training data must be examined for possible biases, and they must allow effective human oversight [5]. Article 22 of the General Data Protection Regulation grants the right not to be subject to a decision based solely on automated processing [6]. In Uzbekistan, the rule of Law No. ZRU-1115 is in principle applicable to a refusal to hire, but there is no procedural mechanism for its implementation: no duty to inform a candidate that an automated system was used, no right to an explanation or human review, and no rule on the burden of proof in cases of alleged algorithmic discrimination.

The third result concerns algorithmic management during the employment relationship. The AI Act classifies as high-risk the systems used to allocate tasks and to monitor and evaluate workers, obliges employers to inform workers' representatives before introducing them, and prohibits emotion recognition in the workplace [5]. Directive (EU) 2024/2831 goes further: it prohibits processing data on the emotional state and private conversations of platform workers,

requires human oversight and the right to an explanation, and stipulates that the suspension or termination of a worker's account must be decided by a human being [7]. However, it covers only platform work, which creates a paradox: a courier working through an application is better protected than an office employee evaluated by an AI system. In Uzbekistan, Articles 175–180 of the Labour Code protect employees' personal data by restricting transfer to third parties and access to such data [2], but these norms are designed for conventional personnel records and do not regulate electronic monitoring, productivity scoring or consultation with the trade union before such systems are introduced. The fourth result concerns dismissal. In the European Union, a dismissal based on the output of a high-risk AI system triggers the right to an explanation under the AI Act and the guarantees of the General Data Protection Regulation [5; 6]. In Uzbekistan, under Article 161 of the Labour Code, a change in the number of employees caused by changes in technology is a justified ground for dismissal [2], and it is through this ground that job losses associated with AI will be formalized. The Code guarantees notice and severance pay, but it does not require the employer to demonstrate a causal link between the introduction of a technology and the reduction of specific positions, nor to offer retraining before dismissal.

The fifth result concerns skills and social dialogue. The AI Act imposes on employers a duty to take measures supporting the AI literacy of their staff [5]. In Uzbekistan, the AI Strategy focuses on training AI specialists [4], but it does not cover the much larger group of workers whose tasks are being transformed by AI, and social partnership on questions of AI has not been institutionalized.

DISCUSSION

First, the European model should not be regarded as a finished benchmark: its key employment-related obligations will not apply until December 2027, and the fragmentation between instruments leaves conventional employees less protected than platform workers. For Uzbekistan, what is needed is not a transplantation of this model, but a functional borrowing of the guarantees that address the specific risks of algorithmic management, adapted to the capacity of small and medium-sized enterprises. Second, the rule of Law No. ZRU-1115 is in form even stricter than Article 22 of the General Data Protection Regulation. However, without a definition of a "legally significant decision" and without procedural rules, it risks being reduced to a formality in which a manager merely signs the algorithmic recommendation.

As the Court of Justice of the European Union indicated in the SCHUFA case (C-634/21), what matters is whether the algorithmic output plays a determining role in the decision. Legislation should therefore require meaningful human review by a person who has the competence and authority to depart from the recommendation of the system. Third, these guarantees should be placed in the Labour Code rather than only in the Law "On Informatization", since labour rights are protected through labour inspection, collective agreements and the resolution of labour disputes. The introduction of a system that monitors or evaluates workers changes the working conditions of the whole workforce and should therefore become a subject of consultation with the trade union.

CONCLUSION

The study leads to the conclusion that the impact of AI on labour relations manifests itself both in the transformation of jobs and in the transfer of managerial functions to algorithmic systems, and that the second process poses the most direct challenge to labour law.

The European Union has developed a multi-level system of guarantees, although its effectiveness is limited by fragmentation and delays. Uzbekistan has laid down important general principles, but they have not yet been translated into the norms of labour legislation.

On this basis, the following proposals are put forward: to supplement the Labour Code with a paragraph on the use of AI in labour relations, obliging the employer to inform employees and job applicants about the use of such systems; to establish that decisions on refusal of employment, disciplinary sanctions and dismissal may not be based solely on the output of an AI system, and to grant the employee the right to an explanation and human review; to prohibit the use of AI for emotion recognition and for monitoring employees outside working time; to introduce prior consultation with the trade union before AI systems for monitoring and evaluation are introduced; and to require, in cases of dismissal due to changes in technology, a priority offer of retraining.

The implementation of these proposals will ensure that the introduction of AI serves economic modernization without diminishing the labour rights guaranteed by the Constitution.

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