Home Page: www.asjp.cerist.dz/en/PresentationRevue/796 PISSN : 2477-9970 - EISSN : 2822-1540

AI decision at work: employer liability under Saudi civil law and labor law

قرارات الذكاء الاصطناعي في العمل : مسؤولية صاحب العمل بموجب القانون المدني و قانون العمل السعودي

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Received: 27/06/2026 **Accepted: 29/06/2026** **Published:15/07/2026**

Abstract:
This article addresses the legal aspects of employers' use of artificial intelligence (AI) in the workplace. It raises several legal issues concerning liability for damages to workers' rights, occupational diseases, and workplace accidents caused by AI. The article analyzes the relevant legal framework in Saudi Arabia, concluding that civil and labor law provide a foundational basis for understanding the legal challenges arising from AI use in the workplace. However, technological developments and the rapid spread of artificial intelligence technologies will hasten the need to establish a more detailed legal framework on the subject.

Keywords: AI ; Labor Law; Civil Law; Employer Liability.

ملخص:
تتناول هذه المقالة الجوانب القانونية لاستخدام أصحاب العمل للذكاء الاصطناعي في بيئة العمل، وتطرح عدة قضايا قانونية تتعلق بالمسؤولية عن الأضرار التي تلحق بحقوق العمال، والأمراض المهنية، وحوادث العمل الناجمة عن استخدام الذكاء الاصطناعي. وتحلل المقالة الإطار القانوني ذي الصلة في المملكة العربية السعودية، وتخلص إلى أن القانون المدني وقانون العمل يوفران أساسًا لفهم التحديات القانونية الناجمة عن استخدام الذكاء الاصطناعي في بيئة العمل. ومع ذلك، فإن التطورات التكنولوجية والانتشار السريع لتقنيات الذكاء الاصطناعي سيزيدان من الحاجة إلى وضع إطار قانوني أكثر تفصيلًا حول هذا الموضوع.

كلمات مفتاحية: الذكاء الاصطناعي؛ قانون العمل؛ القانون المدني؛ مسؤولية صاحب العمل.

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1. INTRODUCTION

Nowadays, robots are thought of as technology that can take the place of humans, carry out their tasks, including work, on their own, and adapt to their environment. Therefore, the McKinsey World Institute predicts that by 2030, around 400 million individuals (or 14% of the global workforce) will lose their occupations as a result of their jobs being performed by digital technology. It should be mentioned that a wide range of decisions in both the public and private sectors are already influenced by algorithmic systems and artificial intelligence. The fields of education, healthcare, retirement, governance, law enforcement, and environmental protection all make extensive use of artificial intelligence. For instance, artificial intelligence-based filtering algorithms are used by private international platforms like Google and Facebook to regulate information access.[1]

Among the previous studies, we must mention an article by Gutsu et al., which demonstrated that, in light of the emergence of information technology, this research paper addresses the standards for changing labor relations. The article aimed to identify the effects of automation, artificial intelligence, and neurotechnology on the work environment, explore the potential applications of these technologies, analyze key issues related to labor market regulation, and grant legal status to "intelligent" robots. The researchers concluded that it is necessary to develop new standards and frameworks for safety, worker protection, and work regulation, in addition to amending certain legal provisions in labor law.[2]

De Stefano noted that, to date, the discussion has focused on the number of jobs that will be lost as a result of technological advancements. However, his article focuses on the quality of jobs in future labor markets, emphasizing that limiting these powers and privileges, in order to preserve workers' dignity, is a pivotal role for

labor law. Accordingly, the research concludes by emphasizing the crucial role of social partners and collective bargaining in regulating automation and the effects of technology in the workplace. To ensure a central role for humans in workplace management, research emphasizes the importance of regulating collective dismissals, involving worker representatives in managing and preventing job losses, and the active participation of collective actors in managing technology-enhanced management systems.[3]

Yaroshenko et al. analyzed the challenges of legally regulating artificial intelligence (AI) in labor law in developed countries. They deemed it necessary to describe the trends, review the current state of research, identify key directions, and conduct a comparative legal analysis of the development of AI legal regulation in labor law. This was because their study was based on an analysis of international legal instruments, developed country legislation, and jurisprudential rulings in the field of AI legal regulation. They analyzed current researcher positions on this complex topic and categorized the approaches used in the legal understanding of AI.[4]

The study aims to analyze the legal aspects related to the use of artificial intelligence on workers' rights, as the methodology is based on studying the Saudi Labor Law as the primary reference for regulating labor relations in the Kingdom of Saudi Arabia.

2. The Growing Role of Artificial Intelligence in the Workplace:

The growing role of artificial intelligence (AI) in the workplace has significantly transformed various sectors, including agriculture, industry, and medicine, by enhancing productivity, efficiency, and decision-making processes. In agriculture, AI-powered systems are increasingly used for precision farming, where technologies such as smart sensors, drones, and data analytics help farmers monitor crop health, optimize irrigation, and predict yields.[5] These innovations reduce costs and improve sustainability, but they also raise concerns about the displacement of manual labor and the need for new digital skills. In the industrial sector, AI is widely integrated into manufacturing processes through automation, robotics, and predictive maintenance systems. Smart factories rely on algorithms to optimize production lines, reduce errors, and enhance safety.[6] However, this shift toward automation may lead to job restructuring, requiring workers to adapt to more technical roles and continuous training. In

the field of medicine, AI applications such as diagnostic tools, robotic surgery, and personalized treatment plans have revolutionized healthcare delivery. AI systems can analyze large volumes of medical data to assist doctors in making more accurate and timely decisions. Despite these advantages, the use of AI in medicine also raises ethical and legal issues related to data privacy, accountability, and patient safety .[7] Last not least, while AI offers substantial benefits across these sectors, it simultaneously poses challenges for workers' rights, job security, and legal protection, highlighting the need for appropriate regulatory frameworks.

3. The Legal Challenges of Using Artificial Intelligence in the Workplace:

In France, Patrice Adam discussed the threat posed by artificial intelligence to workers in employment relationships from the perspective of protecting privacy. This issue arises on two levels: firstly, in data collection, and secondly, in the use of algorithmic management tools that allow for almost total monitoring and control of the worker. In addition to the issues of privacy and surveillance, a third dimension emerges: respect for human dignity. This principle is based in French law on a 1994 decision by the Constitutional Council. Beyond the individual risks that artificial intelligence creates for workers, this principle raises the issue of the risk of dehumanization, which manifests in management systems where the worker becomes merely a cog in a machine. Therefore, the principle of respect for human dignity can be invoked to counter certain forms of human resource management that are inhumane. Labor law has not paid sufficient attention to the issue of responsibility, or rather, the multiplicity of responsibilities. In contrast, civil liability has received considerable attention, particularly concerning accidents involving

self-driving cars. The issue of civil liability arose primarily when it became apparent that an algorithm-driven decision could lead to harmful outcomes, such as discrimination. In such cases, the question arises: Who is responsible? Is it the employer who used the technology? The entity that sold it? Or the entity that designed it, if not the seller? And ultimately, where does liability lie, and on what legal basis is it established?

4. Employer's Responsibility for Harming Workers' Rights Due to Artificial Intelligence:

Article 61 of the Saudi Labor Law sets out key obligations for employers in addition to other legal provisions. Employers are prohibited from forcing employees to work or withholding their wages without a judicial order, and they must treat workers respectfully while avoiding any behavior that harms their dignity or religious beliefs. They are also required to allow employees sufficient time to exercise their legal rights without reducing their pay, while organizing this in a way that does not disrupt operations. In addition, employers must cooperate with competent authorities and facilitate the enforcement of labor regulations. The law further prohibits all forms of discrimination in employment, ensuring equal opportunities regardless of factors such as race, gender, age, or other personal characteristics. Finally, employers must provide adequate housing and transportation for workers, or alternatively offer fair financial compensation in place of these benefits .[8] It should also be noted that the rules for defective products, such as the Saudi Product Safety Law 2024, apply.

5. Employer's Responsibility for Workplace Accidents Caused by Artificial Intelligence:

Under Chapter One of the Saudi Labor Law, employers are required to ensure a safe and healthy work environment. They must keep workplaces clean, well-lit, and supplied with safe drinking water, while complying with occupational safety and health standards set by authorities. Employers are also obligated to take all necessary measures to protect workers from risks related to work, machinery, and equipment, and must clearly display safety instructions in languages understood by employees without charging them for these protections. Additionally, workers have the right to be informed about job-related risks before starting work. Employers must provide appropriate protective equipment, ensure its use, and train workers accordingly. On the other hand, employees are responsible for using and maintaining safety equipment properly, following instructions, and avoiding any actions or negligence that could compromise workplace safety or harm others.

6. Employer's Responsibility for Occupational Diseases Caused by Artificial Intelligence:

The employer is required to protect workers from occupational diseases and bears responsibility if such illnesses or work-related injuries occur. In these cases, the employer must cover all treatment costs, including medical care, hospitalization, diagnostic tests, prosthetics, and transportation to healthcare facilities. Work-related injuries also include occupational diseases, with the date of the first medical diagnosis considered the injury date. Any relapse or complications are treated as part of the original injury, and the same rights to care and compensation apply.

Articles 136-139 of the Saudi Labor Law clearly state that occupational diseases are defined according to the schedule of occupational diseases stipulated in the Social Insurance Law, and that

degree of total or partial permanent disability are determined according to the disability percentage guide stipulated in the same law. An employee who suffers a work-related injury and is temporarily unable to work is entitled to full wages for up to one year, or 75% of their wages during the treatment period. If recovery is not possible after one year, or the worker is medically deemed unfit to return to work, the injury is classified as total disability, leading to termination of the contract and payment of compensation. The employer cannot reclaim any amounts paid during this period.

In cases of permanent total disability or death, the worker or their beneficiaries receive compensation equal to three years' wages, with a set minimum amount. If the disability is partial and permanent, compensation is calculated proportionally based on the degree of disability in relation to the compensation for total disability.

The employer's liability is waived if any of the following is proven:

- The worker intentionally injured themselves.

- The injury occurred due to intentional misconduct on the part of the worker.

- The worker refused to consult a doctor or refused treatment from the doctor appointed by the employer without a legitimate reason.

In terms of legal precedent, we cite the case before the French Court of Cassation concerning a decision issued by the Paris Court of Appeal on February 10, 2026, in a dispute between the French Association Against Muscular Dystrophy (AFM) and its Economic and Social Committee (CSE). The case revolves around a project to introduce an AI-based tool, "Copilot 365," integrated into the Microsoft 365 suite, which offers functions such as meeting

summaries, email drafting, translation, and information search. On September 9, 2025, the CSE decided to seek technical expertise, arguing that the project was “significant” and would impact working conditions and employee health. The AFM challenged this decision in court, maintaining that the project was merely a simple technical update, and that the tool's use was optional, experimental, and limited to a four-month period, without imposing any real changes on work organization or employee tasks. The association also emphasized that the tool was added automatically within the software licenses and was not the result of an internal strategic decision. After examining the facts, the Court found that the project remained in a trial phase, was based on volunteer work, and was not linked to specific jobs or significant organizational changes. Furthermore, the CSE (French Court of Cassation) had not provided concrete evidence of an actual impact on working conditions or occupational health (French Court of Cassation, 2026).

The Court based its decision on several provisions of the French Labor Code, particularly Articles L.2312-8 and L.2315-94, which authorize the CSE to engage an expert in cases of a “significant project” or the introduction of new technology that affects working conditions or health and safety. It also cited Article L.2315-86 concerning the possibility of judicial appeal against decisions to appoint an expert. The Court reiterated that the criterion for a “significant project” requires a clear qualitative and quantitative impact leading to substantial changes in the organization, content, or work environment, and not merely a potential or general impact. In applying these rules, the court considered that the introduction of the AI tool in this case did not constitute a “significant project,” as it was experimental, limited in duration, optional in its use, and not accompanied by specific changes to job positions or task structures.

The court also rejected general arguments concerning psychological risks or work intensification, as they were not based on concrete evidence specific to the organization. Consequently, it overturned the CSE's decision to seek expert opinion. Regarding the connection to AI, the case directly concerns the introduction of an AI tool into the workplace, but it emphasizes that the mere use of this technology is not legally sufficient to consider it as affecting working conditions. As for the "workplace accident," the case is not directly related to this, as there was no actual accident or occupational hazard, but rather a discussion about the potential impact of the technology on working conditions (French Court of Cassation, 2026).

In civil law, damages caused by AI are attributed to the employer based on liability for things. The Saudi legislator enshrined liability for things in Articles 130 to 135 of the Civil Transactions Law. It established the liability of the animal keeper (Article 130), the building keeper (Article 131), and the keeper of objects requiring special care (Article 132).

The drafters of the French Civil Code initially envisioned only specific cases of liability related to things: those involving animals (formerly Article 1385 of the Civil Code) and damages resulting from the collapse of a building (formerly Article 1386 of the Civil Code). However, through the Court of Cassation's decision in the JAND'HEUR case (Court of Cassation, Joint Chambers, February 13, 1930), a general principle of liability related to things was recognized. This principle is based on the former Article 1384, paragraph 1, of the Civil Code, and the Court established the procedures related to this principle.

The case involved a young girl named Lise JAND'HEUR, who, as a child, was struck by a truck belonging to the company " Aux

Galeries Belfortaise" while crossing the road on April 22, 1926. The case concerned compensation sought by the victim's mother. The Besançon Court of Appeal issued a ruling on December 29, 1925, rejecting the plaintiff's claim, which was based on the provisions of the old Article 1384-1 of the Civil Code. However, the Court of Cassation overturned this decision, deeming the provisions of the old Civil Code applicable in this matter. This article was adopted under the new Article 1242 by Order No. 2016-131 of February 10, 2016 .[9]

7. The Liability of AI System Developers for Damaging Labor Rights:

An employer can pursue civil legal liability against an AI system developer for damages to workers' rights. Since the system's operation is contractual, the basis of liability rests on the provisions of contractual liability, which are enshrined in the rules of the Civil Transactions Law. Generally, civil liability is the civil penalty imposed for breach of obligation. It refers to the obligation of one party to a contract to be responsible for the consequences of non-performance or poor performance of their contractual obligations towards the other party. The Saudi legislator has enshrined this in Article 107, which stipulates that in bilateral contracts, if one party fails to fulfill their obligation, the other party, after notifying the defaulting party, may demand the performance of the contract or its termination, with compensation in either case if warranted. The court may reject the termination request if the part of the obligation not fulfilled is of minor importance to the contract. There is a difference between contractual liability and tort liability. Contractual liability is based on the contract, while tort liability is based on the harmful act. The French legislature enshrined this principle in Article 1231-1 of the Civil Code, which stipulates that a debtor is liable for damages for

either non-performance of an obligation or for delay in performance if they cannot justify that performance was prevented by force majeure. It is important to note that the contract between the employer and the developer of the artificial intelligence system determines the type and limits of liability, as it should specify the nature, form, and liability for foreseeable errors.[10]

Legal texts concerning liability for defective products can also be used in countries with legislation establishing this type of legal basis. For example, French legislation, specifically Article 1245-3 of the French Civil Code, defines a defective product as follows: A product is defective within the meaning of this chapter when it does not provide the safety that can be reasonably foreseen. In assessing the safety that can be reasonably foreseen, all circumstances must be taken into account, in particular, the presentation of the product, the use that can reasonably be expected from it, and the time of its use. A product cannot be considered defective simply because a more advanced product is subsequently introduced into the market. In other words, a product is considered defective when reasonable safety expectations are not met. Determining these expected safety standards takes into account various factors, such as how the product is presented, its intended use, and when it was introduced to the market. It is also important to note that the mere existence of a more advanced product that is subsequently introduced does not, in itself, constitute grounds for classifying a product as defective. The article 9 (Saudi Arabian law on safety of products) requires manufacturers, authorized representatives, and importers—being responsible for placing products on the market—to ensure that products are safe and fully compliant with all applicable technical regulations and requirements. They must also conduct adequate risk assessments to identify potential hazards and take appropriate corrective measures in line with the

guidelines issued by the competent authority. Additionally, they are obligated to provide proof of product safety upon request by the relevant authorities, including evidence of compliance with applicable standards and the corrective actions taken to ensure safety. The implementing regulations further define the specific responsibilities and obligations of each party in accordance with this article.

This strict liability means that the producer's fault is not necessary for liability to be established. The producer is liable under this law once the injured party proves three elements: first, the existence of a defect in the product; second, the existence of damage; and third, a causal link between the defect and the damage. The law stipulates that this producer liability cannot be limited or exempted by contractual terms. However, joint liability is provided for in cases of the victim's fault or the fault of a third party. The law applies to tangible movable property, whether incorporated into other movable or immovable property or becoming immovable by destination. For a product to be considered defective under this law, it must exhibit a defect that impairs the safety that could be legitimately foreseen, taking into account all circumstances, including the product's presentation and its normal or reasonably foreseeable use. Thus, Belgian law on liability for defective products establishes the strict liability of producers in cases of defective products, without requiring proof of fault on their part. This law aims to protect consumers in the event of harm caused by products containing defects that threaten their expected safety.[11]

8. Employer's Responsibility for AI's Violation of Workers' Rights to Their Personal Data:

8.1 Worker Rights Regarding Their Personal Data Used by Artificial Intelligence:

Workers' rights concerning their personal data, including when used by artificial intelligence, are defined by Article 4 of the Personal Data Protection Law. This provision grants individuals several key rights: they must be informed about the legal basis and purpose of data collection, and they have the right to access their personal data held by the controller under established procedures. They may also request their data in a clear and readable format, as well as demand its correction, completion, or updating when necessary, in accordance with regulatory rules. [12]

8.2 Data Protection Consent:

Personal data cannot be processed or used for a new purpose without the consent of the individual concerned. The regulations define how this consent is obtained, when it must be explicit, and how it is given on behalf of minors or legally incapable persons through their guardians. In all cases, the individual retains the right to withdraw consent at any time, subject to the procedures and conditions set by the regulations. (Article 5 of the Personal Data Protection Law).[13]

The processing of personal data is not subject to consent under Article 6 of the Personal Data Protection Law in the following cases:

1- When the processing serves a demonstrable interest of the data subject and contacting them is impossible or difficult.

2. When processing is carried out pursuant to another system or in execution of a prior agreement to which the data subject is a party.

3. If the controlling entity is a public entity, and such processing is required for security purposes or to satisfy judicial requirements.

4. When processing is necessary to achieve the legitimate interests of the controlling entity, provided that this does not infringe upon the rights of the data subject or conflict with their interests, and provided

that the data is not sensitive. Regulations specify the provisions and controls relating to this .

9.Conclusion:

The article concluded with the following results:

- The integration of artificial intelligence has generated several legal issues related to workers and employers.

- The general rules of the Saudi Labor Law, the Civil Code, and the Personal Data Protection Law constitute a preliminary basis for resolving the legal issues related to artificial intelligence in the workplace.

- Arab countries can further develop the current legal framework in the future by enacting regulations directly related to artificial intelligence, similar to the approach taken in the European Union.

Acknowledgments

The author would like to thank the Governance and Policy Design Research Lab (GPDRL) of Prince Sultan University (PSU) for the financial and academic support provided to conduct this research and publish it in the Sustainability journal.

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