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AI ACCOUNTABILITY IN INDIA: NEED FOR DEDICATED LEGAL FRAMEWORK

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Abstract

The purpose of this research report, therefore, is to undertake an analysis of the complex framework of accountability and responsibility within Artificial Intelligence in India's rapidly changing digital landscape. Currently, in the midst of the fourth industrial revolution, AI adoption is on the rise in critical fields like healthcare, agriculture, and law enforcement, but simultaneously, there exists a high threat to human rights and constitutional equality rights owing to various technological complications in the form of biased data and 'black-box'. The clarity brought forth by this study is that while initiatives such as 'Digital India' are encouraging innovation, prevailing legal measures such as the IT Act and the DPDP Act are insufficient to address comprehensively the challenges posed by the autonomous nature of AI. Upon analyzing various international perspectives and drawing deeply upon India's socio-economic context, the report strongly recommends the adoption of a specific national policy and related principles like 'human-in-the-loop' to achieve a wise balance between technological development and protection of citizens.

Chapter 1:Introduction

The twenty-first century is called the century of the fourth industrial revolution (Industry 4.0). This change has occurred mainly due to the rapid development and use of Artificial Intelligence (AI). Today, governments, international organizations, and big tech companies around the world are working towards the same goal—to drive economic growth and improve people's lives with the help of AI. AI is no longer just a scientific experiment, but has become an important part of our economy, society and governance system. In India too, AI is being adopted as a solution to many problems like health, agriculture, national security and urban development.

But as AI systems start taking their own decisions, the role of human discretion in them is decreasing. Today, algorithms are making decisions that directly affect people's lives—such as identification systems, public distribution systems, the criminal justice system, and selection of job opportunities. For this reason, ethical and legal questions are being raised on the AI industry. AI was supposed to be completely impartial, but in many cases it has been seen that these systems further increase the discrimination already present in the society and work in favor of the powerful classes.

In a country like India, where social and political inequalities run deep, the use of AI without proper vetting can pose serious risks. If AI is trained on biased data, it could lead to discrimination based on caste or religion in policing and law and order. This may affect the fundamental rights given by the Constitution, such as the right to equality and the right to fair process. Additionally, the "black box" nature of

machine learning systems makes it difficult to understand why and how a decision was made, making it difficult for affected individuals to get answers.

Although India has taken steps such as NITI Aayog's National Artificial Intelligence Strategy, a strong and legally binding framework for AI accountability is still under development. Existing laws are outdated and not able to handle the complexities of automated systems. This research report emphasizes the need for a specific legal framework in India that clearly sets out the accountability, responsibility and liability of AI systems and the human parties associated with them.

Chapter 2: The concept and scope of accountability in artificial intelligence

While moving from decisions made by humans to decisions made by machines and algorithms, it has become necessary to redefine the definition of duty and accountability. AI is not a living being and does not have moral comprehension, so it cannot "feel" responsibility like humans. That is why AI accountability is understood as a socio-technical framework, where humans are ultimately responsible for the actions of the machine.

2.1 Definition of responsibility and accountability in AI

Responsibility in the context of machine learning refers to the role and duties of the people who create, run, and use AI systems - such as developers, managers, and institutions. The responsibility lies not with the software, but with the organisation that uses the software. Accountability is about responsibility. This means that the decisions made by the AI system can be explained and justified in front of the users and the relevant authorities. If someone is harmed due to AI, the blame and legal liability should also be fixed.

2.2 The 'black box' problem and the lack of accountability

The biggest problem of accountability in AI is the "black box." Many times, AI systems find patterns based on old data, which humans do not understand easily. When an algorithm forbids lending to an individual or declares an area crime-prone, the rationale behind it is not clear.

This creates an "accountability gap" where companies can try to evade their responsibility by feigning the complexity of the algorithms.

2.3 Scope of accountability: From health care to automated vehicles

The responsibility of AI extends to several important areas:

The Health Sector: In institutions like AIIMS Delhi, AI is used in the diagnosis of disease, but if there is a mistake, the responsibility is of the doctor or the maker of the technology - it is not clear yet.

Self-driving cars: If an automated car causes an accident, the responsibility will have to be decided between the manufacturer, the software company and the vehicle owner.

E-commerce: The suggestions made by AI in India, if a bad product is purchased, raises the question of whether the accountability of the platform is formed and how consumer protection will take place.

2.4 Moral accountability vs legal accountability

Many companies today evade real legal responsibility by simply showing adherence to ethical guidelines, which is called "ethics-washing." Morality shows the right direction, but it does not have the power to punish like the law.

Real accountability is possible only when voluntary rules are replaced by legally binding rules, independent audits and clear penalties for AI failure.

Chapter 3: Current legal and regulatory framework related to Artificial Intelligence (AI) in India

India does not yet have a specific and dedicated law to regulate artificial intelligence (AI). Instead, India's legal framework is a "patchwork" of different archaic laws and sector-specific guidelines that have been adapted to the digital economy. These laws offer some basic protections, but often fail to

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keep pace with the autonomy and "black box" nature of modern AI.

3.1 The Information Technology Act, 2000 (IT Act)

The IT Act, 2000 is considered to be the mother legislation of the digital world in India. It provides the basic legal framework for e-governance and cybercrimes.

The Intermediary Liability

Section 79 of the Act lays down the role and responsibilities of intermediaries such as social media platforms. If they take "due diligence," they are not held responsible for third-party content.

Cyber crime

The law makes offences such as identity theft (Section 66C) and online fraud (Section 66D) punishable, which are useful in dealing with AI-related threats, such as deepfakes.

Protection of data:

Until the new law is fully implemented, Section 43A gives companies the obligation to adopt "reasonable safeguards" to protect sensitive personal data. Negligence should be compensated.

3.2 The Digital Personal Data Protection Act, 2023 (DPDP Act)

The DPDP Act which came into force in August 2023 is a major change in the field of data protection in India. It creates a framework based on consent and accountability.

Responsibilities of the Data Controller:

Organizations that determine the purpose of data processing have a responsibility to ensure that data is accurate, protected, and to report any data breaches.

Rights and Privileges:

In general, data processing can only take place with the free, explicit and informed consent of the individual. The person also has the right to rectify, delete and file a complaint against their data.

The penalty:

Heavy fines will be imposed on those who violate the law. Failure to prevent a data breach can lead to a penalty of up to ₹250 crore.

3.3 Sector-specific rules and policy guidelines

Since there is no central AI law right now, regulators of different sectors are making their own rules.

The Financial Sector:

SEBI has issued guidelines that the person or entity using AI tools will be solely responsible for the privacy, security and integrity of the data.

The consumer protection:

The Consumer Protection Act, 2019 provides for "Product Liability." Theoretically it can also be applied to damage caused by biased or poor AI tools.

3.4 Strategic role of NITI Aayog

NITI Aayog has given direction to India's AI policy through the #AIforAll approach. Its National Artificial Intelligence Strategy (2018) and the Principles of Responsible AI released subsequently are based on values such as trust, fairness, equity, and accountability. Although these guidelines are voluntary right now, they will form the foundation of future techno-legal frameworks that aim to strike a balance between innovation and safety.

Chapter 4: Challenges and deficiencies in ensuring accountability of AI in India

While being ambitious about its role in emerging technologies, huge challenges in making AI truly accountable lie ahead for India. These problems are technical, human, and legal. That is why it is pretty difficult to get justice for a person harmed by an algorithm.

4.1 The Many Hands Problem

In the software world, no AI model is created by a single person. It will have data gatherers, researchers, software developers, and finally, the managers who implement the system. If an algorithm has made a biased judgment-incorrectly not giving someone a job or loan-the question of deciding who is responsible becomes almost impossible. "Responsibility is lost in the crowd" in what is called the "problem of many hands."

4.2 Scapegoating algorithms

Tech companies have in common the tendency to fall back on "black boxes." Since machine

learning systems will find relationships that their makers themselves don't understand, companies shy away from blame by saying that it was impossible to anticipate the mistake. One portrays AI as something with intentions or moral understanding in and of itself; under this pretense, companies are let off the hook, legally and economically.

4.3 Ownership without liability

Today, the problem of "ownership without responsibility" is growing. Companies make a profit from AI, but the risks are transferred to society. For instance, when an automated vehicle causes an accident, even though it is in auto-drive mode, the manufacturer would like to shift responsibility to the environment or even the human driving the car. Additionally, most companies hide their algorithms as "trade secrets" and do not even allow independent investigations.

4.4 Indian scenario: discrimination and fragmentary laws

In India, this issue is even more critical because social inequality already exists. AI models trained on old data can inadvertently learn and amplify discrimination based on race, religion, or gender. No existing Indian law clearly states anything about preventing or correcting these particular types of algorithmic biases.

While the DPDP Act, 2023 protects personal data, it does not squarely address "black box" decisions that might affect constitutional rights of citizens like the right to equality and fair process. This leaves a huge accountability gap in India's policy regime.

Chapter 5: Comparative and International Perspectives on AI Accountability

A country like India, which is gradually progressing to control AI, can learn many things from other nations around the globe. Each country has its own methods to maintain harmony in innovation and human rights. The world is not the same for AI in terms of governance due to the culture, economy, and way of thinking in each country.

5.1 The European Union (EU) The Gold Standard of Morality

The European Union represents one of the leading entities globally with regard to AI regulations. In this case, a holistic and ethical approach has been adopted with a view to governing AI.

The EU wishes to harmonize and replace various scattered laws with a single through which priority will be given to data protection, consumer rights, and transparency of algorithms.

There is already a GDPR rule in force in our country that gives individuals the right to ask why an automatic system has decided against them.

The EU believes that AI is only acceptable when it is legally safe, ethically safe, and technically safe. This is why the term "reliable AI" is used.

5.2 The United States (USA) The first innovation

America is quite different from Europe. There is market-driven, sector-wise policy on AI.

AI does not have a single law in the US. There is one law related to health. There is a separate law related to drones.

It is this openness that helps to quickly develop the new technology, but it also leaves some issues, such as data security, unresolved.

Some government departments monitor AI, but the absence of an effective and comprehensive framework has been widely discussed.

5.3 China: The state-controlled model

China's AI model is completely different from America's or Europe's. In this case, the role played by the government differs considerably and has been connected with their national objective.

China intends to be the leader in the field of Artificial Intelligence by the year 2030, and for this purpose, a direct course is set by the government.

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It is only after mentioning ethics that the focus shifts to the power of technology and control over society instead of privacy.

AI is applied intensively in surveillance and social control, with implications for individual freedoms worldwide.

5.4 International neighbours: Bangladesh and Pakistan.

As with India, the nearby nations are now beginning the process of AI policy as well.

Pakistan: Still operating on outdated digital laws that cannot cope with current AI challenges.

Bangladesh: Named "Digital Bangladesh," AI is being promoted there, though there is no specific legislation regarding ethics and responsibility for AI use. The prime concern of both nations revolves around economic development, but resource and technical skills scarcity has always remained a hindrance.

Chapter 6.Need for a dedicated legal framework for accountability of AI in India

But today, when we look around and witness the increased use of AI technology, we realize that it is the point where we are standing on the edge and require a special, massive, and robust national law on AI for our country, as the current laws are uncodified and are not covering the entire issue related to AI, and hence pose threat to the people as well as the citizens.

6.1 Going beyond mere moral pretensions

Until now, in AI, we have only depended on ethical best practices voluntarily being followed. These guidelines appear very ethical and sound good, but because they do not carry any weight of enforcement, many organizations ignore this policy, which is called "ghosting."

There being a specific law, the responsibility will not rest with the intention, but with the legal responsibility. Consequently, the answer will no longer remain an option, but an obligation.

6.2 Protection of Our Constitutional Values

Applications of AI can affect our basic human rights, especially the rights of equality, liberty, and life.

In India, if the police, welfare programs, and services rely on data and algorithmic computations, discriminatory AI can result in the wrong arrest of an innocent person or the denial of necessary facilities to the needy.

It is therefore critical that there be a law that will guarantee that constitutional values like the right to due process and non-discrimination will be ensured despite the advent of AI.

6.3 Protective armor for the 'black box'

Artificial intelligence frequently works in the form of the "black box," where it is hard to trace the steps taken by the computer within the decision-making process.

Generally, consumer law may not be appropriate if the scenario involves the "black box."

The special AI law would stipulate that all AI systems which are at risk have to be transparent and understandable right from the start. On the other hand, audits should also be mandatory, and thus when someone loses, he would be able to show where the machine went wrong.

6.4 Clarity and trust for innovation

" The legal systems not only help in prevention, a safe haven is also provided. This encourages innovation because, with a clear understanding of where the blame will lie - with the developer, manufacturer, or user, the innovator can proceed with innovation. India can thus be a world leader in AI technology, on the one hand, while on the other, it would also be responsible and accountable.

Chapter 7: Conclusion, Findings, Recommendations and Conclusions

The finding of this research makes it crystal clear that while AI possesses immense potential, the legal system that is to be

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developed and implemented for the protection of human life remains incomplete and fragmented as India journeys deeper into Industry 4.0.

7.1 Highlights of findings

The accountability gap

Today, technologists often work only under voluntary ethical rules, while professionals like doctors are bound by strict legal rules. Therefore, some areas are not sure whose fault it is when AI fails.

The lack of transparency:

Where AI is a "black box" and invokes "trade secrets," it is hard for both people and courts to explain how something was decided against them in life.

India's special sensitivities end

The biased data can further foster pre-existing discriminations in the already complex social and political structure of India, especially in the police system and government services.

There is much to this, but the basic meaning is:

7.2 Practical Recommendations

If India were to pursue the development of a truly accountable AI system, then it would be better for the government to take the following steps:

Obligatory independent controls (audits)

This means that technically proficient and independent entities should conduct a review of all high-risk AI systems before they can be deployed.

The "human in the loop" principle:

No serious and risky automated decision will be considered final without a review and verification by a human expert.

Whistle-blower protection:

Laws should be made for such employees who bring out the wrong practices or biases happening in their company. Grievance Redressal Tribunal: People who suffered harm due to AI must be given a hearing right in special tribunals run by experts. Multi-disciplinary training: Developers and technical practitioners should be provided with at least an overview understanding of the social sciences such that they would learn how technology can inadvertently add to social injustice.

7.3 Conclusion

It has now become part of our daily life, and artificial intelligence will determine the direction and condition of India in times to come. But this journey of development must not come at the cost of our fundamental rights. Instead of just drifting on with some vague ethical guidelines, going far beyond these, if there is an accountable, binding, legal framework within which India adopts AI, it could be made a tool for human welfare, not a new form of discrimination and injustice.

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