



## Legal or ethical issues of Artificial Intelligence

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### Abstract

Artificial Intelligence (AI) has become one of the strongest forces of the 21st century, which we all are affected by. It is helping us in reshaping industries, in education, in employment, in marketing, and in many more fields. Artificial Intelligence (AI) provides us a lot of benefits in terms of efficiency, innovation, and decision-making. While using Artificial Intelligence (AI), we are facing challenges, like ethical challenges, issues of accountability, liability, breach of privacy, bias, no transparency, no fairness, and affecting education by providing false information. This paper tries to examine the historical development of Artificial Intelligence (AI), analyzes other major issues like legal and ethical concerns, and researches and reviews scholars' contributions and regulatory efforts and effects at the national level and at the international level. The findings highlight quite negatively the complexities of Artificial Intelligence (AI) in assigning legal responsibilities as well as liabilities, bias and discrimination with people, transparency issues, and explainability issues, and most importantly, the impact of Artificial Intelligence (AI) on our society at large. The study concludes with some recommendations and suggestions that may be adopted to enhance the quality, work, and use of Artificial Intelligence (AI) for developing the legal system and solving ethical as well as legal issues. The study helps us make a better Artificial Intelligence (AI), by which human rights can be protected, and the development of AI may be procured accordingly.

**Keywords:** Artificial Intelligence (AI), legal issues, ethical issues, accountability, transparency, bias, breach of privacy, liability, and discrimination

### Introduction

Artificial Intelligence (AI) has become one of the largest sources of technology in the present era. It is influencing every aspect of human life, including employment, education, medicine, and the defense system. Artificial Intelligence (AI) has an impact in both positive and negative ways. If we discuss the positive ways, automating our daily tasks, which we all do, increases our work speed and efficiency, revolutionizing industries such as medical, education, business, legal, etc. Artificial Intelligence (AI) not only saves our time, energy, and efforts, but it also enhances the quality, efficiency, and quantity of work. It is modernly recognized as a driving machine. Artificial Intelligence (AI) shows us a new path by which we can save our time and energy, and it is also known as an alternative and automatic method of problem-solving.

If we discuss it in depth, we find some loopholes, some issues, some problems, and serious challenges. If we do not find solutions for these issues, the time will be very dangerous, with an increase in crimes such as cybercrimes, financial scams, identity theft, and misuse of personal data, or breach of privacy and violation of our fundamental rights. Currently, we are unable to identify the machine, trace its source, or hold offenders accountable, making this an impossible task.

Artificial Intelligence (AI) is a good source of technology. In this time, we are using Artificial Intelligence (AI), which is incomplete in nature; we do not even have provisions that deal with it, no procedure, no rules, and no regulations to deal with it. To make Artificial Intelligence (AI) better, we need some special provisions, under which we have to address all the issues & problems and frame them accordingly.

Artificial Intelligence (AI) cannot be limited to technical efficiency; it shall be prepared in a way that examines the broader aspects<sup>[1]</sup>. Artificial intelligence (AI) faces multiple challenges, like technical, social, economic, legal, and ethical issues. These issues are major in nature and are affecting the public at large.

If we discuss technical issues in Artificial Intelligence (AI), we refer to the challenges related to the design work, development, functioning, and reliability of Artificial Intelligence (AI) systems<sup>[2]</sup>. These problems are basically related to equipment that is monetized or governed by technology. Example: A machine that is governed by AI may give wrong results if not trained completely or trained inaccurately, which may cause danger to human life.

If we discuss social issues in Artificial Intelligence (AI), these are the ones that directly affect social values, social norms, and human relations. Now we are all disconnecting ourselves from society due to technological advancements and developments in Artificial Intelligence (AI), which lead us to spend excessive time watching Netflix and similar platforms. That becomes a grave issue. Over-belief and reliance on Artificial Intelligence (AI) for doing every task reduces our communication skills, relationships with humans, and our critical thinking. Artificial Intelligence (AI) is also encouraging humans to live in isolation and total reliance on AI.

If we discuss economic issues in artificial intelligence (AI), it is a very major issue that is affecting society at large, due to which unemployment, insolvency, income inequality, economic disruption, and many more problems or issues need to be resolved. Artificial Intelligence (AI) effects on markets, jobs, productivity, and wealth issues. Even Artificial Intelligence (AI) can increase the efficiency of work and reduce the timing, but we have to consider the

society at large; we sideline the society at large for the business families. Example: Artificial Intelligence (AI) machines replacing humans, which is affecting the lives of the employees.

Discussing legal issues in Artificial Intelligence (AI) highlights a significant problem: the absence of specific laws to govern AI, which contributes to increasing societal injustices and losses. In India, we do not have laws and regulations that directly address it. Major legal issues of Artificial Intelligence (AI) are questions of liability, data protection, intellectual property, contractual validity, breach of privacy, etc. Should Artificial Intelligence (AI) commit any wrongdoing, the decision-making process becomes extremely challenging. Example: If a self-driving car commits an accident, then who will be liable for that?

When discussing the ethical issues surrounding Artificial Intelligence (AI), we find that they primarily pertain to human dignity. Major issues with Artificial Intelligence (AI) include affecting morals, bias, breach of privacy, and harming fairness and human dignity. We should make such laws & policies that we can protect our moral values, avoid bias, ensure privacy, promote fairness, prevent violations of human dignity, and prevent misuse and discrimination<sup>[3]</sup>. Example: An AI tool prefers one gender in employment; it is discrimination on the basis of gender.

## Historical Background

### 1. Ancient Times

In ancient times, there was no concept of Artificial Intelligence (AI), but a few of the jurists have discussed it in their respective books and their research papers, like Aristotle, who discussed logic and reasoning, which form the basis of modern algorithms. In the Dharmashastra<sup>[4]</sup>, ethical principles, such as fairness, justice, and avoiding harm, have been discussed or seen. These ideas now guide discussions on Artificial Intelligence (AI).

### 2. The Middle Ages

In the Middle Ages, there were no concepts of Artificial Intelligence (AI) or ideas and discussions by the jurist, but due to development in law, as compared to ancient times, it has increased. Scholastic philosophers like Thomas Aquinas discussed natural law and moral reasoning, which focus on fairness, justice, and the moral responsibilities towards society that are still relevant in AI ethics. At this time, Europe started making written laws to protect the rights of people, like the Magna Carta of 1215. During this period, individuals pondered over the control of the machine, questioning whether humans or the machine itself held the reins. This situation was similar to today's concern about AI, now that AI is becoming independent, and who is responsible for its actions.

### 3. The Modern Age

#### 3.1. The 20th century (early)

In the 1900s, rapid progress in industries and science was made, and the development of mechanical calculators, punch cards, and early machines led people to contemplate the machines. At that time, AI had not yet been created, but the inventions of machines made people contemplate the relationship between humans and machines. The law also began to adapt to new technology, with rules established for patents, industry safety, and the protection of creative work and ideas under intellectual property rights. If we discussed

the ethical side, writers and creators like Karel Čapek in his 1921 play *Rossum's Universal Robots* warned about the dangerous activities of machines that are running without control. These early ideas were the starting point for today's debates, which are related to the responsibility and rights of human beings and the impact of AI on society.

#### 3.2. Twentieth Century: The Entry of AI

At the end of the 20th century, the formal birth of artificial intelligence (AI) came as a scientific discipline. In 1956, the Dartmouth Conference, which was organized by John McCarthy, Marvin Minsky, and others, introduced the term "artificial intelligence." And set the stage for rapid growth in the research area<sup>[5]</sup>. Before that, AI programs like Logic Theorist (1955) and ELIZA (1966) demonstrated that machines could mimic aspects of human reasoning and their communication. This was the first period that saw the rise of the experts in the 1970s and 1980s, when AI was applied in medicine, engineering, and business decision-making processes.

Legal issues began to surface from this period around intellectual property, data usage, and the reliability of AI-generated outputs, while ethical debates started about the risks of machine autonomy, bias, and job displacement. Now AI has tried to move from theoretical exploration to practical application by bringing with it the first serious considerations of how laws and ethics must evolve to keep pace with intelligent technology (IT).

#### 3.3. The Period Between the 1970s and the 1990s

Between the 1970s and the 1990s, Artificial Intelligence (AI) experienced significant growth, even during this period called the "Artificial Intelligence (AI) Phase," with the development of experts and an increase in areas like finance, healthcare, engineering, and the legal field. This period also faced a lot of challenges because, in this period, the growth of Artificial Intelligence (AI) was very slow due to the lack of technology advancements, even though the experts had high expectations.

During this time, legal and ethical issues come into notice, and the questions are related to the responsibility for Artificial Intelligence (AI) decisions, data privacy, and the socio-economic impacts on society. Experts promote that it would be beneficial for society without causing harm.

During this time, legal and ethical concerns began to deepen. The lack of laws governing AI raised questions about its responsibility and accountability. For protecting our data and privacy, it is essential to have proper regulations. To promote AI, we need laws that may provide us with transparency and ethical guidelines to ensure AI benefits society without causing harm.

#### 3.4. The 21st Century: The Rise of Modern AI and Emerging Legal & Ethical Issues

The field of AI has undergone extraordinary development in the 21st century, showcasing advances in machine learning. Now AI systems power everything from voice assistants to recommendation algorithms to autonomous vehicles and medical diagnostics, which bring up a lot of issues, like legal and ethical issues, to the forefront on a global scale<sup>[6]</sup>. Now, governments and international bodies are coming up with questions around data protection, liability for AI decisions, IPR, and regulatory frameworks to manage AI's risks and ethical concerns about privacy, algorithmic bias,

transparency, accountability, and the societal impact of AI on society at large. Institutions and organizations worldwide have started to formalize the guidelines and rules, regulations, and acts that deal with it and protect society from the concerned issues.

The 21st century marks a critical era in which AI's transformative potential is accompanied by urgent demands that need to be addressed, making legal and ethical considerations essential for AI's future development and the protection of society.

### **Legal and Ethical Issues of Ai**

The increment in Artificial Intelligence (AI) brings a lot of opportunities for society but also serious legal and ethical issues that come before us; these shall be decided accordingly. Issues like accountability, privacy, bias, transparency, misuse of data, and breach of privacy highlight the urgent need for clear laws, regulations, and ethical frameworks that may balance innovation as well as social norms and safety and rights of individuals. Also, responsibility is essential so that AI serves as a tool for human progress rather than becoming a source of harm or a problem at large. To resolve this issue, it is very important that we all together work and build a system that is fair, transparent, and accountable, ensuring that the future of AI is both innovative and ethical.

#### **1. Legal Issues in AI**

One of the major issues in the legal field is that new legal frameworks are needed to regulate AI, while existing ones may also be sufficient to address these problems. Some major issues are <sup>[7]</sup>.

##### **1.1. Accountability and Liability**

It is one of the major issues with AI: who will be accountable or liable for its conduct? If an AI system causes harm—for example, a self-driving car accident, a faulty medical diagnosis, or financial fraud, etc.—it is unclear who will be liable, because we do not have appropriate laws that may deal accordingly. It is very important to start making laws that may protect individual rights and declare accountability and liability. Current laws are designed for human accountability, but AI systems act autonomously, which is creating a “liability gap <sup>[8]</sup>.” Appropriate laws should be established to fill this gap until the progress of AI can be halted.

##### **1.2. Intellectual Property Rights (IPR)**

Now AI can make music, art, inventions, and written content, which may become a problem, as the question arises: who will be the owner of that content, which is made by AI, the creator, or the AI itself, which may be declared the owner? Copyright laws provide these rights to humans, not yet to the machines or to AI. To resolve this, we also need appropriate laws by which AI can help and assist us effectively.

##### **1.3. Privacy and Data Protection**

Currently, AI processes a significant amount of our personal data, primarily for training purposes. This also includes sensitive personal information, creating risks of misuse, data breaches, and unauthorized surveillance and breaches of privacy, and if we ask AI about any personal information that may be provided, even if we ask for it to be fabricated, it also does the same. To protect our privacy and protect our

data, it is very important to have appropriate laws like the General Data Protection Regulation (GDPR), which may deal with it and protect our data and privacy accordingly. Europe addresses these issues by enacting an act in 2024, but globally, its consistency is missing.

#### **1.4. Cybersecurity and Misuse of AI**

At this time, cybercrimes are increasing day by day. AI may be used as a weapon for cybercrimes like hacking, deepfakes, automated phishing, money fraud, and theft. Currently, the legal system is inadequate, as we lack appropriate laws to ensure justice for these types of cybercrimes.

#### **1.5. Employment and Labor Laws**

An increase in AI and technology results in unemployment, and questions arise about the rights and needs/requirements of the workers; here the legal system shall make appropriate laws by which the balance and justice may be served. For example, AI-driven automatic cars are creating unemployment for other cab drivers.

#### **1.6. Regulation and Governance**

In India, we do not have any particular laws that pertain to AI. Different countries, like Europe, adopted an AI Act of 2024 that deals with AI matters, in which they separated the AI into four parts, which shows a risk-based regulatory approach. Risk has been divided into four distinct risk levels, each carrying a specific set of rules and requirements, like Unacceptable Risk (totally prohibited), High Risk, Limited Risk, and Minimal Risk (no obligations and voluntary government encouragement). Lack of standardized global laws is a big problem, which makes it very difficult to manage cross-border issues like international AI-related matters.

#### **2. Ethical Issues in AI**

Ethical issues are the major issues that shall be resolved; these are the main issues <sup>[9]</sup>

##### **2.1. Bias and Discrimination**

AI systems learn from previous data, and the data reflects inequalities related to caste, religion, race, and gender. Even in history the men have been in the leading role, so AI follows the same path that will lead to the discrimination. Example: Hiring for leading roles that favor men over women. To prevent this issue, we need proper laws and adequate data while training AI; as a result of that, bias and discrimination can be controlled.

##### **2.2. Transparency and Explainability**

Proper explanation and transparency shall be maintained while doing any act. To train AI, it is essential to make such a body of law that deals with it and manages it accordingly, because without checks and balances, justice can't be served. Many AI systems, particularly deep learning models, operate as opaque entities, making decisions without providing clear explanations. It is ethically incorrect to make decisions without providing clear explanations, as people have the right to understand the reasoning behind them.

##### **2.3. Autonomy and Human Control**

It is critical to discuss that humans should have control over critical decisions to preserve human dignity and values, which may be related to life and death, personal

information, and country defense-related information. Maintaining dignity for both the state and its citizens is crucial.

#### 2.4. Surveillance and Human Rights

While using AI machines or AI-driven surveillance, the government shall consider the human rights recognized by the UDHR at the international level and also include the fundamental rights, which shall be maintained under all conditions. Basically, ethical concerns arise when governments use AI for mass surveillance without consent. If we consider Super AI in the future, we also need appropriate laws by which we can protect our human rights as well as fundamental rights, which are given under our grandmom.

#### 2.5. Job Displacement and Social Inequality

Due to AI, unemployment is increasing day by day. It is very important to resolve this issue because workers' lives are getting affected; their rights to life, equality, and employment are affected. Employers should establish a suitable training channel for workers to prepare them for their tasks. The increasing gap between skilled and unskilled workers due to AI should be addressed with appropriate laws to protect the fundamental rights of workers.

#### 2.6. Manipulation and Misinformation

The making of fake news in India shall be banned, prohibited, and punished accordingly. People use AI to create deepfakes and fake news, which spread misinformation that manipulates public opinion and threatens democracy; this issue will be addressed by implementing adequate laws, ensuring that appropriate news is provided to society at large.

#### 2.7. Moral Status of AI

If we discuss AI, how a machine can be equal to humans, and how to protect ourselves from the violation of our moral norms, it is very important to decide the boundaries of AI and govern it with adequate laws by which our rights can be secured. Ray Kurzweil, an American inventor, futurist, and Director of Engineering at Google, stated that by 2045, AI will reach a point where it surpasses human intelligence, leading to a technological singularity. At that time, moral values, ethical norms, loss of control, job displacement and inequality, as well as existential threats, may be negatively impacted. Opening our eyes and preparing ourselves for the upcoming problems is crucial.

#### Literature Review

The ongoing growth of AI has raised complex issues like legal, ethical, social, and financial ones. If we discuss these in detail, scholars will highlight some issues, such as accountability for autonomous decisions, transparency in algorithmic processes, data privacy, surveillance, and bias and discrimination. The issues extend beyond technical regulation, encompassing broader philosophical and social questions related to human dignity and integrity, fairness, and democratic governance. Existing work on AI reflects different approaches: some emphasize a normative and ethical framework for guiding AI's development, while others examine the structures, political, and environmental dimensions underlying AI systems. These studies provide an

essential foundation for evaluating AI's social impact for the development of AI in legal, ethical, social, and financial fields. This review is divided into three main parts: major insights are according to key books, national-level journals, and international-level journals, thereby providing a clear understanding of the evolution of AI.

#### 1. Author Name: Mark Coeckelbergh, Book Name: AI Ethics, Topic: Moral and ethical aspects of AI

The book cited above <sup>[10]</sup> is written by Mark Coeckelbergh and covers the topic of moral and ethical aspects of AI, providing a comprehensive discussion of the moral, social, and legal dilemmas posed by AI. The author discussed that AI is not merely a technological issue; it also contains several issues, like ethical, legal, and social, that impact our fundamental rights and fundamental values, such as human autonomy, justice, and rights. He also highlighted that AI has been developed in most areas, but the question is still pending regarding accountability and responsibility. For example, if an autonomous car caused an accident, who would be liable for such an act: the programmer, the company, or the machine itself? It is critical to decide before using these types of AI tools. Even in India, up to now, we do not have any particular law or regulation that deals with it.

The author also discussed the importance of transparency and explainability while using AI in a regular lifestyle. AI provides results but does not explain how it reached those decisions. This lack of explainability is a result of unfairness, due process, and the right to challenge decisions in the legal context. The author also explores and discusses some risks that are clearly visible in the future, like algorithmic bias, discrimination, inequality, and more. Such an issue can perpetuate social inequalities, raising ethical questions about justice and equality before the law.

Furthermore, the author discusses the need to manage the balance between humans and AI appropriately, as both will govern together. Due to technological requirements, we need AI to assist us, which necessitates adequate laws that address its use. If we succeed in coming up with the appropriate laws, it will be better to handle AI and use it accordingly.

#### 2. Author Name: Kate Crawford, Book Name: Atlas of AI, Topic: Atlas of AI: Power, Politics, and the Planetary Costs of Artificial Intelligence

The book cited above <sup>[11]</sup>, written by Kate Crawford, discusses the topic of Atlas of AI: Power, Politics, and the Planetary Costs of AI. It provides a powerful critique of how artificial intelligence challenges established legal systems and ethical norms, raising numerous questions about governance, rights, and accountability as these technologies become increasingly embedded in decision-making processes that affect human lives. The author discussed the ethical issue as a climate of suspicion and social inequality by disproportionately targeting marginalized groups and individual persons from society. The author raised concerns about discrimination and bias, and also discussed the ethical failures of AI design. Lastly, some legal questions related to anti-discrimination laws and constitutional guarantees of quality. The development of AI systems threatens fundamental rights, exacerbates discrimination, and erodes public accountability.

**3. Author: Jyoti Kunal Shah; Journal: International Journal of Computer Engineering & Technology (IJCET); Topic: Ethical and Legal Issues in Artificial Intelligence.**

Artificial Intelligence (AI) is increasingly reshaping every field, yet it has also come up with significant ethical, social, financial, and legal challenges. In *Ethical and Legal Issues in Artificial Intelligence*, Jyoti Kunal Shah<sup>[12]</sup> discussed four critical dimensions and ideas: bias and discrimination, privacy concerns, accountability, and intellectual property. She noted that the poor design and inadequate oversight of AI systems can perpetuate societal biases and systemic inequalities. The collection and processing of personal data by AI systems threatens individual privacy, while accountability concerns arise when the system is facing an error or any internal issues. It was further discussed that if AI creates or designs copyright, trademarks, or any other intellectual properties, existing laws find it very challenging to address these issues. The policymakers and regulators must act swiftly to enshrine fairness, transparency, and human rights in this field, the development of AI. Without adopting adequate, appropriate, and relevant laws, it will be very difficult to handle the legal issues as well as the other major issues like ethical, social, and financial issues. To safeguard the development of AI in our lives, it is very important to have appropriate laws that shall address it.

**4. Author's Name: Sumaira Zakir, Dr. Noman Ansari, Nauman Khan, Muhammad Daniyal Butt, Nizam-u-Din Bareach, Journal: Journal of Media Horizons, Topic: Ethical and Legal Challenges of AI Creativity: A Systematic Review**

Sumaira Zakir and other authors discussed the ethical and legal challenges of AI creativity<sup>[13]</sup>. The authors discussed some fundamental issues such as authorship ambiguity, ownership disputes, and the erosion of AI-generated creative outputs. They further discussed that the ongoing increment in the field of AI is making our present laws and policies complicated because to address AI we do not have any proper laws, and by which the violation of the rights provided by or under these laws is getting violated by using the present ongoing AI. Thus, we must have laws to deal with it. They also discussed that the ongoing need for AI is blurring the boundaries between humans and machines. Overall, the authors' main goal is to protect AI and its development by proposing urgent legal policies and relevant provisions that will safeguard our rights and maintain balance between humans and machines.

**Analyze and Discuss Findings**

Artificial intelligence has the power or quality to transform society in a positive manner if we all understand it and use it appropriately and in accordance with laws. However, AI still faces major issues, like legal, ethical, social, and financial. The main problem is that, to deal with it, we do not have proper laws by which we can keep our rights and personal information safe. It is essential to solve it as early as possible. The laws are not only required to safeguard our rights; it is also very important to increase the development of AI by constituting an appropriate body of government that may protect and promote AI in the society and balance the rights of the individuals from misuse of AI by the offenders and hackers.

AI disrupts the framework of liability, intellectual property, and data protection, creating uncertainty about accountability when AI systems cause errors or harm. Even accountability and responsibility can't be resolved until appropriate and adequate laws are enforced. Ethical issues in AI, like bias, fairness, transparency, privacy, and social justice. All these issues shall be removed and resolved; these create the fear in the eyes of the society due to the advancement of the technology and the upcoming time of AI. Without a proper legal framework and safeguards, AI can reinforce discrimination, invade privacy, and undermine human dignity.

AI continues evolving; to accommodate it, legal systems and ethical norms must evolve alongside, balancing innovation with the protection of individual rights and societal values as well as considering the needs and requirements. As the field of AI expands, many labor workers are becoming unemployed; therefore, governments should take appropriate legal actions. The future of AI is important, but we need to understand its impact on society at large. Do we have any other method to stop unemployment and other issues? The government shall come up with adequate laws as soon as possible and constitute the appropriate commissions and courts that may deal with them, as it is very necessary to protect natural justice.

**1. Complexity of Legal Responsibility and Liability**

If we discuss legal issues of AI, the complexity in assigning liability arises when AI systems cause harm or make errors. This is a significant issue that requires resolution. We lack laws to hold AI accountable in India. When discussing European AI laws, it is important to note that the AI Act was first introduced in August 2024 to address these issues by categorizing AI based on risk into four groups: not tolerable (prohibited/strictly banned), high risk, risk, and no risk. The AI Act also establishes a Board responsible for addressing AI-related issues, and it is the Board's duty to protect individuals' rights. In India, AI and humans are both facing issues we need to resolve by creating appropriate legal frameworks.

**2. Data Privacy and Protection Challenges**

AI applications use personal data, which raises legal and ethical concerns about privacy. That indicates that many AI systems collect and process our personal data without explicit consent or transparency, potentially violating data protection laws like the EU's GDPR or India's proposed DPDP Act, which is still left to be implemented. Ethically, the system is breaching individuals' rights to privacy and control over their personal data without consent; that is directly a violation of our fundamental right. Article 21 of the Constitution of India speaks about the "Right to Privacy." The Hon'ble Apex Court of India recognized this fundamental right in the case of "Justice K.S. Puttaswamy (Retd.) & Another V/s Union of India & Others, 2019 1 SCC 1, the above-mentioned case also known as "Adhar case" which was come up by the Hon'ble Retired Justice K. S. Puttaswamy on "Breach of Privacy". Under this case Hon'ble Apex Court of India recognized 'Right to Privacy as a fundamental Right under Article 21 of the Constitution". But still we are facing the same issue with AI, the government shall come up with adequate laws by which our rights can be protected.

### 3. Ethical Risks of Bias and Discrimination

AI systems are working on the basis of the data that is provided by the AI developers, under which our historical data is also provided, showing bias in the history towards the recruitment, education, etc. It mainly shows discrimination on the basis of gender, caste, race, and religion. AI increments the social inequalities and losing trust in AI technologies. Ethically as well legally, these issues put the requirement to resolve with adequate laws, for bias detection, diverse training datasets, and inclusive AI design to promote fairness, protection of fundamental rights, human rights, and equality and many more.

### 4. Transparency and Explainability Gaps

Another major issue with AI is the lack of transparency in AI decision-making, not explaining the reasoning for their answer, even for their act and conduct. This creates challenges like ethical trust and harmonizing moral values. If an AI decision affects an individual, the lack of a legal framework prevents them from challenging those decisions. These issues suggest that increasing AI explainability is essential for both ethical responsibility and legal compliance, enabling affected parties to seek damages and be provided with justice.

### 5. Socioeconomic and Employment Impact

AI development poses both opportunities and risks for the economy. While AI can improve productivity, production, and innovation, it also risks widespread job displacement, especially for low-skilled workers; here the fundamental rights of the workers are in danger. Ethically, these raises become major issues for the workers, directly harming their work and employment. The basic need of workers is to implementation of the policies, which shall protect the retraining programs and social safety nets to mitigate negative impacts and provide, protect employment and the fundamental rights of the workers.

### 6. Global Regulatory and Ethical Framework Developments

From the last two years, international bodies have been actively working on AI regulations and ethical guidelines to address these challenges. Frameworks like the EU's AI Act 2024, which came in August 2024; UNESCO's AI ethics <sup>[14]</sup>, which came in November 2021; and various corporate AI ethics principles reflect ongoing efforts to balance innovation, development of AI, and protection of human rights. The need for international cooperation and adaptable legal-ethical standards is a clear visible requirement because the AI tool, used at International level <sup>[15]</sup>.

### Suggestions and Recommendations

#### 1. Develop Comprehensive Legal Frameworks

The government should enact clear laws that define liability, intellectual property rights, data privacy, and regulatory standards specific to AI technologies, which may provide justice to the victims and all other people who use AI. These laws shall ensure the protection of privacy, data, employment, and individuals from bias and discrimination, while also balancing the rights of humans and machines.

#### 2. Development in Transparency and Explainability

While finalizing the laws related to the AI, lawmakers must ensure that AI prioritizes the development of transparent

systems in which decision-making processes are explainable and understandable to users, enabling accountability and fostering user trust, so that AI user can use it as a helpful tool rather than a source of fear. Transparency and explainability are very important to user interest and trust. While framing the legal framework for AI, government should add relevant provisions to protect rights.

### 3. Ensure Fairness and Mitigate Bias

While framing the adequate laws that pertain to AI, the lawmakers shall insert some provisions that constitute the governing, observing, and training body for the development of AI, as well as to protect the rights of the humans from AI. The constituted bodies under the AI laws shall be audited for biases to prevent discrimination; also, designing practices involving diverse stakeholders can reduce ethical risks.

### 4. Strengthen Data Privacy Protections

The government should insert specific provisions that directly deal with the recognition and protection of "Right to Privacy" and "Data Protection" because, at this time, most of the cases are arising from violations of data and breaches of privacy. Such particular provisions and policies must be implemented to protect personal information, ensure informed consent, prevent unauthorized data usage or breaches, and also provide appropriate punishment provisions that may compensate the victims and help serve justice.

### 5. Establish Clear Accountability Mechanisms

The government should decide the responsibility and accountability of AI creators, deployers, and users to ensure victims of AI-related harm have clear legal provisions that encompass remedies. It is a very basic need; without this, the AI may not be able to develop in our society. If we have appropriate and adequate laws, then it builds trust in the eyes of society and protects human rights, as well as the development of AI.

### 6. Support Workforce Transition and Social Equity

The government and organizations should invest in retraining and upskilling programs to help workers, by which they may be able to protect their employment. If we provide them with the opportunity to train and upskill, they could potentially outperform AI. Relying solely on the protection and development of AI will not ensure justice in society. To manage this type of sensitive matter, we should be transparent; equality shall be considered for both parties.

### 7. Encourage International Cooperation

The government should increase international cooperation and international governing bodies to implement the laws in their respective areas so that the AI may be controlled properly. Because AI impacts transcend borders, global collaboration is necessary to harmonize laws, share best practices, and manage ethical challenges collectively.

### Conclusion

AI is one of the most powerful tools and technologies of our lives and the future. AI can make our tasks faster as compared to humans, improve efficiency, and bring new opportunities in almost every field, such as health, education, law, business, and transport. However, AI has

also come up with the serious issues which shall be resolved immediately. The basic and primary issue is related to accountability and liability, data privacy, bias and discrimination, unemployment, transparency, personal data misuse, and legal provisions etc.

The research clearly shows that the current legal framework in India is not adequate and is unable to serve justice as per the requirements of the society or the individuals. For example, when an AI-driven car causes an accident or when personal data is misused, it becomes very difficult to determine who is responsible and which legal provisions apply for punishment, because we do not have adequate laws to address these issues. It becomes very serious and shall be resolved by implementing adequate laws. Similarly, AI tools may show discrimination and bias in education, jobs, or justice, which can increase inequality in the society and direct violation of fundamental rights, which are secured under the Constitution of India. These issues underscore the urgent need for strong laws, ethical guidelines, improved global cooperation, and adequate regulations both in India and internationally.

To make the AI successful, the government shall create the special laws that deal with it, which ensure fairness, privacy, transparency, and accountability. These special laws not only save human rights but also ensure the development of AI. A major issue discussed in this research is that workers should receive appropriate training programs instead of being forced to leave their jobs, as this will provide them with opportunities for AI to create new jobs rather than replace existing ones, allowing them to live respectful and happy lives.

We should not halt AI, as it serves as a valuable tool that enhances work efficiency, cuts down on time, and eases burdens. It shall be further guided in a responsible way by the development of AI, and human rights shall be balanced accordingly and equally. If we used AI tool, carefully and with the help of proper framework it will be useful, with proper legal and ethical safeguards, AI will become a powerful tool for human progress and a better future for all.

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