Artificial Intelligence and the Public Interest: Rethinking Policy, Power, and Accountability

Ms. Sheetal Gangwar[1], Prof. (Dr.) Amar Nath[2]
[1]Research Scholar, Faculty of Law, Agra College, Agra
[2]Professor, Faculty of Law, Agra College, Agra

Abstract- *This research paper examines the growing integration of Artificial Intelligence (AI) in contemporary society and critically evaluates the challenges emerging from this technological shift. AI, a key branch of computer science, encompasses a wide range of technologies designed to replicate or augment human cognitive functions. Its expanding use has generated strong interest across both the private and public sectors. While private organizations already employ AI to enhance efficiency and competitiveness, the public sector increasingly views AI as a tool capable of improving administrative productivity through intelligent governance, automation, and data-driven policymaking. However, the adoption of AI in governance presents significant challenges. Existing applications reveal concerns related to legal and regulatory ambiguity, ethical dilemmas, cybersecurity risks, lack of transparency and accountability, algorithmic bias, and the digital divide. If not addressed, these issues may escalate into broader systemic problems.*

Therefore, it is essential for governments to understand these constraints and formulate effective public policies to mitigate potential risks. By doing so, the public sector can responsibly harness AI's potential to enhance service delivery, detect fraud, strengthen public-private partnerships, and identify structural inefficiencies. This study aims to highlight both the transformative impact of AI on public administration and the critical challenges that accompany its increasing adoption.

Keywords: Artificial Intelligence, Public Policy, Algorithmic Bias, Ethical Considerations.

I. INTRODUCTION

In recent years, Artificial Intelligence (AI) has become a widely used tool across multiple sectors, including education, healthcare, business, and many others. Its growing presence has made it an important part of everyday life, introducing significant changes in society through technological advancement and increased efficiency. Despite these benefits, the expansion of AI also brings several challenges that must be addressed, especially in the context of public policy. The government currently faces various societal and economic challenges in adopting AI. These include the digital divide, job displacement due to automation, skill gaps in the workforce, and complex legal and liability issues. Another important concern relates to data and security, as the rise of AI increases risks of cybersecurity breaches and data misuse. There are also major governance and ethical challenges, such as the lack of transparency and accountability in AI systems, reduced human oversight, algorithmic bias, and the absence of strong ethical guidelines. In addition, regulatory and policy challenges arise from the need to update legal frameworks, maintain regulatory flexibility, clarify issues related to liability and legal personhood, address intellectual property concerns, and balance commercial innovation with the public good.

Some of these challenges are major in the scenario while others appear as acute disparity in the given case. AI models function as "black boxes" making it difficult to understand or justify their decisions. When AI makes detrimental or erroneous decisions then it becomes very difficult to identify who is responsible for this error, whether it is the policy maker, the developer or the user? AI models can be a threat to citizens' privacy and their consent rights, the large scale data collected by AI models setback as a hindered effect. The main and the foremost challenge which is faced by human by the introduction of AI is unemployment and inequality, as AI replaces human

labor which displaces human from their jobs.[1]High requirement of financial and infrastructural investment for developing and maintaining AI systems is quite high maintenance and lavishing which is not maintainable by the public easily. AI shows the biased data as per the demand of the public like if we want pros for something then it will only show the benefits even if it is injurious still AI will show us the pros of the searched material. Human judgment can be reduced by over relying on the algorithms in critical thinking. As the ownership created by AI creates ambiguity as to decide who is the owner of the AI generated work. To design or regulate AI system there is a lack on the part of public institutions in technical expertise. AI surveillance tools infringe individual liberties by intervention in the private data of the user. AI system doesn't have such strong feature which could not be hacked, manipulated or used negatively which makes it unsafe for use. As the use of AI tools consumes large amount of energy which increases carbon footprint. There should be frequent hardware updates which could be useful for sustainable environment.

Meaning

AI stands for "Artificial Intelligence". It is referred to as the ability of machines to perform such tasks which generally require human intelligence, such as reasoning, perception, learning, decision making, forming ideas, problem solving. It is broader aspect of computer science that focuses on creating a system of software which can think and act like humans, creating such intelligent machines that can works as fast as human brain even much faster than that. Also can think and evaluate the tasks of daily life with that ease as it is done by a human itself. AI is basically man-made technology with ability to think and learn as per the prudent man. AI systems improve or update overtime as per the need, it is not programmed for every possible task rather it analyze the given data and make predictions on behalf of it. By processing information given it solves the complex problems and makes intelligent decisions on behalf of it. No direct human intervention is there in the working of AI; its core component is machine learning. Artificial General Intelligence (AGI) is a theoretical state in which the systems of computer achieve or exceed human intelligence. As depicted in many science novels, movies, and comics it is true Artificial Intelligence. Some of the most common examples of AI are Google translator, Gemini, perplexity, Apple's siri, Netflix, Voice assistant, ChatGPT.

Definitions

Numerous Scholars quoted different definition of AI that shows the historical context, different philosophical approaches and technical goals.

Alan Turning (1950): In his seminal paper "Computing Machinery and Intelligence," he proposed replacing the ambiguous question " Can machines think?" with his imitation game," now known as Turing Test. He suggested that a machine could be considered intelligent if a human evaluator, after a text based conversation, cannot distinguish it from another human.[2]

John McCarthy (1955): Coiner of the term "Artificial Intelligence" McCarthy defined it as "the science and engineering of making intelligent machines, especially intelligent computer programs". His definition emphasized the creation of machines that can perform tasks that would require intelligence if done by human.[3]

Marvin Minsky (1968): A Co founder of the MIT AI Laboratory, Minsky defined AI as the science of making machines do things that would require intelligence if done by man. This behavioral approach focuses on actions and results of AI system, Rather than its internal processes. [4]

Stuart Russell and Peter Norvig (1995): In their influential book Artificial Intelligence: A modern approach, Russell and Norvig focus on the concept of rational agents. They define AI as the study of agents that receive percepts from the environment and

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[1] PK Aggarwala, "Public Administration challenges in AI and Bots" (2 August, 2018)
[2] Alan Turing,"The Enigma of Andrew Hodges" (United States Of America, (1983)

[3]John McCarthy, Marvin Minsky, Nathaniel Rochester, Claude Shanno, "Dartmouth Summer Research Project on Artificial Intelligence" (1956)
[4]Marvin Minsky, "Semantic Information Processing-The MIT Press"(1968)

perform actions to achieve the best possible outcomes.[5]

Christopher Manning (2020): This Stanford professor provided a broad definition of AI as the science and engineering of making intelligent machines, adding that modern AI emphasizes machine that can learn from data or experience, similar to humans.[6]

Somesh Sharma (2024): In the journal Futures, he highlighted the ongoing debate, noting the lack of consensus on a single definition for both AI and human intelligence. He referred a 1938 survey that collected 143 different definitions, categorizing them into behavior-oriented, cognitive and robotic approaches.[7]

II. ORIGINS AND EVOLUTION OF AI IN PUBLIC POLICY

The historical background of AI in Public policy shows evolution from early AI concepts to today data driven applications with main focus on responsibility of governance. Its traces are found back in 1950s. The formalization of AI came to light in 1950s as a field in technology. The government focused on collecting data and E-government. 2016 came to be known as a turning point when the US White House published a report with references to the future of AI in government, which signaled towards the shift of AI's opportunities and risks.

1. Early Developments (1950s-1980s): The Birth of AI and Administrative Curiosity
   - 1950s: AI began as a field through the research of Alan Turing, Marvin Minsky, and John McCarthy. The events like the 1956 Dartmouth workshop was also a significant in 1950s. Other programs like Logic Theorist and General Problem Solver mimicked human problem solving, these sparked ideas of future applications in the areas of decision making. Earlier AI was not a policy issue rather government viewed it as scientific curiosity as it was mostly theoretical.
   - 1960s: Arthur Samuel's checkers program emerged at that time which hinted at the value of adaptive systems of public agencies. In industrialized countries there were concerns about automation and employment which overshadowed the today's concerns about AI replacing human labor. The main focus was to fund scientific research back then as there were no formal funding groups that time. There were no concerns related to social and ethical challenges[8].
   - 1970s and 1980s (The AI Winters and Limited Policy Involvement): There were some financial and technical setbacks faced by AI which lead to two major AI Winters i.e., period of reducing funding and interests of people. The research was based on programs like the Knowledge Based Computer Systems(KBCS). As computers entered in public institutions through western democracies there were discussions on computerization, data collection, privacy and government administration. There was less focus on public policies rather government focused on technological feasibilities. In 1982, Japan's Fifth Generation Computer Program revived government's interest by raising ethical and geopolitical questions between two nations.

2. The Digital Revolution and Re-emergence of AI Challenges(1990s-2020s)
   - 1990s: The attention of AI was renewed by the rise of big data, machine learning and internet. The usage of AI system became large on the part of government in defense system, public administration an social welfare programs. There were new challenges which emerged in Public Policy like unequal access to technology across populations, data privacy and surveillance concerns, algorithmic bias in

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[5] Peter Norvig and Stuart J. Russell "Artificial Intelligence: A Modern Approach" (Prentice Hall, 28 April, 2020, 4th edition)

[6] Michael Elam, "Artificial Intelligence" Stanford HAI Institute (September,2020)
[7] Ariel Conn, "Benefits and Risks of AI" (Futures, 1 January,2024)
[8] Butcher, J., & Beridze, I.,"What is the State of Artificial Intelligence Governance Globally?" (2019)

automated decision making. In 1995, EU Data Protection Directive was first legal attempts to address the data driven concerns.

- 2000s and beyond: Government enabled AI to do more than just processing information and data. There was a paradigm shift with the rise of analytics, machine learning and big data.
- 2010: AI started to influence every aspect of government by providing many platforms like big data analytics, deep learning and neutral networks. There were some serious challenges faced by the government such as: job displacement due to automation and robotics, accountability in algorithmic decision making, and ethical governance of AI.[9]
- 2016 White House Reporting: This report was a turning point as it encouraged government agencies to explore risks management of AI, the opportunities provided by AI and builds the capacity of AI for the responsible use. This showed a more direct engagement with AI.

3. Contemporary policy challenges (2020s onwards)
- Public Policy faces new levels of challenges as AI system has ChatGPT, predictive programming algorithms and AI in healthcare. These all became widespread with the emergence of AI. AI generated content is a threat to cyber security and provides misinformation. Lack of uniform international standards is the reason for global governance gaps. Public institutions use bias and discrimination in algorithmic systems. There are ethical dilemmas about privacy, digital rights and consents. AI can lack the creativity and intuition that humans bring to PR and marketing. Creating compelling narratives, building emotional connections with audiences, and handling sensitive situations like engaging with members of the press still requires the human touch. The case of Tax Policy Optimization also shows a major challenge in the contemporary world[10].

III. BARRIERS TO AI ADOPTION IN PUBLIC POLICY

As we saw in the introductory part that there were many challenges faced by government in the adoption of AI in public policies, also there are many lacunas which make it difficult for its adoption. The literacy of AI widens the gaps between rich and poor, educated and uneducated, urban and rural population.[11]

There are some social challenges like; It creates the problem of digital divide which gives unequal access to digital infrastructure. Without the inclusion of digital policies, many groups might get left out of AI driven governance. Depersonalized government is also a problem which arises when people are over relied on automated system, it also lead to reduction in human judgment and empathy in decision making. When applied across areas ethical frameworks are often missing or inconsistent. Some questions arise based on the human dignity, fairness and consent when the usage of AI increases in sensitive areas like welfare, healthcare and policing. There are some discrimination which arises due to AI as AI system collect its data from historical sources which may contain social, caste, religious and gender bias. These biases can sustain social discrimination and inequalities against marginalized communities. AI applications create serious human rights concerns as there is risk of mass surveillance and violation of citizen's fundamental rights of freedom and privacy. As the government use all the private data of an individual like face recognition, finger impressions, digital signature, and other personal information. The lack of accountability and transparency weakens the trust of public in the policies of government which undermines the value and integrity of the government.[12]

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[9]Lepri B, Oliver N, Letouzé E, Pentland A, Vinck P, (eds.), "Fair, transparent, and accountable algorithmic decision-making processes". (2018)

[10] Jakob Mokander and Ralph Schroeder "Artificial Intelligence, Rationalization, and the limits of Control in Public Sector: The Case of Tax policy Optimization." (2024)

[11]Head BW, Alford J, (eds.), "Wicked problems: implications for public policy and management". (2015)

[12]Nair S, "Addressing uncertainty and ambiguity in policymaking: advancements and dilemmas" (2020)

Some of the economic challenges are; the developing countries require more workers as the shift of AI driven society need many labor which is not possible for the developing country to provide. The problem of unemployment arises as the jobs require more of clerical work, administration and analytical work which is not even done by many of the candidates. Government also faces the challenge of educating people more and more for up-skilling or re-skilling then, which is a major challenge for the government. People also face the threat of job displacement as AI driven automation threatens to displace human labor. There are high implementation costs which are faces by many developing nations like budgetary constraints and dependence on foreign technology for their cost management. The AI infrastructure is also costly which is not manageable by small scale industries as it need skilled human resources also high speed internet and data centers which are highly affluent[13]. Small scale tech companies' faces tough completion by large scale business as the concentration of wealth is not that much with the low budget companies as compared to large tech companies. When small scale tech companies try to compete with large scale tech companies it leads to deepening of global divide. AI driven decision making also causes disruption of traditional market by changing patterns of production and consumption. Public policy must adopt new marketing innovations of AI like gig economic platforms and algorithmic trading. The concept of monopolies also gets disturbed as the data generated by AI creates confusion of its originality and exploits the ownership of the entity. The shift of monopoly from entities to some other source raises concerns of the originality among private corporations. Government must ensure the usage of AI in ethical, inclusive and transparent way so that it balances the innovations with public welfare. There must be careful intervention of AI in public policy as it should not disrupt the right of an individual. Regular oversight is essential as to look into the working of the AI driven models.[14]

Data and security challenges are as follows; the rise of AI has developed a range of data management and cyber-security challenges which directly affects the transparency, accountability and the national security[15]. It also leads to the violation of citizens' rights because when government collects the personal data of an individual or share such data without adequate safeguards then there are chances of data violation, which leads to misuse of data. AI system requires massive data protective system which is not developed yet in our system. There are also less data protection laws in our system which aggravated this issue. Flawed and discriminatory policy outcomes lead to lessen the integrity of government also undermines the trust of people in governance. AI models are trained on unverified and incomplete information which is a major concern to be used as authentic data. Hackers these days can manipulate data easily or alter algorithms which are highly vulnerable to cyber attacks. This also leads to influence the decision of public by interfering in their human judgment. Cyber security has now become the matter of national importance as the use of AI in defense mechanism and national administration is increased. This also erodes the confidence of citizens and compromise the safety of public as data breaches and unauthorized access to government database in digital governance has came in function[16]. The accountability gap is created between public and private stakeholders. Additionally, it also raises cross border security risks by data exchange, as data may be stored with less protection under other jurisdiction. This exposes nation to international vulnerabilities, also complicates the enforcement of domestic data protection laws. As we see these challenges so AI in public policy needs robust cyber-security framework, strong data protection laws and transparent governance structures. Government must ensure that the usage of AI upholds privacy, accountability and national security. [17]

Regulatory and policy challenges are; the rapid incorporation AI into public administration and governance has given rise to new opportunities for

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[13]In: Capano G, Howlett M (eds.), "A modern guide to public policy". Edward Elgar Publishing (2020)
[14]Nitzberg M, Zysman J, "Algorithms, data, and platforms: the diverse challenges of governing AI".(2021)
[15]Renda A, "Artificial intelligence: ethics, governance and policy challenges".(2019)

[16]Scherer MU, " Regulating artificial intelligence systems: risks, challenges, competencies, and strategies" (2015)
[17]Smuha NA, "From a 'race to AI'to a 'race to AI regulation': regulatory competition for artificial intelligence". (2021)

innovation and efficiency. However, it also leads to many challenges which government all over the world is trying to overcome with. The vast growing development of AI has outrun the existing policy and legal frameworks. This created a gap between effective regulation and technological advancements. Most of the countries do not understand the complex system of AI and has been relying on the outdated technological laws, such as algorithm accountability and autonomous decision making. This leads to ambiguity as it is unclear to blame or to take responsibility of the liability when AI causes harm whether it the developer, policymaker or the user. Many governments still lacks clear policies on ethical use, consent and data ownership, which is a major issue of governance and privacy protection. Public officials might find it complex to justify or monitor AI driven decisions due to lack of transparency and accountability in AI algorithms. The absence of global standards complicates the cross border governance and its enforcement, also the fragmented nature of regulations makes it complex by hampering policy coherence. Usually policy makers depend on private firms which lead to issue of dependency and reduce public accountability. There is also a lack of institutional readiness and technical expertise within public agencies which makes it difficult to design, supervise and implement AI system efficiently. There is also a major challenge faced by policy maker and that is balancing of innovations with regulations, ensuring that the rights of citizens get protected without intermingling with technological advancements. This highlights the immediate need for adaptive, clear and ethical frameworks which can ensure accountability, responsiveness, transparency and human oversight.

Environmental and sustainability challenges are; when AI offers potential for social and economic progress, it also poses some major environmental and sustainability challenges that urgently require the attention of policy makers. It all begins with the consumption of energy as it is the foremost step of AI applications which supports its creation and operations. The consumption of energy on high level by associated AI systems is one of the major concerns.

It leads to enormous carbon emission as operating cast data centers and training large AI models requires computational power. This leads to climate change and contradicts global sustainability goals. The energy required to train a single advanced AI model can equal the lifetime emission of several cars. It makes AI dependent on non-renewal energy sources in many regions, especially where the availability of green energy infrastructure is limited. It also leads to the production of enormous E-waste (Electronic Waste), which is a result of production, upgradation and disposal of hardware like processors, servers and data storage devices, it results in large quantity of waste material. If there is no proper waste management system that is proper recycling is not done then it will lead to soil and water pollution on large level and will pose a threat to our ecological system. The unequal access to sustainable AI makes a green divide between developed and developing nations. It creates a gap between poor and rich countries. As wealthier countries can afford to invest in such energy efficient plants while poor are still stuck with the outdated systems which are less sustainable. Also AI policies in pursuit of innovations and technologies, overlook the environment cost as well its health, which leads to unsustainable technological growth. Government often faces the challenge of balancing technological advancements and ecological responsibility. There is an immediate need for green AI policies which can take care of the AI policies with respect to the renewable energy sources, also conserves them by promoting sustainable hardware products and incorporating environmental impact assessment in AI projects. With the environmental and sustainability concerns AI needs an integrated policy approach which can align technological innovations with environmental concerns. [18]

Geopolitical challenges are; AI is also reshaping global power dynamics apart from governance and economics. AI shows a wide range of geopolitical challenges which affects international relations, global cooperation and national security. AI has now emerged to be a strategic tool in determining military, political and economic power on the stage of world. Global race is one of the significant challenges in AI

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[18]Wirtz BW, Weyerer JC, Geyer C, "Artificial intelligence and the public sector—applications and challenges". (2019)

supremacy. Developing countries are left behind in this race as many leading and powerful countries like China, United States and European Union has highly invested in AI research which creates technological divide deepening global dependency and dependency. Such disparities lead to digital colonisation, where technologically advanced nations dominate over the developing nations.[19] The use of AI in the making of weapons, cyber warfare and surveillance system poses serious threats to international treaties and human rights which can lead to militarization of AI. The absence of global agreements is a major drawback of our system which can lead to conflicts and misuse of authoritarian regimes. The issue of data sovereignty and cross border regulation s also raised as data often transcends national boundaries so it challenges states ability to protect the rights of the citizen and enforce domestic laws. Lack of coordination between international treaties also leads in hampering the situation between member nations which creates tension geopolitically. AI driven deep fakes, cyber attacks and misinformation during election also disrupts the procedure of election and it threats the democratic governance and national security. These all challenges highlight the urgent need for global governance frameworks that promote effectiveness, accountability, transparency and equitable technological access. The need of international collaboration, inclusive policymaking and ethical diplomacy is seen in case of geopolitical tension which can establish global treaties and norms to prevent technological rivalry between the nations. Also contributes to global peace and sustainable development among the nation by usage of AI infrastructure.

IV. JUDICIAL INTERPRETATION

There are some judicial interpretations based on the challenges faced in Public Policy by the use of Artificial Intelligence. The research is still going on the issues of algorithm bias, digital divide, cyber security, data piracy, skill gaps and job displacement. The use of AI these days is still obsolete which makes it quite challenging to cooperate. So here are some relevant judicial interpretations which can help us understand the problem in a better way.

1. Arijit Singh v. Codible Ventures LLP

This case was marked as First Indian judgment which addressed the misuse of generative AI tools, Intellectual Property and music. It potentially established a legal precedent for personality rights in the age of AI. This case also highlighted the growing tension between personality rights and technological advancements, as generative AI challenges traditional norms around identity and authorship. Arijit Singh alleged that Codible Ventures was using AI tools to synthesis artificial recordings of his voice cloning. It also uses Arijit's likeliness in its advertisement, misrepresenting his endorsement of or performance at its virtual event, and created various assets bearing his name and likeliness with his authorization. The judge ruled that Singh's name, voice, image, likeness, persona and other traits are protected under his personality rights and right to publicity. The court expressed particular concerns about the potential for exploitation enabled by this new technology.[20]

2. Folha de S. Paulo v. OpenAI

Folha de S. Paulo is a Brazilian newspaper who is suing OpenAI for copyright infringement and unfair competition, alleging that its content was used without authorization to train ChatGPT's language models. Folha accuses AI of using its journalistic archives, including subscribers' only articles and analyses to train its large language models without permission or payment. The newspaper claims that OpenAI tools reproduces its content, which includes full articles and summary, it diverts readers and infringes on its intellectual property rights. By using and profiting from newspaper's content while bypassing the costs of professional journalism, OpenAI is engaged in fair competition. Folha stated that OpenAI's crawlers bypassed the technical mechanisms designed to prevent access to content. Folha was seeking an injunction to store OpenAI from using its content, requesting damages, and demanding the destruction of any models trained on its material. The court scheduled a hearing for 14 October, 2025 to attempt

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[19]Sreeja N, Howlett M, "Policy myopia as a source of policy failure: adaptation and policy learning under deep uncertainty".(2017)

[20] Com IPR Suit (L) No. 23443 of 2024

conciliation, allow Folha to present further evidence of irreparable harm, and address other procedural matters. The outcome of this case could significantly influence AI regulations and laws based on copyright in Brazil. [21]

3. New York Times v. OpenAI

This legal battle was initiated by The New York Times against OpenAI and Microsoft, alleging that copyright infringement for using copyrighted articles to train AI Models. The lawsuit claims this use is unlawful and damages the Times business by having the AI reproduce articles verbatim and cut off potential revenue from referral links, a key part of its business model. This landmark cases raises significant questions about the legality of using copyrighted content for AI training and could shape the future of AI regulation and its relationship with intellectual property. The core allegation is that OpenAI and Microsoft infringed on the Times' copyrighted content by using millions of articles to train its language models, like those behind ChatGPT and Bing Chat. The Times content that this use of its content is not authorized and that it receives no compensation or acknowledgement, which it claims could be worth millions. A central argument is that the AI models are now in direct completion with the Times, as they can reproduce its content and even generate similar content to what the times provide. The lawsuit highlighted that AI output can damage the Times' business. This lawsuit also sites instances where AI has produced false information and incorrectly attributed it NY. [22]

V. SCHOLARLY WORKS AND JUDICIAL PRECEDENTS

As we saw in the above study that the use of AI has accelerated in the present year i.e., 2025, the adoption of AI has changed the lives of people in many ways also it came as a challenge for some. Government is also trying to spend more and more on AI than on any other industry. With an estimate of 19% CAGR in AI investment between 2022 and 2027. There are various case studies done by different observers on the challenges faced by the government.

1. Deloitte was caught using AI[23]

Deloitte's member firm in Australia will pay the government a partial refund for a $290,000. Report was submitted which contains the alleged AI generated errors, including a reference to non-existent academic research papers and a fabricated quote from a federal court judgment. The report was originally published on the Australian government department of Employment and Workplace relations website in July. A revised version of this report was published on Friday. After that Sydney University researchers of health and welfare law Christ Rudge said that he altered media outlets that the report was fully fabricated with references. Deloitte reviewed about 237 page report and confirmed that there ae some footnotes and references which were incorrect. The revised version of report includes a disclosure that a generative AI language system, Azure open AI, was used in its creation. This removes fabricated quotes attributed to a federal court judgment and references to nonexistent reports attributed to law and software engineering experts. In late august the Australian Financial Review reported that the document contained multiple errors, citing Rudge as the researcher who identified the apparent AI generated inaccuracies. Rudge discovered the mistakes of the report by reading a portion which shows Lisa Burton Crawford, a Sydney University professor of public and constitutional law, had authored a nonexistent book with a title outside of her expertise. In June, the UK Financial Reporting Council, an accountancy regulator warned the Big Four Firms that they were failing to monitor the AI automated technologies which are affecting the quality of their audits. Here Deloitte misused AI and used it very inappropriately.

2. AI Voice Cloning[24]

In 2024, Singh sued and won a landmark case, potentially establishing a legal precedent for personality rights in the age of AI. It highlighted the growing tension between technological innovation and personality rights, as generative AI challenges

[21] 1107237-96.2025.8.26.0100
[22] 1:23-cv-11195 (S.D.N.Y)
[23] Dr. Chris Rudge, "The Australian Government DEWR" (July, 2025)

[24] Arijit Singh v. Codible Ventures LLP (Com IPR Suit (L) No. 23443 of 2024)

traditional norms around identity and authorship. Arijit Singh alleged that Codible ventures was using AI tools to synthesize artificial recordings of his voice, a practice known as voice cloning. Codible ventures used Singh's likeness in its advertisement, misrepresenting his endorsement of or performance at its virtual event, and created various assets bearing his name and likeness without authorization. This shocked the conscience of the court is that the manners in which celebrities are vulnerable of being targeted by unauthorized generative AI content. The judges ruled that Singh's name, voice, image, likeness, persona and other traits are protected under his personality rights and right to publicity. The court expressed particular concern about the potential for exploitation enabled by this new technology. However, Madhu Gadodia, Deputy Managing Partner at Naik Naik& co., explained in a WIPO Conversation in 2024, the concept of personality rights is relatively new in India. It had to be derived from common law, copyright, trademarks and even the Advertising Standards Council of India (ASCI). The latter protects famous people from having their faces used to advertise things without authorization, this also applies to their voices, which can be just as recognizable.

3. Spanish Government collaboration with IBM[25]

Several Spanish Government bodies have collaborated with IBM on projects involving artificial intelligence, cloud computing and quantum technology. These partnerships aim to boost the country's national AI strategy, enhance public services, and promote technological innovation. In April 2024, the Spanish government and IBM signed a Memorandum of Understanding to advance the country's national AI strategy. The goal is to ethically and responsibly develop and deploy generative AI within the public sector. The agreement specifically focuses on creating AI foundation models, including Large Language Models (LLMs) and Small Language Models (SLMs), that are native to Spanish and its co-official languages like Catalan, Basque and Galician. This reduces bias and makes AI tools more accessible for Spanish speaker. This project aims at fostering an ecosystem of AI developers by leveraging IBM's open source

framework. This will benefit both the public sector as well as small to medium sized businesses across Spain.

4. Rwanda case[26]

The partnership between the government of Rwanda and the digital health company Babylon Health (operating locally as babyl) involved a 10 year agreement to provide telemedicine services via mobile phones. However, the program was ultimately discontinued in August 2023 when Babylon went bankrupt, leaving nearly 3 million Rwandan users without care. The initiative serves as a case study highlighting both the promise and the peril of digital health interventions in developing countries. In 2016, Babylon launched its Babyl services in Rwanda with a grant from the bill & Melinda Gates Foundation. The services was designated to give Rwandans, especially those in remote areas, access to doctors and nurses via their mobile phones, which could be basis features phones. By March 2020, following a successful pilot, the government of Rwanda signed a 10 year agreement to integrate Babyl into its Universal Health Insurance Scheme, Mutuelle de santé. The goal was to provide digital-first integrated care to all citizens over the age of 12. The service experienced significant growth. By the end of 2022, Babyl had registered 2.8 million users, and doctors and nurses were conducting up to 4,000 consultations per day. In 2021, Babyl introduced as AI powered triage tool to its service, aimed at increasing efficiency and augmenting the capabilities of its clinical staff. The World Economic Forum later used the Rwandan pilot as a case study for its "Chatbots RESET framework" for responsible AI use in healthcare. Despite its expansion in Rwanda, Babylon Health Struggled to maintain profitability globally. Financial problems in other markets, like the UK and US, led to cutbacks and failed deals.

5. Tamil Nadu's Safe and Ethical AI Policy (2020)[27]

Tamil Nadu has been a pathfinder in creating an AI ethics policy which aimed at Ethical AI Deployment. The States Artificial Intelligence policy emphasized transparency, accountability, fairness, digital divide, equity, ethics, audit and inclusivity. The goals and objectives of this policy is a safe and ethical AI

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[25] Madrid conference, (5 April,2024)
[26] National Artificial Intelligence policy (April, 2023)

[27] Government of Tamil Nadu Information Technology Department, "Safe and Ethical Artificial Intelligence policy" (2020)

management system. Implementation of Ethics Score 'DEEP-MAX' for AI solution was its key feature. DEEP-MAX provides a path to guide the roll-out of AI solutions. This policy further provides guidelines for government agencies, so that they can procure AI based solutions that adhere to AI policy norms. This policy also recommended the six dimensional TAM-DEF Framework for evaluation of AI based systems. It was also mentioned that the three pillars of government namely, the Executive, The legislature and the judiciary if collaborated with private partners then it would encourage the innovations out of an individual

6. Cambridge Analytica Scandal[28]

This scandal involved the company improperly harvesting the personal data of up to 87 million Facebook users to create psychological profiles for political advertising, primarily during the 2016 US presidential election. This was done through a Facebook app called "This is Your Digital Life," created by researches Aleksandra Kogan, and was exposed by media in March 2018, leading to the company shutting down in May 2018. The scandal highlighted major issues regarding data privacy, user consent and the role of Social Media in Politics. The news of the scandal broke in March 2018 and caused a major public outcry, leading to boycotts of Facebook and a significant loss of users trust. In May 2018, following the scandal, Cambridge Analytica and its parent company, SCL Elections, filed for insolvency and ceased operations. This scandal led to increased scrutiny of data privacy practices by tech companies and government bodies worldwide. It also sparkled a global debate on the regulation of Social media and the use of personal data in political campaigns. This company was owned by the hedge fund billionaire Robert Mercer, and headed at the time by Trump's key adviser Steve Bannon- used personal information taken without authorization in early 2014 to build a system that could profile individual US voters, in order to target them with personalized political advertisement. Christopher Wylie, worked with Cambridge University told the observer that we

exploited Facebook to harvest millions of people profiles. They built models to exploit people and target their inner demons. That was whole basis on which company was based on.

VI. CONCLUDING REMARKS AND SUGGESTIONS

The rapid advancement of Artificial Intelligence shows both immense opportunities with significant challenges for Public Policy.[29] As we saw in this research paper that there are many challenges faced by government in the applicability or usage of AI in public policy. The incorporation of AI with public policy has become a wholesome task these days, as the AI system has many drawbacks and lacunas which make it very difficult for the governance. AI in public policy offers immense potential but it requires strict watch over the ethical principles side by side[30]. By clinging to robust AI ethical framework, engaging the public at large, and promoting transparency, policymakers can make it beneficial AI system which can safeguard public interest. There is a need for highly qualified and skilled policymakers who can dig deep in the faults of AI system[31] and can rectify them without harming the Public policies. This highlights the need for formal education in this field. Policymakers across the world face the task of balancing the innovations with ethical, social and legal responsibility. The issues which we discussed above like data privacy, algorithm bias, cyber security risk, lack of transparency and accountability, digital divide, and job displacement, all these demand comprehensive regulatory framework which can protect public interest without stifling progress. Moreover, AI's societal impacts on employment, equity and democratic processes which require collaborated efforts between government, private sectors and civil societies. Basically, the success of AI driven projects depends upon the developing inclusivity, adaptability and forward looking policies that ensure AI serves sustainability, humanity with ethical basis and equitability.

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The challenges faced by Public policymakers in this era are multifaceted and complex which demands thoughtfulness, coordination and forward looking responses. AI has great potential to transform economies, governance and social structures, but it also introduces unprecedented risks related to ethics, transparency, accountability and human rights. Lawmakers are confronted with the immediate need to establish clear regulations that address data protection, algorithm transparency, cyber security, and the responsible use of autonomous systems. The footstep of technological innovation often outrun the development of policy framework, leading to regulatory gaps which can result in misuse of data, bias and unequal access to AI benefits. Further when we see the societal implications of AI which includes human labor displacement, inequality in digital access, and erosion of trust in institutions poses a long termchallenge for governance. Policymakers not only manage these risks but also make sure that AI contributes to inclusive growth and societal welfare. As AI technologies has transcend the national boundaries, so International Corporation is equally important which requires harmonized standards and ethical guidelines. Safeguarding Human values and democratic principles must also be taken in consideration while making policies which corroborate with AI technological innovations. The regulations should be made in such way that it balances innovations and ensures the protection of law. To address the challenges properly the government must take some steps towards digital literacy, promote interdisciplinary research and foster collaboration between public institutions and private industries. All the AI technologies have some drawbacks and lacunas, so if our scholars are educated on related topics then they will be able to find them out.

So that the children can know the different between the original content and the fake contents, otherwise it will be a wholesome task in future to make a difference between original and fake contents.[32] So the foundation of children should be that strong that they

can create a differentiation between both. Also people should not rely much on these technologies, we know that it is of great demand in today's era but not at the cost of lives of people. During this research I read an article which mentioned about a doctor who uses ChatGPT[33] to prescribe medicines to its patient based on their symptoms.

The proactive participation of government is needed in here to analyze the problem from its root and rip it out before it comes out a big problem. The government should make some policies which make it compulsory for the nations to access the AI driven model of one country. Only those who are member nations can get access to that. There should be some strict steps taken on the part of government to cast such evils from our society which are making it very difficult for people to make a difference between what is wrong and what s right. The minds of people are going numb as they don't have to use their brains to do a task as it will be easily performed by the AI driven Models. So there will be no need to use the creative mind as the task will be completed within few minutes without any pain. There were many cases which showed the drawback of AI system also its misuses. So there should be awareness among people to use these models carefully and with great alertness and consciousness. To address the ethical challenges of AI there are following recommendations necessary:

1. Data privacy and Security
Implementation of robust data protection laws which regulates how AI system collects and use this personal data of people and manipulate it into its system. The personal data of people must be secured; so as to take it into consideration there should be data protection laws which can protect the data. Encouragement of privacy detection system so that it can gain the trust of people by providing such system which provides a platform of privacy detection.[34] Such designed systems must be encouraged and appreciated by government, so that it comes in the eyes of people and people can use it for their purpose. Such measures should be takes to strengthen cyber security system to

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prevent data breaches and misuse of data. Security algorithm should be that much strong so that it cannot be hacked by any malware device.

2.   Regulation and legal frameworks

Development of clear regulatory standards for AI use across all the sectors. Establishment of such AI specific legislations which governs the duties of AI towards public and addresses the liability, accountability and redress such mechanism which makes it functions smoothly. The legislative framework should be in a proper manner that it governs the ideal working of AI driven models for the welfare and advancement of public. International cooperation should be encouraged for harmonization of AI regulations and global governance[35]. So that there should be no enmity between the nations. As the scope of AI has become vast with the other nations as well, also it engages all the nations through a similar platform. That's why the working of AI should be governed by legislative framework.

3.   Bias and Discrimination Mitigation

Regular audits must be mandated of AI algorithms to detect and minimize bias. So that government will be able to detect errors and minimize them as per the need of an hour. Diverse datasets should be ensured so as to improve fairness in the outcomes of AI system. Promotion of inclusive policymaking should be there by including marginalized communities in AI related decisions. As more and more people get engaged in the policymaking work it will be beneficial for all to look into the AI driven programs. As regular audits are done it will help people to detect more biases in the system, bias can be based on gender[36], religion, caste and color. Datasets should be more diverse and more people should be involved so they can clear all the algorithm biases.

4.   Employment and workforce transition

Investing in Re-skilling and Up-skilling programs could make it more effective for workers who are being affected by automation programs. It can help people gain knowledge of AI driven models.

Supporting AI literacy and digital education from early schooling can help children learn from the roots about AI system and its mechanism. So that they do not get bugged in future, also can distinguish between what is wrong and what is right for them. Encouraging such policies which helps in job creation for humans in AI related and human centered centers. This could help people find more job, also it creates more job opportunities for humans. As humans are now being displaced from their jobs, so it will be beneficial that such policies support human centered centers. Otherwise there will be unemployment everywhere, and machines will be working instead of humans.

5.   Research, Innovation and collaboration

Increasing public funding in AI research programs in universities and setups, so that people can know more and more about the AI driven models.[37] By this step government can cast out the innovations among people and encourage them about researching programs and collaborate with big firms about their ideas. Promotion of Public-Private partnership can also help in making an AI innovation more and more responsible. As both the industries will give their best to innovate something which can help the society as well as an individual. This way government can also keep an eye on the AI driven models. Encouraging students with open research and data sharing so that they can have wide view of the research by maintaining ethical standards. So that students can also learn about research programs and indulge in them.

6.   Transparency and Explainability

Requirement of explainable AI systems n critical decision making areas like financing, healthcare and law enforcement. If something goes wrong then the system would be able to explain why it does so, also system can explain its database clearly. Mandation of algorithm impact assessment should be there before deploying it in public systems. Because if assessment will be done before deployment then there will be less chances of faults and if there are any faults then those can be rectified. Encouraging public disclosure of AI

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use in government operations so that people can trust AI driven models and use them as per their needs.

7. Environment and sustainability considerations
Promotion of energy efficient AI technologies should be there as to reduce carbon footprint. AI applications for sustainability should be encouraged such as climate monitoring and resource management[38]. Setting up of green centers for data centers and AI hardware production, so it does not Detroit the health of people also makes such programs which are eco-friendly and could be managed efficiently.[39] The energy wasted on such one program of AI model can be used in some other way if it is not that efficient. It should be taken in consideration that on what projects energy is being consumed. And whether those projects needs such kind of energy for their development.

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