

ETHICAL AI GOVERNANCE USING BLOCKCHAIN

Miss Sheetal R. Billore

Research Scholar,
Sardar Patel Mahavidyalaya, Chandrapur,
Maharashtra, India
Email: sheetalbillore123@gmail.com

Dr. Keshao D. Kalaskar

Professor,
Dr. Ambedkar College of Arts, Science and
Commerce, Chandrapur, India

Dr. S. B. Kishor

Professor,
Sardar Patel Mahavidyalaya, Chandrapur,
Maharashtra, India

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Abstract :

The rapid expansion of Artificial Intelligence (AI) across critical sectors has intensified concerns regarding transparency, accountability, fairness, and ethical compliance. Conventional governance mechanisms are primarily centralized, limiting auditability and increasing risks of bias, manipulation, and data misuse. This research proposes a decentralized governance framework integrating blockchain technology to strengthen ethical oversight in AI systems. Blockchain ensures immutability, transparency, and distributed verification of AI operations, including data usage, model updates, and decision records. Smart contracts are incorporated to automate enforcement of ethical principles such as informed consent, bias monitoring, and regulatory compliance. The framework enhances trust among stakeholders by enabling traceability across the AI lifecycle while protecting data integrity. The proposed model is applicable to domains like healthcare, finance, public administration, and autonomous systems where ethical reliability is critical. The study concludes that blockchain-enabled governance provides a robust foundation for responsible and sustainable AI deployment.

Keywords : Ethical Artificial Intelligence, Blockchain Governance, Smart Contracts, Transparency, Accountability, Decentralized Systems, Trustworthy AI

Introduction :

Artificial Intelligence is transforming industries by enabling intelligent decision-making, automation, and predictive analytics. However, the increasing autonomy of AI systems has raised ethical concerns related to algorithmic bias, lack of transparency, privacy violations, and unclear accountability. Traditional AI governance models depend on centralized authorities, which may compromise fairness and trust.

Blockchain technology, known for its decentralized and tamper-resistant nature, offers



a promising solution. By integrating blockchain with AI governance mechanisms, it becomes possible to establish transparent, verifiable, and automated ethical compliance systems.

This research explores how blockchain can enhance ethical AI governance through decentralization, traceability, and smart contract enforcement.

Body of Research Paper :

1. Ethical Challenges in AI :

AI systems face several ethical risks:

1. Algorithmic bias due to unbalanced training data
2. Lack of explainability in deep learning models
3. Data privacy and unauthorized access
4. Absence of clear accountability in automated decisions

These issues demand a governance mechanism that ensures monitoring and compliance throughout the AI lifecycle.

2. Role of Blockchain in Governance :

Blockchain offers the following governance advantages:

1. Immutability: Once recorded, AI decisions cannot be altered.
2. Transparency: All stakeholders can verify transactions and updates.
3. Decentralization: No single authority controls the system.
4. Security: Cryptographic validation prevents unauthorized access.

These characteristics make blockchain suitable for recording AI model training data sources, updates, and decision logs.

3. Smart Contracts for Ethical Enforcement :

Smart contracts are self-executing digital agreements stored on blockchain networks. In AI governance, they can:

1. Enforce data consent policies
2. Trigger bias audits automatically
3. Record compliance reports
4. Assign accountability in case of violations

This automation reduces human dependency and increases governance efficiency.

4. Proposed Framework :

The proposed framework consists of :



1. AI Model Layer – Performs prediction and decision-making.
2. Blockchain Layer – Stores metadata, decision logs, and compliance records.
3. Smart Contract Layer – Enforces ethical rules and regulatory policies.
4. Stakeholder Interface – Enables auditors and regulators to verify activities.

This multi-layered structure ensures transparency and ethical integrity.

5. Applications :

1. Healthcare : Transparent diagnosis logs and patient consent management
2. Finance : Bias-free loan approval systems
3. Public Governance : Transparent welfare distribution
4. Autonomous Systems : Accountable decision tracking

Conclusion :

Ethical governance has become essential as AI systems increasingly influence critical societal decisions. Centralized regulatory mechanisms are insufficient to guarantee transparency and trust. This research demonstrates that integrating blockchain technology into AI governance frameworks enhances accountability, traceability, and automated compliance. Smart contracts further strengthen ethical enforcement by reducing manual oversight and ensuring rule-based operations. The proposed decentralized governance model provides a reliable foundation for building trustworthy AI ecosystems. Future research may explore scalability challenges and integration with emerging technologies such as federated learning and zero-knowledge proofs to further enhance ethical robustness.

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