Indian Knowledge Systems as an Ethical Compass for Artificial Intelligence in Commerce

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Abstract

Artificial Intelligence (AI) is transforming contemporary commerce through automated decision-making, personalized marketing, predictive analytics, algorithmic pricing, fraud detection, customer service, and supply-chain optimization. While these applications provide significant opportunities for efficiency, innovation, and business growth, they also raise ethical concerns related to privacy, discrimination, transparency, accountability, manipulation, employment, sustainability, and consumer autonomy. Conventional approaches to AI ethics emphasize principles such as fairness, transparency, accountability, privacy, safety, and human oversight. However, there is growing recognition of the need for culturally contextual approaches to responsible technology. In this context, Indian Knowledge Systems (IKS) offer valuable ethical perspectives rooted in concepts such as dharma (ethical duty and right conduct), satya (truthfulness), ahimsa (non-harm), lokasaṃgraha (social welfare and harmony), aparigraha (non-excessive accumulation), and nishkāma karma (action without attachment to personal rewards). The contemporary IKS framework promoted by the Ministry of Education recognizes the relevance of Indian knowledge traditions to various fields, including administration, law, justice, manufacturing, and commerce. Drawing on these principles, this paper develops a conceptual framework that positions IKS as an ethical compass for AI-enabled commerce. It proposes that integrating IKS principles with contemporary responsible-AI frameworks can promote more human-centred, inclusive, transparent, sustainable, and socially responsible commercial practices. The paper further argues that IKS should not replace existing AI governance frameworks, constitutional values, or human-rights principles; rather, it can complement them by providing culturally relevant

ethical foundations for responsible technological development, ethical decision-making, and sustainable commercial practices.

Keywords: Indian Knowledge Systems, Artificial Intelligence, AI Ethics, Ethical Commerce, Dharma, Responsible AI, Sustainable Commerce, Digital Transformation, Consumer Ethics

1. Introduction

Artificial Intelligence (AI) has emerged as one of the most influential technologies shaping contemporary business and commerce. Organizations increasingly use AI for customer profiling, recommendation systems, demand forecasting, inventory management, credit assessment, dynamic pricing, fraud detection, digital advertising, chatbots, and automated decision-making. These applications have the potential to improve productivity, reduce transaction costs, enhance customer experiences, and create new economic value.

However, the rapid expansion of AI also presents significant ethical challenges, including algorithmic bias, privacy concerns, lack of transparency, accountability issues, consumer manipulation, employment disruption, and economic inequality. These challenges highlight the need to move beyond technological efficiency and consider whether AI is being developed and applied in a responsible and ethical manner. In this context, NITI Aayog's

Responsible AI for All framework emphasizes safety and reliability, equality, inclusivity and non-discrimination, privacy and security, transparency, accountability, and the protection of positive human values. Similarly, UNESCO's *Recommendation on the Ethics of Artificial Intelligence* emphasizes human dignity, human rights, fairness, transparency, inclusion, environmental sustainability, and human oversight.

While these contemporary frameworks provide important foundations for responsible AI, ethical decision-making is also influenced by cultural and philosophical traditions. India possesses a rich heritage of knowledge systems that address individual conduct, social responsibility, governance, economic activity, environmental relationships, and collective welfare.

The Ministry of Education's Indian Knowledge Systems (IKS) framework encompasses **jñāna, vijñāna, and jīvanadarśana**, representing knowledge, scientific understanding, and ways of life, and recognizes their relevance to contemporary fields including administration, law, justice, manufacturing, and commerce. Established in 2020, the IKS Division promotes interdisciplinary and transdisciplinary research and the application of Indian knowledge traditions to contemporary challenges. Against this background, the present paper explores IKS as an ethical compass for AI-driven commerce.

Rather than directly transferring ancient concepts into modern technological systems, the study seeks to identify relevant ethical insights from Indian knowledge traditions that can guide the purpose, limitations, responsibilities, and consequences of AI-enabled commercial activities. The integration of IKS with contemporary responsible-AI principles can contribute to more human-centred, inclusive, transparent, sustainable, and socially responsible commerce.

2. Artificial Intelligence and Ethical Challenges in Commerce

2.1 Algorithmic Bias and Discrimination

AI systems learn patterns from data. If historical data contain social or institutional biases, AI systems may reproduce or amplify them. This can be particularly problematic in lending, recruitment, insurance, pricing and targeted marketing. NITI Aayog specifically identifies cognitive and data-related biases as significant risks in AI systems and notes that large-scale deployment can amplify unfair decisions. Ethical commerce therefore requires businesses to assess whether AI-based decisions treat customers fairly and whether particular groups are systematically disadvantaged.

2.2 Privacy and Data Protection

Digital commerce generates enormous quantities of consumer data. AI systems can combine browsing behaviour, purchasing history, demographic information, location information and other behavioural indicators to develop detailed consumer profiles. Although such data can improve personalization, excessive data collection may undermine privacy and consumer autonomy. NITI Aayog's responsible-AI framework therefore emphasizes privacy and security as fundamental principles, including appropriate safeguards for data used in AI systems.

2.3 Lack of Transparency

Many AI systems operate as complex "black boxes." Consumers may receive recommendations, prices, credit decisions or advertisements without understanding how those decisions were generated. Transparency is important because commercial stakeholders need to know who is responsible for AI-generated decisions. NITI Aayog emphasizes transparency and external scrutiny as important elements of responsible AI.

2.4 Accountability

A key question in AI-based commerce is who is responsible when an AI system causes harm. Responsibility may involve the technology developer, data provider, business using the AI, managers, or regulators. AI should not be considered an independent moral agent because it cannot take responsibility for its actions. Therefore, humans and organizations must remain responsible for the decisions and harm caused by AI systems.

2.5 Consumer Manipulation

AI-powered recommendation systems and personalized advertising can predict consumer behaviour with considerable sophistication. While personalization can improve customer experience, excessive optimization may cross into manipulation. An ethical commercial system should therefore distinguish between persuasion that respects consumer autonomy and manipulation that exploits consumer vulnerabilities.

2.6 Employment and Human Well-being

Automation can replace certain tasks while creating new forms of employment. NITI Aayog identifies the impact of AI on jobs as an important societal consideration and recommends attention to changing job profiles, skills and employment opportunities. Thus, responsible AI should consider not only organizational efficiency but also the welfare of employees and society.

3. Indian Knowledge Systems and Ethical Foundations

Indian Knowledge Systems represent a diverse collection of philosophical, scientific, social and practical knowledge traditions. The contemporary IKS framework explicitly encourages interdisciplinary and transdisciplinary engagement and emphasizes the practical utility of Indian knowledge for contemporary challenges.

3.1 Dharma: Ethical Duty and Responsibility

Dharma is an important concept in Indian philosophical traditions that refers to duty, right conduct, responsibility, and ethical behaviour. In AI-enabled commerce, the principle of dharma encourages businesses to look beyond profit and consider their responsibilities towards customers, employees, stakeholders, and society. It encourages organizations to use AI responsibly, ensure fairness, avoid harm, respect employees, and contribute to social welfare. Thus, dharma shifts the focus from simply asking "Can we use this technology?" **to asking** "Should we use this technology in this way?" This approach promotes responsible decision-making and ethical business practices in the use of AI.

3.2 Satya: Truthfulness and Transparency

Satya, commonly translated as truthfulness, offers an important ethical foundation for AI-enabled commerce. In practical terms, satya can encourage organizations to:

- provide truthful product information;
- disclose relevant uses of AI;
- avoid deceptive advertising;
- communicate limitations of AI systems;
- avoid intentionally misleading consumers;
- maintain integrity in digital transactions.

This principle has a strong relationship with contemporary requirements for transparency and explain ability. Thus: Satya → Truthfulness → Transparency → Consumer Trust

3.3 Ahimsa: Non-Harm

Ahimsa, or non-harm, provides another useful ethical lens.

In AI commerce, harm need not be physical. It can include:

- financial harm;
- psychological harm;
- discrimination;
- privacy violations;
- reputational damage;
- exclusion;

- exploitation;
- environmental harm.

An AI system should therefore be assessed not merely according to accuracy but according to its potential consequences for individuals and society. UNESCO's AI ethics framework similarly emphasizes human rights, dignity, environmental sustainability and the prevention of harmful consequences.

3.4 Lokasaṃgraha: Welfare and Social Harmony

The concept of lokasaṃgraha, discussed in the Bhagavad Gītā, can be understood in terms of maintaining social welfare, cohesion and the common good. This is particularly relevant to AI because commercial AI systems can affect millions of people simultaneously. A lokasaṃgraha-oriented business would therefore evaluate AI according to its broader social consequences rather than focusing exclusively on shareholder value.

3.5 Nishkāma Karma: Responsible Action

The Bhagavad Gītā's concept of niṣkāma karma emphasizes action without attachment to personal rewards. Contemporary scholarship interprets the principle in relation to selfless action and contribution to the common good. In business, this does not imply that organizations should abandon profit. Rather, it can encourage a balance between commercial objectives and broader stakeholder welfare. Applied to AI:Profit should be an outcome of responsible value creation rather than the sole criterion determining technological decisions.

3.6 Aparigraha: Restraint and Responsible Consumption

Aparigraha, generally associated with non-possessiveness or restraint in accumulation, offers an interesting perspective on data-driven commerce. Modern digital businesses often seek to maximize data collection. However, more data is not necessarily better from an ethical perspective. An aparigraha-inspired approach could encourage:

- data minimization;
- responsible collection;
- avoidance of unnecessary surveillance;
- restrained personalization;
- responsible consumption.

This connects naturally with contemporary privacy and sustainability concerns.

4. IKS as an Ethical Compass for AI-Enabled Commerce

The proposed framework suggests that IKS can perform five important functions.

4.1 Purpose Setting

IKS encourages businesses to consider the purpose of technology rather than focusing exclusively on efficiency. AI should be developed not merely because it is technically possible, but because it contributes to meaningful human and social objectives.

4.2 Stakeholder Orientation

A purely shareholder-oriented model may evaluate AI according to return on investment.

An IKS-informed approach encourages organizations to consider:

- customers;
- employees;
- suppliers;
- communities;
- society;
- environment.

This corresponds with the broader orientation towards welfare and social harmony.

4.3 Ethical Decision-Making

Dharma can provide a conceptual basis for asking whether an AI-driven commercial decision is appropriate, fair and responsible.

4.4 Responsible Data Governance

Aparigraha can be interpreted as an ethical argument for restraint in data collection, while satya emphasizes truthful communication about data usage.

4.5 Long-Term Sustainability

Ahimsa and lokasaṃgraha encourage businesses to consider long-term social and environmental consequences. Thus, IKS can move AI governance from a narrow risk-management approach toward a broader value-oriented approach.

5. Implications for Businesses

Organizations adopting AI in commerce can incorporate the proposed framework through an IKS-informed AI Ethics Charter.

Such a charter could include the following commitments:

1. **Dharma:** Every AI system must have clearly defined ethical responsibilities.
2. **Satya:** AI-generated information and commercial communications should be truthful.
3. **Ahimsa:** AI applications should minimize foreseeable harm.
4. **Lokasaṃgraha:** AI should consider broader social welfare.
5. **Aparigraha:** Organizations should avoid unnecessary data collection.
6. **Accountability:** Human decision-makers should remain responsible for AI deployment.
7. **Transparency:** Consumers should receive appropriate information about AI-mediated decisions.
8. **Inclusivity:** AI should not systematically disadvantage vulnerable groups.
9. **Sustainability:** Environmental costs of AI should be considered.
10. **Human oversight:** Important commercial decisions should retain meaningful human supervision.

Such principles would complement rather than replace formal legal and regulatory requirements.

6. Implications for Consumers

AI-enabled commerce can create considerable benefits for consumers, including personalized services, faster transactions, improved product discovery and potentially lower costs.

However, consumers also need protection against:

- hidden algorithmic decisions;
- excessive surveillance;
- discriminatory pricing;
- deceptive personalization;
- manipulative advertising;
- unauthorized use of personal information.

An IKS-informed approach emphasizes respect for consumers as human beings rather than treating them merely as sources of data or purchasing power. This aligns with UNESCO's emphasis on human dignity, human rights, fairness, transparency and human oversight.

7. Implications for Policymakers

Policymakers can use culturally contextual ethical frameworks to complement existing AI governance.

Possible policy initiatives include:

7.1 IKS-Based AI Ethics Education

Business schools, management institutions and technology programmes could introduce modules connecting IKS with AI ethics and responsible innovation.

7.2 Ethical AI Certification

Organizations could voluntarily adopt certification mechanisms assessing AI systems against principles such as fairness, transparency, privacy, accountability and social welfare.

7.3 AI Impact Assessments

High-impact commercial AI systems could undergo ethical impact assessments before deployment.

7.4 Multidisciplinary AI Governance

AI governance should include experts from:

- computer science;
- management;
- law;
- economics;
- philosophy;
- social sciences;
- Indian Knowledge Systems.

NITI Aayog's operationalization framework itself recognizes the importance of participation from government, private-sector organizations, researchers and other stakeholders.

8. Challenges in Applying IKS to AI Ethics

Although IKS provides valuable ethical insights, several challenges must be acknowledged.

8.1 Diversity of Indian Knowledge Traditions

IKS is not a single homogeneous philosophy. India contains diverse philosophical, linguistic, regional and cultural traditions. Therefore, researchers should avoid presenting one philosophical tradition as representative of all Indian knowledge.

8.2 Interpretation Challenges

Ancient concepts were developed in historical contexts very different from today's digital economy. Their application to AI requires careful interpretation rather than direct transplantation.

8.3 Risk of Tokenism

Organizations should not simply add Sanskrit terminology to existing ethics policies without changing actual practices. For example, describing an AI system as "dharmic" does not make it ethical. Ethical claims must be supported by measurable practices such as bias testing, privacy protection, transparency and accountability.

9. Conclusion

Artificial Intelligence is reshaping commerce, creating significant opportunities for innovation, efficiency and economic growth. At the same time, the increasing use of AI introduces complex ethical concerns involving fairness, privacy, transparency, accountability, consumer autonomy, employment and sustainability. Contemporary responsible-AI frameworks provide important mechanisms for addressing these challenges. India's responsible-AI approach emphasizes safety and reliability, equality, inclusion, privacy, transparency, accountability and positive human values. UNESCO similarly emphasizes human dignity, human rights, fairness, transparency, inclusion, environmental sustainability and human oversight.

This paper argues that Indian Knowledge Systems can provide a valuable ethical compass for AI-enabled commerce. Concepts such as dharma, satya, ahimsa, lokasaṃgraha,

nishkāma karma and aparigraha provide complementary perspectives for understanding responsible commercial conduct. The proposed framework does not suggest replacing modern AI governance with ancient knowledge traditions. Instead, it advocates a dialogue between IKS and contemporary AI ethics. Such a dialogue can help develop an approach to AI that is technologically innovative, economically productive, socially responsible and culturally contextual. The ultimate objective should be to move from AI for profit towards AI for responsible value creation.

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