Indian Ethical Traditions and Responsible AI: A New Paradigm for Future Commerce

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Abstract

Artificial intelligence (AI) is rapidly transforming commerce through automated decision-making, personalised marketing, predictive analytics, intelligent customer service, fraud detection and supply-chain optimisation. Alongside these opportunities, AI creates ethical concerns involving privacy, bias, transparency, accountability, manipulation, exclusion and responsible use of data. This research article examines how Indian ethical traditions can contribute to the development of a responsible AI framework for future commerce. Indian intellectual traditions contain a wide range of concepts concerned with ethical conduct, duty, self-discipline, social welfare, non-harm, truthfulness, fairness and responsible stewardship. Concepts such as Dharma, Ahimsa, Satya, Aparigraha and Lokasangraha are examined as conceptual resources that can complement contemporary principles of responsible AI. The study adopts a descriptive and conceptual research design supported by secondary data from scholarly literature, policy documents, institutional reports and relevant frameworks on AI ethics and digital commerce. A structured analytical framework is developed around five dimensions: fairness and non-discrimination, transparency and explainability, privacy and data responsibility, accountability and human oversight, and social and environmental welfare. The analysis indicates that Indian ethical perspectives can provide a culturally grounded lens for responsible technological innovation without replacing established legal, technical or governance safeguards. The proposed framework emphasizes that future commerce should move beyond efficiency and profit maximisation towards trust, human dignity, social responsibility and sustainable value creation. The study contributes to discussions on ethical commerce by connecting Indian Knowledge Systems with contemporary AI governance and business practice. It concludes

that responsible AI in commerce requires an integrated approach combining technological competence, ethical reasoning, institutional accountability and stakeholder welfare.

Keywords: Indian Knowledge Systems; Ethical Commerce; Artificial Intelligence; Responsible AI; Dharma; Consumer Trust; Sustainable Business; AI Governance

1. Introduction

Artificial intelligence has become an important component of contemporary commerce. Businesses increasingly use AI for customer segmentation, recommendation systems, demand forecasting, credit assessment, dynamic pricing, inventory management, fraud detection, recruitment, conversational commerce and business analytics. These applications can improve efficiency and responsiveness, but they also create questions about how commercial decisions are made and who bears the consequences of automated systems. An AI-enabled marketplace can be technically efficient while still producing unfair, opaque or socially undesirable outcomes. Responsible AI therefore requires attention not only to what technology can do, but also to what organisations should do with that technology.

The ethical dimension of commerce is particularly important because commercial transactions involve relationships among businesses, consumers, employees, communities, governments and the environment. Digital systems can influence what consumers see, how prices are presented, how creditworthiness is assessed and how personal information is collected and used. When these processes are automated, ethical responsibility cannot be transferred entirely to software. Organisations remain responsible for the design, deployment, monitoring and consequences of AI systems.

Indian ethical traditions offer a potentially valuable conceptual resource for this discussion. Indian philosophical and knowledge traditions are diverse and should not be treated as a single uniform doctrine. Nevertheless, several recurring ethical ideas emphasise responsible action, self-restraint, truthfulness, non-harm, duty and concern for collective welfare. Dharma may be interpreted in a broad ethical sense as responsible conduct according to one's role and obligations; Ahimsa highlights non-harm; Satya emphasises truthfulness; Aparigraha encourages restraint from excessive possession; and Lokasangraha is associated with sustaining social order and collective welfare. These ideas can be studied as ethical lenses rather than as direct substitutes for modern law or technical standards.

The central argument of this article is that responsible AI for future commerce can benefit from a dialogue between contemporary AI governance and Indian ethical thought. Such a dialogue may strengthen organisational reflection on fairness, human dignity, accountability, social welfare and sustainable value creation. The study therefore proposes an interdisciplinary framework that connects ethical traditions with practical responsible-AI requirements in commerce.

2. Literature Review

The literature on responsible AI generally emphasises principles such as fairness, transparency, accountability, privacy, safety, human oversight and non-discrimination. International policy discussions have increasingly moved from high-level ethical principles towards governance mechanisms such as risk assessment, documentation, impact assessment, monitoring and accountability. In commerce, these principles are relevant because AI systems increasingly participate in decisions that affect consumers, workers and business stakeholders.

AI and consumer trust are closely connected. Consumers are more likely to accept automated systems when they perceive them as understandable, fair, secure and beneficial. However, excessive personalisation can also create concerns about surveillance, manipulation and loss of autonomy. The literature therefore suggests that trust should not be treated simply as a marketing outcome; it should be supported by organisational practices that respect rights and provide meaningful safeguards.

Algorithmic fairness is another major theme. Historical data may reproduce existing social inequalities, while apparently neutral models can generate different outcomes across groups. Fairness is therefore not achieved merely by removing explicit demographic variables. Organisations may need to examine datasets, model performance, decision thresholds, outcomes and feedback mechanisms. Human review and impact assessment can be particularly important in high-impact commercial applications.

Privacy literature highlights the growing economic value of personal data. AI systems often require large datasets, creating tension between data-driven innovation and individual privacy. Responsible commerce requires clear purposes for data collection, appropriate

security, proportionality, transparency and mechanisms for addressing misuse. Privacy therefore becomes both an ethical and governance concern.

Research on Indian Knowledge Systems (IKS) has explored the relevance of Indian philosophical and cultural traditions to contemporary education, management, sustainability and social responsibility. The literature indicates potential connections between ethical concepts such as Dharma, Ahimsa, Satya and Lokasangraha and modern ideas of responsible conduct. However, care is necessary to avoid simplistic or selective appropriation. Indian traditions are internally diverse, historically situated and open to multiple interpretations.

From a management perspective, ethical traditions can influence organisational culture, leadership, stakeholder relationships and decision-making. The concept of responsible leadership, for example, can be connected with duties towards employees, customers, communities and future generations. Such perspectives can broaden the objective of commerce from short-term financial performance to long-term stakeholder value.

The literature consequently provides a foundation for linking responsible AI with ethical commerce, but a practical framework that explicitly connects selected Indian ethical concepts to AI governance dimensions in commerce remains comparatively underdeveloped. This article addresses that need through a conceptual analytical framework.

3. Research Gap

Existing studies on AI ethics largely draw on contemporary principles such as fairness, transparency, accountability, privacy and human oversight. Separately, studies of Indian Knowledge Systems examine ethical concepts, cultural values and their potential relevance to modern life and management. A gap exists at the intersection of these two bodies of literature, particularly in relation to future commerce.

- Limited integration of Indian ethical concepts with practical responsible-AI requirements in commercial organisations.
- Insufficient attention to how culturally grounded ethical reasoning can complement technical and regulatory AI governance.
- Need for a commerce-specific framework linking AI ethics with consumer trust, stakeholder welfare and sustainable value creation.

- Need to distinguish the philosophical interpretation of Indian ethical traditions from enforceable legal and technical requirements.
- Limited conceptual treatment of ethical responsibility across the full AI lifecycle, from data collection and model development to deployment, monitoring and review.

4. Problem Statement

The increasing adoption of AI in commerce creates a dual challenge: organisations must obtain the benefits of intelligent automation while preventing unfair, opaque, intrusive or harmful outcomes. Existing responsible-AI approaches provide important principles and governance mechanisms, but commercial organisations may still struggle to translate broad ethical principles into organisational values and everyday decisions.

At the same time, Indian ethical traditions contain concepts concerned with duty, truthfulness, non-harm, restraint and collective welfare, yet their possible contribution to responsible AI in commerce has not been sufficiently systematised. The problem addressed by this study is therefore how selected Indian ethical perspectives can be meaningfully integrated with responsible-AI principles to support trustworthy, inclusive and sustainable future commerce.

5. Objectives of the Study

- To examine the relevance of selected Indian ethical traditions to responsible AI in commerce.
- To identify major ethical risks associated with AI-enabled commercial activities.
- To connect Indian ethical concepts with contemporary responsible-AI principles.
- To develop a conceptual framework for ethical and responsible AI adoption in future commerce.
- To examine the implications of responsible AI for consumer trust, stakeholder welfare and sustainable business.
- To provide practical recommendations for organisations seeking culturally informed and accountable AI governance.

6. Research Questions / Hypotheses

Research Questions

- What ethical principles are most relevant to responsible AI-enabled commerce?
- How can selected Indian ethical traditions complement contemporary responsible-AI principles?
- What are the major ethical risks associated with AI adoption in commercial activities?
- How can responsible AI strengthen consumer trust and stakeholder welfare?
- What organisational mechanisms are required to translate ethical principles into AI governance?

Hypotheses / Propositions

- H1: Perceived responsible-AI practices are positively associated with consumer trust in AI-enabled commerce.
- H2: Greater transparency and explainability are positively associated with perceived fairness of AI-enabled commercial decisions.
- H3: Stronger privacy and data-responsibility practices are positively associated with consumer confidence in digital commerce.
- H4: Human oversight and organisational accountability are positively associated with perceptions of responsible AI.
- H5: Ethical values emphasising non-harm, truthfulness, duty and collective welfare provide a useful conceptual foundation for responsible AI governance in commerce.

Note: The propositions are framed for future empirical testing; this article does not claim statistical confirmation without primary survey data.

7. Research Methodology

7.1 Research Design

The study adopts a descriptive, exploratory and conceptual research design. It synthesises literature on responsible AI, AI governance, ethical commerce, consumer trust, sustainability and Indian Knowledge Systems. The design is appropriate because the principal purpose is to develop an integrated conceptual framework rather than to estimate a population parameter from a primary survey.

7.2 Population and Sample

For the secondary-data component, the population consists of relevant scholarly publications, policy documents, standards, institutional reports and authoritative materials addressing AI ethics, digital commerce, Indian ethical thought and responsible business. A statistical sample is not claimed because the study is primarily literature-based. For future empirical validation, the proposed population may include consumers, commerce students, managers, digital-business professionals and AI practitioners, with an appropriately calculated sample size.

7.3 Sampling Technique

Purposive sampling is used for selecting literature and documents that directly address the research questions. Priority is given to peer-reviewed research, authoritative policy frameworks, recognised standards and primary or institutional sources. The selection emphasises relevance, credibility, conceptual contribution and direct applicability to commerce and responsible AI.

7.4 Data Sources

The study relies on secondary sources including academic books and journal articles, government and intergovernmental publications, responsible-AI frameworks, standards, institutional reports and credible research publications. Classical and scholarly interpretations of selected Indian ethical concepts are used to provide conceptual context. The article avoids treating a single text or tradition as representative of all Indian philosophical thought.

7.5 Data Collection Method

Data were collected through structured literature identification and thematic review. Relevant materials were grouped into themes including ethical principles, AI risks, governance mechanisms, consumer trust, sustainability, stakeholder responsibility and Indian ethical concepts. Thematic comparison was then used to identify conceptual correspondences and areas requiring caution.

7.6 Research Instrument

A conceptual document-analysis matrix serves as the research instrument. The matrix records the source, ethical concept or AI principle, commercial application, potential benefit,

ethical risk, governance mechanism and relevance to future commerce. This instrument supports systematic comparison across heterogeneous sources.

7.7 Tools and Techniques

The principal analytical techniques are thematic analysis, conceptual mapping, comparative analysis and framework development. The study uses qualitative interpretation rather than inferential statistical testing. A proposed empirical extension could use Likert-scale items, reliability analysis, descriptive statistics, correlation and regression or structural equation modelling after primary data collection.

7. Data Analysis and Interpretation

The analysis organises the literature into five core dimensions of responsible AI for commerce: (1) fairness and non-discrimination, (2) transparency and truthfulness, (3) privacy and responsible use of data, (4) accountability and human oversight, and (5) social and environmental welfare. These dimensions are then related to selected Indian ethical concepts.

Indian ethical lens	Responsible-AI dimension	Commerce application	Expected ethical contribution
Dharma	Duty and accountability	Responsible AI governance	Clarifies organisational responsibility and role-based obligations
Ahimsa	Non-harm and safety	Consumer protection; risk controls	Encourages prevention or reduction of foreseeable harm
Satya	Truthfulness and transparency	AI disclosure; advertising; explanations	Supports honest communication and explainability
Aparigraha	Restraint and non-excess	Data minimisation; responsible consumption	Encourages proportional data collection and reduced excess
Lokasangraha	Collective welfare	Inclusive and sustainable commerce	Broadens value creation towards stakeholders and society

The analytical mapping suggests that the ethical concepts do not function as one-to-one substitutes for modern AI governance controls. Instead, they provide an additional normative lens. For example, Satya may support the organisational aspiration for truthful AI communication, while formal transparency requirements determine what information must actually be disclosed. Similarly, Ahimsa can encourage harm prevention, while technical safety testing, monitoring and incident response operationalise that commitment.

The analysis also indicates that responsible AI should be considered across the AI lifecycle. During data collection, privacy, consent and proportionality are important. During model development, fairness and data quality require attention. During deployment, explainability, human oversight and user communication become important. After deployment, monitoring, audit, complaint handling and corrective action are required. Ethical values can therefore be embedded as organisational decision criteria across each stage.

8. Findings

- The study identifies a strong conceptual alignment between selected Indian ethical values and contemporary responsible-AI concerns, while recognising that the concepts arise from different intellectual contexts.
- Responsible AI in commerce requires more than technical accuracy; it also requires fairness, transparency, privacy, accountability, human oversight and stakeholder welfare.
- Consumer trust is likely to depend on observable organisational practices such as clear communication, privacy protection, fair treatment and mechanisms for redress.
- Indian ethical concepts can serve as value-oriented principles that help organisations articulate why responsible AI matters, while standards, law and technical controls explain how it should be implemented.
- Data responsibility is particularly important in AI-enabled commerce because commercial systems often depend on extensive personal and behavioural information.
- Human oversight remains essential where automated decisions can significantly affect consumers, employees or other stakeholders.
- The proposed framework connects ethical reflection with operational governance and therefore offers a basis for future empirical testing.

9. Suggestions

- Develop an AI ethics policy that explicitly assigns responsibility across the AI lifecycle.
- Conduct algorithmic impact assessments before deploying high-impact commercial AI systems.
- Adopt privacy-by-design, data minimisation and strong information-security practices.
- Establish human review and escalation mechanisms for consequential automated decisions.
- Provide understandable explanations and clear communication about relevant AI-enabled interactions.
- Create regular fairness, performance, security and bias-monitoring procedures.
- Integrate selected ethical principles such as duty, non-harm, truthfulness, restraint and collective welfare into organisational ethics training.
- Develop commerce-education modules combining AI literacy, business ethics, IKS and sustainability.
- Engage consumers, employees and other stakeholders in the design and evaluation of high-impact AI systems.
- Undertake empirical research using validated scales to test the proposed relationships between responsible AI, ethical perceptions, trust and sustainable commercial outcomes.

10. Conclusion

Artificial intelligence is reshaping the structure and practice of commerce, but the future of intelligent business cannot be defined by technological capability alone. Responsible AI requires organisations to address fairness, transparency, privacy, accountability, safety, human oversight and stakeholder welfare. Indian ethical traditions provide a culturally meaningful additional lens through which these responsibilities can be understood.

The study demonstrates conceptually that Dharma, Ahimsa, Satya, Aparigraha and Lokasangraha can be connected with contemporary concerns about duty, non-harm, truthful communication, restraint in data practices and collective welfare. These concepts should not

be treated as replacements for law, technical standards or formal governance mechanisms. Rather, they can complement them by strengthening the ethical reasoning that guides organisational decisions.

The proposed paradigm therefore places responsible innovation at the centre of future commerce. The objective is not to reject AI, but to shape its development and application so that innovation creates durable value while respecting human dignity, consumer agency, social welfare and environmental responsibility. Future empirical research can test the framework across industries and stakeholder groups. Such work can help transform responsible AI from a set of abstract principles into an everyday organisational practice. The integration of technological competence with ethical wisdom can consequently contribute to a more trustworthy, inclusive and sustainable future of commerce.

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