Artificial Intelligence Governance

Bakhit Moh'd Al Dajeh[1]

Abstract

Research on AI governance is important towards potentially useful and constraining affordable misuse, reduce new risks and economic trends that threaten to disrupt public political and economic trends, and drive off target as interest in advanced AI systems and the norms, focal points, and use of new AI research are potentially transformative and governance institutions aim to prevent. Potential public benefits from policy community re-using AI research are enormous, including reduced economic instability. A fundamental challenge in AI governance is a cognitive framing challenge: governing AI research requires understanding new kinds of safety risks, performance goals, and intended applications that advanced AI systems will make possible. Specifically, the letter focuses on how AI research could mitigate issues such as the possibility of AI capabilities getting concentrated within a small and hard-to-regulate group of actors, and ultimately recommends the prioritization of open research and collaboration, with concern for long-term social and economic looming to the forefront of coalitions if AI becomes an increasingly important aspect of the future economy and society.

Keywords: *Ai; governance; regulatory frameworks; legal aspects; ethical ai design.*

Introduction

Efficient, continuous, and effective AI governance is necessary to unleash the technological advancements and benefits that AI can bring and to address the disruption and dislocation caused by the technology's natural lifecycle and capability to learn. Effective AI governance might enable the achievement of objectives such as leading economic, capability, and lasting prosperity, and improving the human condition such that all citizens can thrive and benefit throughout their life._AdjustorThunk

Be it through the simple assignment of a maintenance task to a wind turbine (K. Hadfield & Clark, 2023), or the testing of a potential treatment for a threatening disease such as COVID-19 (R. Pinsky et al., 2024), artificial intelligence (AI) is becoming a crucial instrument for society and its leaders to undertake the major transformative challenges of the twenty-first century. To equip AI with the capacity to fulfil society's core objectives (e.g., enabling economic potential, improving health, welfare, and security, managing resources, mitigating emergent threats, and, especially relevant in the COVID-19 era, enhancing the management of difficult, irreversible transitions across systems) and to govern competently the rapid, disruptive consequences of AI emerging autonomously—an endeavor illuminated by the paradox of 'governance of the AI, by the AI, and for the AI' (W. Torrance & Tomlinson, 2023)—requires a decisive and competent response from the international community.

Importance of Artificial Intelligence Governance

There are increasingly numerous actors with divergent and often conflicting values, whose interactions are ever more influencing in high-stakes systems. As AI systems move into ever more high-stakes domains, it is increasingly important to ascertain about how any consequential systems will be governed, including by whom, with what tools, and toward which ends. This essay is a high-level overview of AI governance, encompassing considerations of what it means to govern AI reliably, integrate it productively in our lives, and serve public interest in a rapidly maturing, but little understood technology. AI governance sits at the crossroads of compliance and ethics. If compliance is "You should monitor the bleed rate and treat the symptoms," then ethics is "You should also fix the hole before the patient bleeds to death" (Kazim & Soares Koshiyama, 2021). Beyond intent, the governance of AI is an imperative if we want humans to trust AI and beyond individual compliance it calls for a common framework for governance (McGregor & Hostetler, 2023). Its aim is to optimize a requirement set that includes concepts about efficiency, rank-seeking between values, accountability, and confidentiality. Its optimization will approach regulator's aims and constraints, continuing until requirements dominate value. The present work narrows the definition to focus on governance for AI systems, their creators, and their deployers at the corporate and organizational

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[1] Assistant Professor of Civil Law- Faculty of Law - Zarqa University – Jordan. Email: balayedaldajeh@zu.edu.jo

level. From within this frame of work, AI governance is essentially a practice designed to drive value and confidence in the outcomes that AI systems will deliver.

Artificial Intelligence (AI) systems are powerful, but their potential for harm is also considerable (Ji et al., 2023; Torres & George, 2023; Tsaurai, 2023). They can perpetuate biases, displace jobs, widen disparities, and create monopolies, raise the cost of disinformation with new methods of manipulation and production of toxic media, and jeopardize global security with an AI race for global superiority. They can also pose existential catastrophic risks to humanity, such as unemployment or tools which are catastrophic or are likely to be used to bring about catastrophic outcomes. Hence, the task of governance is crucial to steer AI towards beneficial and safe development and deployment.

Ethical Considerations

The ethics of AI can be used to classify AI technologies outside or inside of the organization. The Copynations will function as government of the AI, deviced AI locker, and softjurisdiction. AI governance focuses on the variety of technical practices in particular fields, including production and supervision of AI or the services. In AI technology, it's about how to include reliable services. However, not all governance relates to the technologies themselves, the leading strategies government on specific conditions or command surveys that support their socialities of AI technology will often deviate from the other article.

For example, ethical guidelines are distinct and relate to AI research and application. AI research involves inquiries about data, as these AI systems and their management come from different areas in AI, such as face, fairneess, accuracy, accountability, security, privacy, and privacy. Next, an abundance of AI ethical principles reviewed historical literature that anticipated AI technology. Various fields and technologies such as AI, flood them. It should be prioritized by communication between the product data and metal team, rather than general ethics, and decisions on the controversy's resolution.

The complex nature of AI technologies makes evaluating their ethical impacts difficult. AI technologies, including machine learning, deep learning, natural language processing, and computer vision, have demonstrated both great successes (Kazim & Soares Koshiyama, 2021) and challenges, particularly with respect to existing norms, values, and power structures (Radanliev & Santos, 2023). AI technologies are reshaping societies through decision-making in financial, employment, and healthcare systems and impacting social systems through predictive and monitoring capabilities. Algorithmic decision-making systems have innovated operations and can improve efficiency through automation monitors and compliance. The impacts of AI raise many ethical issues, but current AI governance is fragmented, with mapping efforts and proposals dispersed beyond efforts made by the general data protection return (GDPR) (McGregor & Hostetler, 2023).

Accountability and Transparency

Heeding for the collectively agreed regime on AI principles, the state regulatory enforcements can be looked over at as an unsuited and unworthy endeavour in enabling AI governance, presently. To overcome the trends and the black boxes control and secrecy, corporate culture changes with regulatory enforcement shifts are mandated for rendering transparency, and explainability. These regulatory enforcements are crucial to dictate the guidelines, structure and substance of AI governance, availability, accessibility and transparency for future AI tribunals. There should be compliances by adherence and by updating according to the laws, enforceability by adjudication, social acceptance, and in eliminating uncertainties. There should be clarity on the roles and responsibilities. There are more chances that these kinds of duties and liabilities also act as a norm for an AI provider for not producing any output with the foreseeable defects.

With the evolving technology like AI, to ensure the AI system acts in accordance with legal, ethical and social responsibility, there is a need for an accountability framework that binds the AI manufacturers and users, in order to align AI systems to national and international legal standards and to respect fundamental rights including privacy and data protection. This regulatory framework is AI governance (Gill et al., 2022). AI systems must follow the principles of transparency i.e., the decision-making process followed by AI system is transparent, the AI system should be understandable, the algorithms and working of AI systems must be intelligible and easy for policy-makers and regulators to understand and interpret that could make them more accountable. They need to comply with intellectual property rights, data protection law and

other such laws and policies. AI systems should be reliable and secure over different environments, and systems should be explainable and socially beneficial in their process .

The current AI systems named as "Black-Box" are complex and have self-regulated and self-adjusting capabilities which is a non-linear relationship between the inputs and outputs. The development of machine learning and deep learning algorithms in which systems are trained on data and that continuously learn, adapt and adjust autonomously (Gupta et al., 2022). AI is unique because it is data-driven and relies on vast amounts of data and complex pattern recognition, it often performs in a manner that is incomprehensible or unpredictable to humans. As a result, AI can make decisions that appear high quality in the narrow task for which the system was designed, but that are problematic with respect to broader societal norms (McGregor & Hostetler, 2023).

Current Challenges in AI Governance

Relational challenges rest on social dilemmas when establishing and maintaining relationships with stakeholders. In this regard, the unmanageability of the complexity of the relationships and the challenges go hand in hand.Infosheets by governments or Soft Law consortiums can function as starting points for managing relationships in AI projects. To transform these Infosheets into a common standard to express clear stakes is on some firms and governments to decide. In addition, coalitions amongst stakeholders might help in establishing common ground where different interests are perceived and to ponder the pros and cons of an implementation from various points of view. To go a step further, the expression of tolerance in decision-making processes is one of the core aspects. This requires the capability to gain sufficient decision-making capabilities to counteract external responses. To foster a well-balanced decision-making, education on these aspects needs to be given utmost priority, the interviews suggest.

Current challenges in AI governance consist of three crucial dimensions: structural, procedural, and relational (Papagiannidis et al., 2023). Structurally, organizations experience the importance of clearly defined roles, responsibilities, and decision rights in the deployment of AI technologies. Specifi- cally, with respect to AI, challenges are associated with uncertainties or ambiguities in the accountability for accountability of algorithm decisions. Procedural challenges come in different facets and are causally connected with structural challenges. On one hand, major hierarchies tend to reflect intransparency when decision-making is in place. On the other hand, organizations struggle with procedural consequences of decision power allocation. The all-encompassing character of AI governance highlights the perceived lack of guidelines on regulatory filings and tax schematizations (K. Hadfield & Clark, 2023). One crucial procedural tenet, not just in times of AI, is on how to involve and to evaluate stakeholders' interests in decision-making processes. When involving stakeholders, power-related effects like the imposition of external interests on the decision-making party, that could be enhanced through AI technologies is to be considered. Furthermore, the introduction of AI technologies intrinsically demands organizational and individual change.Therefore, AI ethics matter both to gain trust and for reducing potential resistance (Leech et al., 2024).

Bias and Discrimination

Bias in algorithms, in particular machine learning models, can emerge at multiple stages between raw data acquisition and the use of model outputs in decision making. Common sources include structural inequalities made visible by data, historical injustice captured by biased training data and endpoint discrimination by the algorithm. There is also potential for human-induced biases throughout the development and use of an algorithm. Discrimination occurs where a decision-making process puts a specific group at a systematic disadvantage. In the EU as an example, discrimination law is primarily concerned with unequal treatment based on race or ethnic origin, religion or belief, disability, age, or sexual orientation. When setting boundaries for algorithmic discrimination in an operationalized sense, it is important to keep in mind that the European Union's understanding of discrimination extends to the denial of reasonable accommodations and non-economic harm as a consequence of disadvantaged treatment.

Bias and discrimination are well-recognized concerns in artificial intelligence and also in the broader context of algorithmic, data-driven decision making (Ferrer et al., 2020). Algorithmic bias, whether induced directly by machine learning models trained on biased data or caused by inappropriate model formulation, is in general considered a negative aspect of AI and, by extension, its applications, as are potential downstream

harms such as discrimination based on protected characteristics. AI fairness and the assessment, handling, and mitigation of bias and discrimination are core to the various governance mechanisms and regulatory initiatives addressing them. Yet, inter-disciplinary differences in the understanding and operationalization of bias and discrimination have been so far given less consideration in AI governance. Furthermore, divergence in the assessment and attribution of data bias and model discrimination with respect to legally and ethically relevant characteristics is still a highly disputed aspect, particularly if trade secrets, confidentiality, or intellectual property rights are concerned.

Privacy and Data Protection

Moreover, Privacy Law often does not preclude disparate impact lawsuits. This is because Privacy and Antidiscrimination laws seek to enforce different policies (Saheb, 2024). Furthermore, Privacy Law and Antidiscrimination law use different theories of liability and measure of harm. Despite differences, proponents argue that Privacy law, including GDPR, can mitigate the disparate impact of AI-based decisions.

While AI can help to reduce disparate impact, it can also amplify disparate impact. Only focusing on privacy harms, such as the exposure of sensitive images, this paper shows that current antidiscrimination law is unlikely to address many disparate impacts. This is because EU, UK, and US non-discrimination law is generally equity law, which focus theories of liability on fault, intent, reasonableness, and nondiscrimination, rather than negligence, on outcomes (Rezaeikhonakdar, 2023). Other reasons to question the ability of antidiscrimination law to address the disparate impact of AI-based decisions include the difficulty in demonstrating a specific intent or it is existence in judges, even in criminal law. Furthermore, proving a general policy of discrimination in civil law is notoriously difficult. Finally, most judicial interpretations of statutes speak to disparate treatment and intent rather than disparate impact, unless intent is readily apparent.

The merging of different types of healthcare data in the data hub may also bear risks. KTQ has the task of ensuring that the data controllers - the users of its tech tools - comply with data protection standards. If KTQ requires data controllers or understands useful conditions the same way, data controllers may use KTQ to justify against the interests of third parties or individuals. Phrased broadly, KTQ's aim to develop the data hub to a transparently self-regulatory system might result in a lock-in mechanism.

In countries with a part-privatized healthcare system, COVID-19 posed the question of how patient data will be handled by public health institutions but also used by private companies for the purpose of commercial research (Kazim & Soares Koshiyama, 2021). One actor that has been traditionally involved in the handling of personal medical data is the pharmacy. With the expansion of its data hub to Austria and the announcement to include health data if the patient agrees to do so it takes a new privacy relevant role within this self-regulatory system. Patients will not only have to trust that pharmacies will safely handle their data as data controllers but also KTQ as a third-party tester of data protection standards. Both tasks could be problematic. The European subsidiary of KTQ was successfully challenged in German courts reducing its authority over its national branches. The autonomy and authority of the parent company in Austria have so far not been tested.

Security and Cybersecurity

Growth in AI adoption and AI-powered solutions will frequently integrate cybersecurity, and, as a result, there would be emergent properties that derive AI application as a "system" in the technology stack. AI integration necessitates a parallel constructive approach in addressing AI application through governance mechanisms (McGregor & Hostetler, 2023)._AI has a lot of potential to boost cybersecurity. AI's effectiveness could make machines an active element in improving network security, but protecting AI will also be a cybersecurity concern because bad actors could target AI models. However, cybersecurity is difficult to implement since it has an enormous scale and adverse force stacked in attackers' favor. Additionally, current cybersecurity solutions have some downsides which AI could potentially be good at addressing.

In particular, AI could enhance, and pose risks to, security and cybersecurity. Automation and corresponding advances in speed, scaling, and overall capabilities offered by AI can revolutionize cyber capabilities in various disciplines, like computer network operations (e.g. scanning, targeting, and

exploitation), network defense, and more. In certain instances, AI-based defenses have been efficient at improving cyber postures; however, widespread acceptance of AI commensurate with defensively and offensively viable technologies will also transform cyber volume, leading to a contest of defensive and offensive AI. Almost all AI implementations require technical data collection and computer communication, thus triggering cybersecurity considerations associated with internet-connected devices.

Artificial intelligence (AI) technologies are widely regarded as transformative since they are expected to significantly affect all sectors and allow data-driven solutions to problems that have been intractable thus far (R. Pinsky et al., 2024). Over the last five years, investment in the AI ecosystem has significantly increased as large-scale digital systems correlated with AI have become deeply rooted in society. Worldwide, AI impacts key areas such as national security, the economy, the environment, geostrategic domains, the delivery of government services, and localized community services. National governments, non-governmental organizations, academia, and industry must continue discussing both primary and subsidiary ramifications of AI. The key areas are AI readiness, governance, workforce/skills, funding, applied research, and data availability and access. The subsidiary caption areas must also be broadened, including trusted AI, AI competitiveness, and AI promotion (Papagiannidis et al., 2023).

Frameworks and Guidelines for AI Governance

Deciding how an AI system should behave when it encounters these ethical dilemmas involves the development and specification of concrete ethical frameworks. The in-principle ethical decision frameworks rely on different normative theories, such as deontology, consequentialism or virtue ethics, and are encoded in an algorithmic manner as decision procedures. The in-practice ethical decision frameworks aim to resolve tensions between the different ethical principles or deviating from the formalizes ethical decision modules entirely. Different strategies for specifying in-practice ethical decision modules exist and include the use of soft constraints and bounded-variable logics as well as data-driven and adversarial approaches. We recommend the formalization of collective norms, targeted transparency and shared ethical decision models as directions to further develop in-practice ethical decision modules (Kazim & Soares Koshiyama, 2021).

The ethical dilemmas that arise when governing AI systems involve fairness, non-discrimination, accountability, transparency and harms in signal-independent decision contexts. We recommend the use of archetypal dilemmas to better understand the impact of different ethical decisions, the collection and sharing of more relevant datasets, and the use of ensemble-based decision-making to navigate uncertain fairness requirements (Cebulla et al., 2022).

Frameworks and guidelines for AI governance are essential, as AI systems become more prevalent (Yu et al., 2018). This paper analyzes recent advances in technical solutions for AI governance, which relies heavily not only on algorithms but data and societal systems as well. We propose a taxonomy dividing the field into four areas: exploring ethical dilemmas, individual ethical decision frameworks, collective ethical decision frameworks and ethics in human-AI interactions. The paper highlights key techniques and discusses future research directions for the successful integration of ethical AI systems into society.

International Efforts

To address AI governance-related themes a combination of principles, standard and a series of unalike governance instruments is employed. Several governance solutions have been already proposed, primarily at the regional or national level. In Europe, the European Union recently announced to stakeholders and citizens about the establishment of governance structures for AI. The Proposal introduces five categories of AI, i.e. unacceptable, high-risk AI, limited risk AI, minimal risk AI, and the Proposal uses those categories to then state that the European AI governance structures include a series of governance instruments in order to govern possible harmful forms of AI. While in the US, some of the trends represent challenges to AI governance mechanisms, since the country appears increasing sceptic toward the implementation of AI governance systems (Kazim & Soares Koshiyama, 2021). The book offers some uniquemethodological tools to provide the analysis of soft-law instruments and presents a general definition of them. The book represents a key source of information for cherry-picking the soft-law instruments designed, in the area of AI in the field of scientific research and innovation, with the aim of highlighting the themes that are challenged by the governance instruments and normative principles and pointing out in a comparative

perspective which one of the governance proposals enables the best institutional set up for the governance of AI in the scientific research and consequently represent the smart choice of the legislator in response to the democratization of AI.

Policymakers face the complex landscape of international AI governance and discuss how the process of AI governance takes place in the context of the political and legal disputes between several collective actors (González-Esteban y Patrici Calvo, 2022). The European Union, in particular, has submitted a proposal for an AI governance system and has begun to promote coordinated efforts. The collective actors are struggling to define standards, principles and obligations for entities involved in the creation and dissemination of AI products and systems (Radanliev et al., 2024). The factors of governance of AI on the international level include complex dynamics, as a consequence of the heterogeneous legal and political traditions existing in different parts of the world, the tension between the legal authorities and the social process of the law, and the concern for AI's democratic implications.

Government Initiatives

The domain of artificial intelligence (AI) is currently experiencing a prolonged and significant period of growth and expansion. This is occurring both within the field of scientific research and innovation and in a variety of other sectors, where the profound social, economic, and ethical implications of AI are evident. As a standard response to such concerns, a large, international body of research, legislation, and codes of conduct is currently being developed to address the ethical, economic, and security implications of AI. Together, these measures are known as governance systems. Many initiatives also safeguard the public interest by promoting education and awareness and by conducting research to understand AI's impact and engage AI developers in the design of governance systems.

In the AI sector, numerous government initiatives have been created across a wide range of governance levels and contexts. Although each initiative is distinguished by its own unique characteristics, they can be used to categorize the types of objectives, principles, and governance measures that have been proposed in a comprehensible, systematic manner. These categories are instrumental in the sense that they cover an extensive range of ways that are necessary for the governance and management of AI technologies (Kazim & Soares Koshiyama, 2021). Therefore, to maximize their utility, they must be spread widely and integrated into existing regulations, standards, and norms, such that they are capable of being leveraged for the purposes of AI governance.

Government initiatives on the topic of artificial intelligence (AI) can offer several advantages (González-Esteban y Patrici Calvo, 2022). These include access to specialists with experience in governance, law, political science, and other fields, as well as greater resources. Government officials often have a detailed understanding of certain sectors and are aware of the many political, economic, and legal contexts in which AI is used. AI governance initiatives, like branches of government, can command considerable authority and power, which can make it easier for them to propose strong governance measures and enforce them (Batool et al., 2023).

Industry Best Practices

In recent years, an increasing number of best practices guidelines have been developed for AI, and many of these efforts are now turning toward accumulative impacts. Unlike standards, best practices are more rapidly developed and periodically reviewed and updated, which enables them to better accommodate the field's rapid technical advancements and the fast changing ethical and governance landscape. While understanding these ways is crucial for future cooperation between stakeholders, these ways at the same time provide heuristics to organize industry-led best practices and their impacts.

Conclusion

A typical ISO-led process follows a staged approach; starting with working groups securing top-level agreement of needs to be covered by the standard, to defining a framework, elicitation/consultation/inclusion stage, to drafting a standard, to public comment, to standards approval, to implementation and application when used as a basis of legislation and public policy. AI best practices should be shorter-term (Yu et al., 2018).

Problem-Driven vs Activity-Based Standards

Standards are a frequently discussed tool for ensuring that AI practices align with a wider range of stakeholder needs, and it might have been expected that discussion of best practices would largely focus on development of these standards. However, recent meetings between aligned stakeholders (including standards development organizations and industry-led best practice efforts) have emphasized that standards are slow, high-bar and often relatively inflexible (Constantinides et al., 2023). This fact has, paradoxically, made best practices more attractive to many stakeholders, particularly those working in smaller enterprises and niche areas, who see them as more accessible and easier to use.

Standards

Efforts to develop and promote best practices initiatives in the field of artificial intelligence (AI) have grown over the past several years, both across individual companies and by independent industry groups trying to foster consistent AI approaches across multiple sectors. Companies like BSA, IBM, Intel, and Microsoft, for example, have each sought to advance discussions of responsible AI through the establishment of various board-level efforts and partnerships; and industry groups like the T20 recently went so far as to highlight industry-led best practices as one of the key means of addressing AI challenges on an international scale (Nganyewou Tidjon & Khomh, 2022). The cautious embrace of industry-led AI best practices is a symptom of many factors, but is chiefly a reflection of the reality that industry groups are often best positioned to translate broad frameworks into specific practices. Moreover, while they are not a silver bullet, best AI governance practices can redound to various social benefits, so their use is often broadly popular.

Introduction

Regulatory Approaches to AI Governance

Taking problems of regulatory dialectics as a point of departure, here, we offer a framing of AI governance as a socio-technical exercise revolving around attempts to anticipate and govern its far-reaching implications for society both in the short and the long run. We construct this framing with reference to its institutional underpinnings, the Public Quality of AI, and argue that it captures the interplay between public and private interests that should shape the contours of the AI regulatory landscape. AI technology presents a range of challenges that are not currently well addressed because they span a variety of domains and do not fit neatly into any existing regulatory framework. The article reviewed commercial software liability in general, then examined the potential for such broad-based liability to compensate people adversely impacted by AI systems. The article then raised the risks of having too broad a software liability regime, warning that overly aggressive liability could stifle the development of transformative AI technologies.

Given the growing policy concerns about the application and diffusion of AI-based technologies, regulatory approaches are becoming an increasingly relevant topic both at the legislative level and a subject of scholarly inquiry (Papagiannidis et al., 2023). Three main courses of action have emerged for policymakers and regulators as they contemplate their responses to AI: i) a case-by-case or ex-post ill-defined rules and standards; ii) technology-prescriptive regulation; iii) impact-based regulation (McGregor & Hostetler, 2023). Together with the ever-increasing rhetoric that pits the economic potential of AI against regulatory risk, the regulatory dilemma surrounding AI also produces a problem of language: the illegible and often opaque nature of the technology complicates not only its governance but also the very process of public deliberation around it (Choudhury, 2022).

Self-Regulation

Despite the availability of ethical guidelines, discussions on operational principles, and self-regulation of firm behaviors, the concern regarding transparency, fairness, accountability, explainability, and security of AI still remains and there are increasing calls from various stakeholders –including AI users, consumers, employees and members of the general public- for centralized regulatory interventions. There can be several reasons for user dissatisfaction with firm self-regulation. One potential reason is that firms' understandings of "responsible AI" can differ from those of AI users and other stakeholders given the diversity of organizational contexts, institutional constraints, and end-user requirements. Moreover, the methodologies and metrics used to define and diagnose issues in modern AI systems are not well established. Techniques may evolve and there could be substantial lags between the time when actions are taken and their potential

impacts are measured. A credible commitment to oversight, transparency, and user representation is also missing from many firm self-regulatory initiatives. Neither users nor regulators currently have the information necessary to assess the effectiveness of many responsible AI systems.

The absence of effective AI governance can cause serious harms to society, with substantial economic costs and far reaching legal and ethical implications (Gupta et al., 2022). In many instances the behaviors of AI system will closely associated with the principles of developed models (Ji et al., 2023). Currently systems that can be identified as "responsible AI" rest on a series of ethical, organizational, and technical principles. These principles are however non-exhaustive, deeply connected to context and ever-evolving. Given the difficulties in interpreting these principles, organizations interested in AI need to decide how best to operationalize them. This need for operationalization gives rise to the need of self-regulation, a process where organizations disclose information about how they follow the principles and provide justifications for those decisions and outcomes (Lu et al., 2022).

Co-Regulation

The ICCP form documents to investigate structure to investigate, unknown how and not to self-regulate how it will resolve and how it can compel disclosure of discovery. The problem is most agencies and government departments don't have or retain relevant information anyway. They have the ability to monitor how the industry is going and look at problems general patterns that are evidence base where as self-regulation won't. In general, self-regulation doesn't have a light Documentary evidence for monitoring these activities. Self-regulation key stakeholders whether industry or markets don't encourage it. Capture regulatory activity one challenge the industry legitimacy can easily argue that the self-regulation's best product at it. expert and industry body's grasp of it. external scrutiny by regulators including incentive that self-regulated bodies to adopt proactive measures resorted to statutory regulation to counter light touch documentary evidence ground its complaint informal, dispute resolution, powers court of law external remedies enforcement actions.

Ethically governing AI requires collaborative effort between diverse stakeholders including a robust co-regulatory mechanism. Given the complex and multi-disciplinary nature of AI, diverse stakeholders should be involved in AI governance both in the process, shaping the outcome of AI systems and pushing back against unfavorable outcomes. A state-party, private party, or market party, is responsible for establishing appropriate governance system for AI .complaint bodies whose work is to address consumers 'disputes Travel industry ombudsman,Dental Complaint Service,Australian Financial Complaints Authority. We Need for a Co-Regulatory System for AI The process and outcomes of AI governance can affect a range of stakeholders whose dignity and well-being are at stake (Radanliev et al., 2024). These stakeholders should be involved in the construction of AI governance systems designed to protect them.

Governance and co-regulation models have been suggested as a means of effective AI governance and to oversee Governance the development of AI-based applications (González-Esteban y Patrici Calvo, 2022). In AI governance, a fundamental aim is to promote effectiveness, accountability, and due regard for wider public interests. It entails building robust AI systems that are resilient to various forms of tampering and misuse. Responsibility for AI governance cut across technologists, policy makers, legal experts, feminists and other relevant experts. A fundamental goal in Artificial intelligence is to design AI systems so their goals align with human values and societal and environmental interests (Ji et al., 2023).

Government Regulation

Investor demand and competition act as a disciplinary mechanism that encourages attention to AI governance. The financial sector is sometimes assumed to be holding a more competitive position in technology and data governance, thanks to its incentive to protect corporate reputation and profit margins. Thus competition can encourage a race in compliance best practices. For at least a subset of large, high-revenue, or public-facing financial institutions, the need to maintain institutional credibility, authority, and validity as a form of licensing and public acceptance or trust could become the primary gatekeeper of algorithm governance.

Data deemed sensitive that is routinely processed and shared in employment contexts–such as bank data, or student or health data–would be more highly protected. But for as long as algorithm governance is indirect, there is not nearly as clear-cut a case for extending it (regulation) across entities (even less so across

borders). It is possible meanwhile that national and union policy-makers within the EU might encourage or mandate larger companies to share their algorithms.

GOVERNMENT REGULATION Appropriate use of data is also a key concern for many of those primarily interested in managing business risks (McGregor & Hostetler, 2023). As of such, it is plausible that they will take action to mitigate harm from widespread breaches of trust in AI. For regulated entities specifically, responding to regulatory pressure will be the primary driver raising awareness of risks that are inherent to the collection, storage, and sharing of user, customer, and employee data. Entities already subject to legal and prudential requirements that address AI-related risks specifically (e.g., vendor management or onboarding) might extend them to satisfy corporate responsibility with respect to technology-related business risks. If requirements were to explicitly apply to algorithms, they would vary with risk profile (and not be the same for all AIs) in enterprises.

INTRODUCTION The issues in need of some form of AI governance that tend to lead public discussion (like privacy, allocation of decision-making responsibilities, compliance with legal norms, or AI discrimination) are often governed under pre-existing legal or institutional frameworks (e.g., as data protection, or administrative, anti-discrimination, or criminal law) (Roski et al., 2021). Coordinated and automatic methods of processing data at scale can at the same time newly pose individual or systemic concerns that often fall through existing checks and balances. However, a number of technological, financial, and legal conditions have emerged that seem to point in the direction of increased demand for AI-specific governance (Leech et al., 2024).

Role of Stakeholders in AI Governance

References characterizing spot-on alignment in the socio-technical systems of AI governance are crucial and include competencies, limitations, and degrees of knowledge about the flow of technological developments and improvements insofar as they influence outcomes and ascribed knowledge. In practice, the societal influence of AI is acknowledged and taken meaningfully into account. To ensure a balanced and equitable approach to AI engineering practice, its impact needs to be managed effectively and systematically. This also means that societal influence in both building and managing AI needs to be recognised and incorporated effectively, your decisions need to be taken in partnership with policymakers and the community. To ensure the materialization of ethics and suitable standards is enforceable and thus sustainably developed in the development and implementation of AI technologies, AI governance may provide the conceptual and policy mechanisms that cultivate mechanisms and systems that allow for all undesirable outcomes related to AI to be liable.

To address the increasing impact of Artificial Intelligence (AI) and AI-based systems, global efforts are being steered towards creating effective AI governance that includes ethical values (Kazim & Soares Koshiyama, 2021). Efforts to conceptualize the fundamental principles and values to guide the design, deployment, and use of artificially intelligent systems include AI policy from industry, government, and educational institutions, AI-specific ethical guidelines and principles, as well as AI ethics boards and drives to build a variety of standards, guidelines, and frameworks (Lu et al., 2022). In the context of AI ethics or good AI governance, these activities come under the direct influence of stakeholders. The term stakeholders is used broadly to characterize any parties with a concern in AI and AI-based systems (Choudhury, 2022). The potential roles of stakeholders in AI governance and management processes are significantly different. The explicit participation of stakeholders in any AI governance model can be essential. In other governance processes, less rigid models specify requirements and guidelines across a selection of stakeholders, influencing each other and being guided by common interests or certain principles and standards decided upon by stakeholders.

Government Agencies and Policymakers

In parts of the world that have traditionally been reactive to new technology, many government agencies are taking steps to develop thoughtful and future-looking approaches to AI. MEITY is striving to use quality-crafted legislation to address knowledge gaps, and the organization has set up a top-level AI committee to guide its work. Additional task forces led by other officers are tackling various AI-related topics such as data protection, e-surveillance, and intercept tools. Similarly, Europe, a traditional leader in regulation, has been proactive in establishing guiding principles for the ethical development and deployment

of AI. In recent years, EC has passed AI-specific regulations targeting things including the IoT, liability, and data protection. Moreover, members of European governments are working to establish an AI safety and liability testing center that would clarify which AI development is legal and its operational limits. And stakeholders are working together. For example, SEC has established an AI ethics lab that facilitates public engagement by convening policymakers and national deliberation bodies (Plantinga et al., 2023).

Government agencies and policymakers are stepping up to the challenge of regulating artificial intelligence (AI). Some governments have elected to establish new government agencies to conduct AI-related research supply chain issues, national security and privacy concerns, and to strategize about the global AI landscape (Dixit et al., 2021). Policymakers internationally have begun to pass legislation addressing specific AI applications, such as facial recognition technology, even as conversations around broader AI regulation continue. Unlike most AI-specific regulations, which ban or limit certain uses, policies requiring public sharing of certain AI training and testing data have the potential to encourage socially responsible AI development (K. Hadfield & Clark, 2023).

Technology Companies

Despite this, technology companies have been criticized for failings in AI governance, which include not contributing to AI governance, actively undermining AI governance, and 'outpacing' AI governance efforts. Negative impacts of the use of AI and incorrect behaviour averages have frequently been reported publicly. The launching in the existing market of several unethical AI systems which have catastrophic impacts on society over the last few years has also reinforced public doubts about AI. The companies that build and sell AI systems are the recipients of this critique, as well as the effects of the systems. The International Progress Organization has argued that the "market's predilection for negative impacts" comes from an "alignment gap" which is the "tendency for developers and sellers of technologies with potentially harmful impacts to continue offering those systems to customers despite the potential for misuse and the negative ramifications of this misuse".

Technology companies have a critical role in the governance of artificial intelligence (AI). They drive the development and application of AI through research and product development, create AI systems and provide AI-enabled services that disseminate AI throughout all other economic sectors and provide incentives for AI to be used widely. As a result, they have the potential to ensure that they take into account social, ethical, and democratic values in the design and application of these systems and services [ref: 348CE1EF-70A3-4ED0-8E09-998E568F86D9]. Joy et al identify several ways that technology companies can contribute to the governance of AI [ref: BB0ABB3D-BC72-43BC-AB7D-A1D26FBFB068]. They can intentionally work towards 'alignment with human values' in the deployment of AI technologies, and they can demonstrate the 'transparency and replicability' of AI systems to enable accountability. They can strive for collaborative determinations of 'beneficial fitness function', indicating that the objectives to which an AI system is aligned must not be determined solely by the companies or developers behind them. Finally, technology companies must reflect upon the 'respectful treatment and meaningful consent of participants' in the sustainable development of AI.

Civil Society Organizations

In the multilevel framework proposed in the article, since there is the intention to cover all the organizations and individuals that can have a relevant role in the governance of AI, civil society has its own area in the macro level, and a whole specific content throughout the three levels shown in the normative level. There are 2 principles specifically designed for that: representativeness and activism. Moreover, it is considered the participation from civil society, as well as the protection of their rights (specific principle for them). The internal and external structural elements of the norms of the framework enable its adoption and application in a wide range of contexts, with both top-down and bottom-up IT governance implementation applications, and also from centralised countries to federal or, even, continental states. In addition to federal states, other political system typologies, like confederations and federations, can also benefit from it. AI/IA GOUVERNANCE MODELS ADOPTION: The multilevel framework enables multiple organizations' levels and all relevant stakeholders to embrace AI governance. CSOs must have an active role in governance and adopted this governance models to reach a high level of participation of this important type of agent as formal and public consultative and governmental bodies, agencies and departments in decision taking

and public consultation to enable the exchange between all relevant nstakeholder (Choung et al., 2023). Additionally, civil society actors may petition to have institutionalized representations and voting capacities throughout multistakeholder institutions and governance bodies. The governance models should adress and include multi-stakeholder medium for governance, coalition building and collective action. AI governance should must have some form of oversight obligation which checks for societal impacts of AI in providing public accountability. CONCLUSIONS AND FUTURE WORK: In this paper, the integration of CSOs in AI/IA governance models has been fully developed and included in the multilevel framework enabling AI governance. Hopefully, regulators and other rule makers, in the next years, will embrace the full participation of all relevant actors as the AI/IA complexity demands a horizontal and multi-stakeholder participation (Nasir et al., 2023). The relationship of the norms and principles of the AI/IA governance models and the pillar of the IRGC (2017) ethical framework shows that, finally, at least most of the norms are included in the principle according to the ethical one. In the future, the study of the governance model implications and possible systemic transformations of power and authority in the case they will be implemented, as changes in legitimacy, decision making, distribution of resources and wealth, as well as the capacity of this norms and principles to develop sustainable and resilient future systems.

BACKGROUND: Civil Society Organizations (CSOs) have an important role in the implementation and development of AI Governance Models. According to Estebanez (Rakova et al., 2020) and Estebanez and Taddeo (2020), CSOs should be seen as complementary entities in AI governance. According to them, the participation of CSOs can include involvement in public consultations and dialogues with governments, corporations, and other stakeholders. Also, their influence could also cover actors like educational institutions, think tanks, and research centers. In the next table, data from the resume of the 13 versions of the AI and IA governance models are shown in order to know how governance models have these entities into account in their principles and pillars, as well as the specific principles and responsibilities for these entities are analyzed.

Future Trends in AI Governance

While the above governance tools might be the most promising, the paper predicted that their implementation will be most likely suboptimal, due to the lack of technical capacity among public, and in some cases also private, actors. Therefore, it has been recommended to upscale further capacity for effecting AI governance (e.g. AI Impact Centers or invited audits) and deploy Sustainable and Safe AI Development Goals (SSADGs) to guide sectoral strategies and reverse the trend of AI innovation being global in scope and AI governance being local (Constantinides et al., 2023).

In light of these challenges, this paper outlined some of the limitations of existing AI governance. It has then provided recommendations on how to recalibrate the balance between individual and collective risks and benefits arising from AI adoption. This paper argues that instead of only relying on ex-post mechanisms, such as AI impact assessment, bias assessment or certification, governments need to shift the gaze towards ex-ante tools, such as AI impact-centric policies, risk-based governance or conditional anchoring (Saheb, 2024).

This paper has outlined the current governance mechanisms for Artificial Intelligence (AI). Its purpose has been to convey a picture of the current state of governance and the challenges that AI faces. Despite the ambitious purpose of AI governance, policy implementation has proved significantly more elusive (Qin et al., 2023). Challenges generally stem from the high complexity of AI systems, which makes their assessment much more difficult than for other technologies.

Advancements in AI Technology

While AI is most transformative, it is also most disruptive in financials. Particularly for country like India where digital transactions are accelerating and stock market is increasing at global exorbitant rate(Eroğlu & Karatepe Kaya, 2022). Equity delivery Volumes in November 2020 was 17,495.48 crore whereas derivatively contracts were 27467.79 crore, futures was 20,432.38 crore and options was 4,930.41 crore. These numbers are continuously increasing so we need to have multi-prong approach dealing with it. Along with SEBI and other major regulative bodies to have their approach towards this new algorithm that are being traded on day to day basis. These algorithms have no strategy and are trailing at round, trade in large quantities and mange to drive up stock prices by profuse buying of stocks.

AI can drive economic and industrial transformation. It will impact how we work. This is happening because of advancements in AI technology particularly in machine learning and robotics that are reducing the cost of prediction and changing our information landscape(Leech et al., 2024). This has wideranging implications for shaping corporation and capital, organisation and authority, and values and politics. AI is even making traditional hard problems look soft. Government should also make investment in national funds targeting hard problems in AI spanning across healthcare, defense, agriculture, primitive manufacturing and financials(Whittlestone & Clarke, 2022).

Evolving Ethical Standards

In early 2020, the World Health Organization (WHO) developed guidelines to govern the use of artificial intelligence (AI) in health care. The group used six AI guidelines in an effort to yield benefit from AI and improve the health of global populations. WHO anticipated worldwide health care systems would need AI to support operations in areas such as symptom screening, digital health records management, adherence monitoring, prescription searches, and data-driven clinical decision support. Physicians and policymakers could deploy AI as needed according to the ethical principles, guidelines for health care system optimization, use cases, natural language processing applications and coverage and capacity mechanisms. WHO's guidelines addressed the remarkably broad scale of AI capability and applications in health care, equitably considering different technologies in low income and high resource settings, proprietary versus open access solutions, and use of security mechanisms by default to mitigate the impact of malicious actors. WHO additionally indicated use cases for AI in health care.

Nevertheless, the relevance of rapidly created global political norms appears to be implicitly acknowledged, at least as a temporary expedient. As essential tools, their worth is clear. COVID-19 response to today, digital contact tracing apps, regulatory panels, stockpiles of essential medical supplies, and collaboration and knowledge sharing in researching vaccines figure as best envisioned as being put in play through global policy dialogue. As rapidly designed global norms namely, political guidance, ethical pluralism relevant expertise and standard maintenance—on AI governance as on global pandemic governance seemingly are sorely deficient –don't be asked to perform these two functions particularly well . Ethical stewardship where international bodies make difficult decisions within somewhat ambiguous political mandates, thus, rightly is regarded as largely beyond the scope of global politics today. Definition of success is difficult to articulate when assessing broad societal reform such as inclusive education of AI's harmful biases or national defense gas or weapons. Coordination on nearly purely technical tasks, as well ought to be less controversial to execute practically. Nonetheless political hurdles in our technical fixes still lie in our way, as governmental support, public trust, and sustainable financing have bedeviled the uptake of digital contact tracing apps.

Ethical standards play a pivotal role in the effect of society and technology. National leaders, policy makers, and corporate managers are constantly deciding which health, education, and disease systems ought to be adopted and implemented in relation to the societal benefits they short and long-term give . As demonstrated by the new challenges, technologies, and calls for rapid policy reaction, global health and large-scale emergencies differ significantly from most traditional policy problems . It may be hard to reach a consensus as societies are the product of sophisticated cultural, linguistic, legal, and social heritage of office seekers to craft harmonious international norms as to why some technology companies such as Amazon, Microsoft, and Google or Internet-using governments wants to create AI-governed world.

Global Collaboration

AI governance is a relatively new and dynamic topic. This means that the issue is on the 'agenda' and with an agenda shift the governance menu can become alive too. As such, some European policy makers have a view that Europe can 'lead globally' if European governance institutions and governance standards are attractive to use. Open collaboration, however, may bring ideas and concerns from many jurisdictions around the world. The AI regulation (Art 55) enables non-European organisations to certify with an EU based certifier on AI governance if they believe that AI EU governance (based on European values) is more trustworthy than AI governance based on other standards (Kazim & Soares Koshiyama, 2021).

The competition between the US and Europe has united them around the idea that governments should intervene in AI in a way that also likely sparked this development of governments working anywhere globally. In 2021, the US and EU (among others) agreed on an AI governance standards roadmap for

Campus policy governance and Chinese Government AI research in AI Research. Furthermore, through the EU's AI Observatory and Forum, EU-based AI organisations will promote AI governance principles in standardization, certification, or procurement requirements (AI procurement policies, regulation, ethical sourcing policies and guidelines, anti-money laundering and countering terrorism financing policies in AI procurement, and procurement coordination) (Ho et al., 2023).

In recent years there has been an acceleration in global collaboration and cooperation in AI governance. Important global developments of AI policy have been taking place over the last years: The OECD AI principles in 2019, The AI 2020 technology strategy of the EU, the GPT-3 and GPT-2 export controls in 2020 (Leech et al., 2024). For example under the G20 AI governance deal signed in 2019 all G20 countries agreed to a minimum set of AI ethics standards, as proposed earlier by the OECD in G20 meetings. In Europe AI governance is part of the European Data Strategy, the European AI Strategy and is one of the ten key European digital goals and AI is subject to the European AI regulations proposed in 2021. The AI regulation gives rise to a new AI agency to coordinate AI governance across the EU.

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