



Blockchain-Enabled Secure Data Sharing in IoT Networks

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ABSTRACT: The proliferation of Internet of Things (IoT) devices has introduced complex challenges around secure, trustworthy, and efficient data sharing. Centralized approaches are prone to single points of failure, unauthorized access, and scalability limitations. Blockchain technology offers a promising decentralized framework to mitigate these issues through immutability, cryptographic verification, and smart contract automation.

In this paper, we examine blockchain-enabled schemes designed to ensure secure data sharing among IoT devices, focusing solely on research prior to 2022. Key approaches include **proxy re-encryption with smart contracts**, enabling dynamic and fine-grained access control without centralized intermediaries (Manzoor et al., 2018) arXiv. Other works propose blockchain-integrated access control systems that combine behavioral monitoring with smart contract-mediated data exchange between IoT peers MDPI.

The literature review delves into blockchain's foundational advantages, such as tamper-proof distributed ledgers, identity management, transparency, and auditability—all vital for trusted IoT ecosystems MDPI. However, the integration of blockchain into IoT raises challenges in scalability, latency, consensus overhead, and energy constraints.

Our proposed research methodology synthesizes comparative analysis of existing methods, architectural modeling of blockchain-IoT frameworks, and a systematic evaluation of their performance and security implications. We explore trade-offs such as enhanced data integrity and trust versus increased computational and communication overhead.

Advantages of blockchain-enabled sharing include decentralized trust, immutable logging, cryptographic identity, and autonomous data policy enforcement. Disadvantages involve increased latency, potential scalability bottlenecks, resource constraints on IoT devices, and complexity in key and consensus management.

We conclude that blockchain offers robust mechanisms for secure IoT data sharing. Yet, success in real-world deployment depends on carefully balancing security benefits against resource limitations and performance trade-offs. Future directions include lightweight consensus for resource-constrained devices, off-chain storage integration (e.g., IPFS), and hybrid architectures combining blockchain with traditional access control systems.

KEYWORDS: Blockchain, IoT Networks, Data Sharing, Proxy Re-Encryption, Smart Contracts, Access Control, Decentralized Identity, Integrity, Scalability, Distributed Ledger

I. INTRODUCTION

The Internet of Things (IoT) permeates all aspects of modern life—industrial automation, smart homes, healthcare, and more. Yet, the prevalent reliance on centralized data-sharing frameworks introduces vulnerabilities: single points of failure, unauthorized access, and trust delegation to third-party intermediaries.

Blockchain, a decentralized ledger technology, enables **tamper-evident and auditable** record-keeping across distributed devices. Cryptographic primitives like hashing and digital signatures ensure data authenticity and confidentiality, while consensus protocols and smart contracts provide decentralized governance and automation.

In IoT networks, blockchain helps authenticate devices, enforce access control, and establish immutable data trails. Its decentralized nature aligns with IoT's distributed topology and reduces reliance on centralized authority, improving resilience.



This paper explores blockchain-based frameworks for secure IoT data sharing proposed before 2022. Notable contributions include proxy re-encryption integrated with smart contracts to automate encrypted data sharing without trusted intermediaries arXiv and blockchain-mediated access control architectures that combine authorization and peer data exchange with immutable audit logs MDPI.

We analyze how blockchain's fundamental properties—decentralization, transparency, auditability, and cryptographic security—enhance IoT data sharing MDPI. We also address constraints such as scalability, latency, IoT device resource limitations, and key management complexity.

By systematically reviewing these mechanisms, we aim to outline architectural patterns, evaluate their deployment trade-offs, and propose a research methodology to guide future implementations.

II. LITERATURE REVIEW

Proxy Re-Encryption with Smart Contracts

Manzoor et al. (2018) propose a blockchain-based proxy re-encryption model enabling secure, decentralized data sharing in IoT. The system uses smart contracts to negotiate access permissions dynamically. The proxy re-encryption protects data privacy, allowing only authorized parties to decrypt sensor data without relying on centralized trust entities arXiv.

Blockchain-Driven Access Control Systems

Research introduces systems where blockchain records and enforces access control policies via smart contracts, ensuring trusted peer-to-peer data sharing in IoT networks. These systems monitor user behavior and define permission levels, supplementing traditional access control mechanisms MDPI.

Blockchain's Role in IoT Security

A systematic literature review details blockchain's benefits in distributed IoT environments: immutable and traceable data, decentralized identity management, consensus-based trust assurance, and enhanced auditability—key to secure and trustworthy IoT data transactions MDPI.

Other Architectures

Additional surveys highlight applications in industrial IoT, manufacturing, and edge computing, leveraging blockchain for authentication, authorization, and secure data management. These works emphasize blockchain's potential, while noting challenges in resource usage and protocol overhead MDPIWiley Online Library.

II. RESEARCH METHODOLOGY

1. Comparative Framework Analysis

- Perform in-depth case study analysis of Manzoor et al.'s proxy re-encryption scheme and smart contract-based access control systems.

2. Architectural Modeling

- Construct reference blockchain-IoT architectures:
 - Blockchain network either permissioned (e.g., Hyperledger) or public (e.g., Ethereum).
 - Smart contract modules managing encryption keys and access policies.
 - IoT device agents (data producers, re-encryptors, consumers).

3. Security and Performance Evaluation

- Examine security properties: access control, integrity, confidentiality, resistance to tampering.
- Assess performance trade-offs: latency of transactions, computational load, energy consumption.

4. Scalability and Practical Constraints

- Analyze limitations relative to IoT device resource constraints and network scale.
- Investigate integration strategies like off-chain data storage (e.g., IPFS) or lightweight consensus mechanisms.

5. Synthesis and Recommendations

- Identify best practices and pitfalls.
- Provide guidelines for designing blockchain-enabled secure data-sharing systems in IoT considering real-world constraints.



IV. ADVANTAGES

- **Decentralized Trust Model:** Removes dependence on central authorities.
- **Immutable Audit Trails:** Ensures verifiable and tamper-proof data sharing history.
- **Automated Access Control:** Smart contracts enforce policies without manual intervention.
- **Dynamic, Privacy-Preserving Sharing:** Proxy re-encryption allows flexible yet secure data access.
- **Device Authentication:** Blockchain supports decentralized identity verification of IoT nodes.

V. DISADVANTAGES

- **Resource Constraints:** IoT devices may lack computational power to participate in consensus or crypto operations.
- **Latency and Throughput:** Blockchain transactions may introduce delays unsuitable for real-time applications.
- **Scalability:** Transaction volumes and ledger growth challenge network and storage efficiency.
- **Key Management Complexity:** Secure distribution and revocation of keys is non-trivial.
- **Energy Overhead:** Consensus mechanisms (e.g., Proof of Work) can be energy-intensive for IoT devices.

VI. RESULTS AND DISCUSSION

- **Proxy Re-Encryption Model:** Effective in preserving data privacy and enabling granular access but requires sufficient computational support at proxy nodes and smart contract runtime arXiv.
- **Smart Contract-Enabled Access Systems:** Provide strong authorization and auditability, yet they introduce transaction overhead and complexity in managing permission levels across large IoT networks MDPI.
- **Blockchain Integration Benefits:** Blockchain's integrity and identity features improve security posture, but widespread adoption must mitigate scalability and resource challenges, possibly via permissioned chains or hybrid architectures MDPIWiley Online Library.

VII. CONCLUSION

Blockchain offers transformative potential for secure data sharing in IoT networks by supporting decentralized trust, immutable auditability, and automated access control. Proxy re-encryption and smart contract-mediated sharing models demonstrate practical, privacy-preserving data-sharing strategies. However, achieving real-world applicability requires addressing resource constraints, latency, and scalability.

VIII. FUTURE WORK

- **Lightweight Consensus Mechanisms:** Research scalable, energy-efficient blockchain protocols suited to IoT devices.
- **Off-Chain Data Repositories:** Integrate IPFS or similar systems to handle voluminous IoT data efficiently.
- **Hybrid Architectures:** Combine blockchain for key management with conventional storage for data to optimize performance.
- **Advanced Key Management:** Develop dynamic key revocation, delegation, and recovery mechanisms.
- **Standardized Frameworks:** Promote interoperability through IoT-blockchain integration standards.

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