IPCIDE Annual Conference on
State of India's Digital Economy (SIDE) 2024

February 16th, 2024

Event Summary

The ICRIER Prosus Centre for Internet and Digital Economy (IPCIDE) held its second annual conference on February 16th, 2024, at the Taj Mahal Hotel, New Delhi. The conference featured the launch of the second iteration of the flagship report, titled "**State of India's Digital Economy (SIDE) 2024**". The report measures and analyses India's digital transformation using the Connect-Harness-Innovate-Protect-Sustain (CHIPS) framework which captures both the opportunities and risks of digitalization. It provides two complementary indices – CHIPS (Economy) and CHIPS (User), capturing both the scale of the network and depth of technology adoption. Part I of the report compares India vis-a-vis the G20 countries, while Part II extends the CHIP framework to present a sub-national analysis.

Inaugural Session and Report Launch

Pramod Bhasin, Chairperson ICRIER opened the conference with remarks on the new approach adopted in the SIDE 2024 report to present the progress in India's digitalisation. The main findings of the report were presented by Deepak Mishra, Director & CE, ICRIER focusing on both the cross-country analysis as well as the sub-national results. The presentation of the report was followed by a discussion on the unique nature of India's path to digitalization. Debjani Ghosh, President, nasscom, explained how digitalization had and will continue to impact the life and livelihoods of the people in India. She attributed the rapid adoption to fewer apprehensions among Indians to embrace new technologies and digital applications. India's achievements in AI were also highlighted and the need to balance regulations and innovative applications were discussed. Panelists concluded by highlighting India's growing relevance in the global discussions on digitalization – "Incredible India is now inevitable India". Alan Duerden from Prosus delivered a vote of thanks underscoring the timeliness of the SIDE 2024 report and it becoming an important resource for upcoming policy discussions on Digital India.

From left to right: **Mayank Manish**, *Research Associate*, ICRER; **Aarti Reddy***, Fellow*, ICRIER, **Mansi Kedia**, *Senior Fellow*, ICRER; **Alan Duerden**, Prosus; **Pramod Bhasin**, *Chairman*, ICRIER; **Debjani Ghosh**, *President,* NASSCOM; **Deepak Mishra**, *Director & CE*, ICRIER; **Krithika Ramnath**, *Research Assistant*, ICRIER; **Sehraj Singh**, *Managing Director (India)*, Prosus

Panel 1: Investing in Meaningful Connectivity

Aruna Sundararajan, chairing the session, organized the discussion along two key themes – (i) whether the policy landscape is adequately responding to India's unique connectivity challenges and (ii) India's role in knowledge-sharing with other nations in the global south. Neeraj Mittal highlighted how the ITU framework on connectivity in the Indian context should focus on a technology-neutral approach that addresses last mile connectivity and demand side issues. He shared examples of efforts being taken by the Indian government (Global DPI Repository, Social Impact Fund and the 5G Stack) as models of development for other countries in the Global South. Helani Galpaya emphasized the impact of one-time events such as COVID-19 in driving online adoption. She also stressed on the need to address both demand and supply sides of internet use, advocating for education reform and digital literacy initiatives to bridge access gaps. While discussing the poor viability in rural areas, including the infrastructure gaps and high operational costs of rural schools, Michael Ginguld recommended policies that provided tax relief and enabled technological innovation for improving connectivity. Building on this argument, Rohit Prasad recommended further disaggregation of service areas for specialised incentives and creating an environment for frugal technologies, tailored to rural contexts.

From left to right: **Rohit Prasad,** *Professor of Economics and* Public Policy, *Management Development Institute, Gurgaon;* **Michael Ginguld,** *Chief Strategy Officer,* AirJaldi*;* **Helani Galpaya,** *CEO,* LIRNEasia*;* **Aruna Sundararajan,** *Former Secretary,* Ministry of Electronics and Information Technology, *former Secretary,* Department of Telecommunications, **Neeraj Mittal**, *Secretary,* DoT *joined virtually*

Panel 2: India's Techade for Businesses, Individuals and Governments

This panel focused on two key aspects of harnessing digital technologies - investments and human capital. Sangeeta Gupta remarked that India's strength lay in developing new applications as against fundamental technology research. Sanjeev Bikhchandani emphasized on the need for patient capital and better collaboration between academia and industry (especially start-ups) to improve core research and create a talent pool for specialized applications in the emerging technology areas. Rajesh Bansal stated the need for investments in building native tech infrastructure layers such as cloud platforms, or key hardware components such as semiconductor chips. Centers of Excellence for AI should be replicated for other emerging technologies areas. Lauding India's singular policy focus on inclusion that helped drive many digital innovations, C.V Madhukar illustrated India's success with digital public infrastructure (DPI)- identity, payments, and open credentials verification. He explained how India had built a DPI ecosystem that is transferable and adaptable to the rest of the world. In terms of tech policy and regulation, S. Krishnan emphasized on the need for a proactive and dynamic approach towards regulation of AI and other novel technologies, compared to its earlier hands-off approach. He also stated India's

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increasing focus on electronics manufacturing and an opportunity to indigenize and increase domestic value addition in the overall digital economy.

From left to right: **Rajesh Bansal**, *CEO,* Reserve Bank of India Innovation Hub*;* **S. Krishnan**, *IAS, Secretary,* Ministry of Electronics and Information Technology*;* **R. Chandrashekhar**, *Chairman of the* Centre for The Digital Future *and is associated with several organizations in advisory roles and Board positions;* **Sangeeta Gupta**, *Senior VP & Chief Strategy Officer,* NASSCOM*;* **C V Madhukar**, *CEO, Co-Develop;* **Sanjeev Bikhchandani**, *Board of Governors,* ICRIER

Panel 3: The Future of AI: Big Tech Monopoly or Open-Source Technology

This panel focused on a variety of issues related to the AI ecosystem - data sovereignty, open source and the impact of AI on labor. Stressing the need to differentiate between the big tech business models that use very large training data sets, Pramod Bhasin deliberated on the opportunity for start-ups that were building important use cases in the areas of health, education and financial inclusion that were not very data intensive. Identifying three layers of open source, namely, the tech layer, the community of practice, and the community of governance, Venkatesh Hariharan highlighted the ubiquitous presence of misinformation around open source in AI, and called for better guardrails in AI systems. Refuting the binary of innovation vs regulation, Payal Malik emphasized the need for regulating competition in the AI ecosystem with a focus on equitable data relationships to ensure that open source is not used as a vehicle to lead the data loop

back to big tech. Carl Benedikt Frey discussed the need for more innovation to develop robust models that can be trained on specialised datasets. He also deliberated on the impact of AI on labour, explaining the difference between being exposed to AI versus being replaced by it.

From left to right: **Payal Malik,** *Visiting Professor,* ICRIER*;* **Urvashi Aneja**, *Founder & Executive Director,* Digital Futures Lab*;* **Pramod Bhasin**, *Chairperson,* ICRIER & DSCI*; On screen top left:* **Carl Benedikt Frey,** *Dieter Schwarz Associate Professor of AI & Work,* Oxford Internet Institute*; On screen bottom middle:* **Venkatesh Hariharan,** *India Representative, Open Invention Network & Public Policy Advisor,* FOSS United*.*

Panel 4: Safe and Secure Internet in India

The discussion in the panel was centered along three main themes - heightened vulnerability of certain groups including women, youth and elderly, India's vulnerability to risks owing to its scale, and the need to remove the burden of end-level security on the user. Payal Arora spoke about the growing concerns around the gender dimensions of internet usage, including women's harassment in digital public spaces, highlighting the economic and social implications of the lack of online participation of women due to safety concerns. Vinayak Godse deliberated on the current initiatives such as the development of national level cybersecurity architecture, the Indian Cybercrime Coordination Centre (I4C), and RBI's initiatives towards moving away from OTP to non-OTP based authentication systems. Given the lack of uniform digital maturity across sectors, Narendra Nath Gangavarapu stressed the need to focus on cyber security capacity building initiatives, and

advocated for policy formulation in consultation with the industry, to enable security-by-design in products. N S Nappinai discussed the supreme court judgements that have led to the creation of current guardrails, and underscored the need for effective enforcement and continuous updating of laws, initiatives and policies to keep up with evolving risks.

From left to right: **Narendra Nath Gangavarapu,** *Joint Secretary*, National Security Council Secretariat, Government of India; **Payal Arora,** *Professor of Inclusive AI Cultures* at Utrecht University and Co-founder of FemLab; **N S Nappinai,** *Senior Advocate*, Supreme Court & Founder, Cyber Saathi**; Auguste Tano Kouamé,** World Bank *Country Director*, India; **Vinayak Godse,** *CEO,* Data Security Council of India

The event concluded with a vote of thanks!