ICRIER Prosus Centre for Internet and Digital Economy (IPCIDE)

NEWSLETTER

October 2026

Message from Leadership

It is a pleasure to share with you the second edition of the ICRIER Prosus Centre for Internet and Digital Economy (IPCIDE) newsletter. The past few months have been a remarkable time for us, and we marked this new chapter with a refreshed identity and logo.

A major highlight was the launch of the State of India's Digital Economy (SIDE) 2026 report at our Annual Conference on 29 May. This fifth edition benchmarks 71 economies on their digital progress across connectivity, adoption of digital technologies, innovation, cyber protection and sustainability, and, for the first time, builds AI into that assessment. It finds India ranked 5th among the world's most digitalised economies and 4th on AI. We are grateful to the policymakers, founders, researchers and industry leaders who joined us that day to debate what these findings mean for jobs, inclusion and growth.

Since then, our conversations have travelled further and reached new audiences. We launched a Visiting Scholar Seminar Series, opening with new evidence on the geography of AI firms and a lively debate on central bank digital currencies. Our researchers and Advisory Board members wrote on digital sovereignty, innovation in electronics manufacturing and deep-tech financing. Building on our dialogue with European partners, we released a non-paper on EU–India AI governance. Through our podcasts, we explored India's startup ecosystem, AI and the future of work, and what it would take for India to build AI on its own terms.

Our team is now working on the Startups Report, which traces a decade of evolution in India's startup ecosystem and the enablers that drive innovative startup growth. We look forward to sharing it with you soon.

Payal Malik

Visiting Professor, ICRIER



Research Themes

State of India's Digital Economy (SIDE)

Digitalisation has made dramatic progress, but the way it is measured has not. Published annually since 2023, the flagship SIDE report benchmarks India against the world using the CHIPS framework: Connect, Harness, Innovate, Protect and Sustain. Unlike most global indices, it gives equal weight to the scale and the intensity of digitalisation, and relies mainly on outcome indicators. The 2026 edition adds AI sub-pillars to the framework and expands coverage to 71 countries, which account for 96 percent of global GDP. A companion subnational edition compares India's states and union territories.

Digital Public Infrastructure and Platforms (DPIP)

This research appraises India's Digital Public Infrastructure, evaluating its benefits and risks through the lens of scale, inclusion, efficiency, and innovation. The goal is to inform and strengthen the government's DPIP programme by identifying gaps and opportunities in building a secure, trusted digital environment.

Startups & Competition

Our research on Startups and Competition examines how India's digital economy can stay competitive while sustaining innovation. We explore the startup ecosystem, the industry-academia-government relationship, and the enablers driving startup growth. We focus on deep- tech startups and their policy needs, and study the interface between startups and Big Tech, examining data control, platform dependence, and competition concerns to inform policy that fosters innovation, fairness, and consumer welfare in digital markets.

Emerging Technology

This research theme examines the economic, social, and governance dimensions of technologies reshaping India's digital landscape. The Centre's work to date spans artificial intelligence including its interactions with labour markets, school education, and questions of ethics and governance; as well as digital assets such as cryptocurrencies and central bank digital currencies. Going forward, the theme aims to deepen its analytical focus on AI adoption across sectors, regulatory frameworks for nascent technologies, and the broader challenge of ensuring that technological change translates into equitable outcomes for citizens and the economy.

Thematic Deep Dives



Annual Flagship Report

State of India's Digital Economy (SIDE) 2026

Authors: Deepak Mishra, Aarti Reddy, Shailly Gupta, and Agrima Khanduri

The fifth edition of SIDE benchmarks 71 economies, covering 96% of global GDP and 83% of the world's population, across 58 indicators. For the first time, it builds AI into the CHIPS framework and constructs a standalone AI index. It also compares India with its G20, BRICS and EU peers. The report was launched on 29 May, 2026 at the IPCIDE Annual Conference.

Key Findings:

- *India has risen from 8th to 5th among the world's most digitalised economies. Three of the top five are now from the Indo-Pacific.*
- *India ranks 4th on AI, ahead of Germany, France, Japan, Canada and Korea. It has the second-largest AI talent pool after the US, but lacks comparable risk capital and compute.*
- *AI has become a developing-country technology from the start. Developing countries account for 72% of global AI users, and China and India together make up nearly two-fifths.*
- *India is a global exception in digital trade. With about USD 328 billion in digitally delivered services, it is the world's fourth-largest exporter, after the US, UK and Ireland.*

Since its launch, SIDE 2026 has been presented to policymakers, researchers and industry in India and abroad:

- *Chintan Research Foundation, with Ikigai Law and Koan Advisory, "India's Digital Economy: Potential & Prospects" | New Delhi | 7 Jul, 2026*
- *GovTech Sri Lanka, Ministry of Digital Economy and LIRNEasia, CHIPS Digital Economy Assessment Consultation | Colombo | 17 Jul, 2026*
- *Centre for Social and Economic Progress (CSEP), "India's Digital Economy: Current State and Future Outlook" | New Delhi | 5 Aug, 2026*
- *LSE Global AI Forum, inaugural edition | London | 16–17 Sept, 2026*
- *NASSCOM Executive Council | 23 July, 2026*





Emerging Technology: Non-paper

EU-India AI Governance: Legal Approaches, Inclusion, and Digital Competition

Authors: Shiva Kanwar, Saloni Dhadwal, and Payal Malik

Drawing insights from the Working Breakfast Roundtable with EU-India think tanks at the India-AI Impact Summit 2026, this non-paper compares the two jurisdictions on legal approaches, inclusion and digital competition. It makes the case for bilateral cooperation as a platform for AI governance stewardship. Released in June 2026.

Podcast



Tech-à-Tête: EU–India: Approaches to Governing Sovereign AI

7 Oct, 2026

Payal Malik joins Prof. Dr Martin Ebers (University of Tartu; Robotics and AI Law Society) in a conversation hosted by Tanea Bandyopadhyay on the EU–India Digital Policy Dialogue's flagship podcast. Building on IPCIDE's EU–India AI Governance non-paper, she makes the case for evidence-based, adaptive AI regulation, proportionate competition rules, and greater investment in domestic compute, research and open-source ecosystems. The conversation also explores how India and the EU can learn from each other's regulatory approaches.

Thought Leadership: Key Policy Debates

Emerging Technology

EAST ASIA FORUM

Deploying AI for India's economic development

Authors: Payal Malik, Nikita Jain
East Asia Forum | 20 Oct, 2026

Startups & Competition

The Indian EXPRESS

Dear Editor, I Disagree: For deep-tech fund, members' connections are valuable assets

Authors: Payal Malik, Krishnapriya VS
Indian Express | 20 Aug, 2026

Startups & Competition

THE POLICY EDGE

Engineering India's Second Startup Revolution

Authors: Payal Malik, Krishnapriya VS
The Policy Edge | 6 Aug, 2026

Startups & Competition

THE ECONOMIC TIMES

Don't just assemble, innovate: The missing hero in India's smartphone success story

Authors: Payal Malik, Saloni Dhadwal
Economic Times | 7 Jul, 2026

Emerging Technology

The Indian EXPRESS

The cloud is the new frontier of digital sovereignty

Author: Dr R.S. Sharma, Member of the IPCIDE Advisory Board
Indian Express | 1 Jun, 2026

DPIP

The Demographic Fallacy

Author: Dr R.S. Sharma, Member of the IPCIDE Advisory Board
LinkedIn | 11 Sept, 2026

Events and Engagement

IPCIDE Annual Conference 2026: State of India's Digital Economy

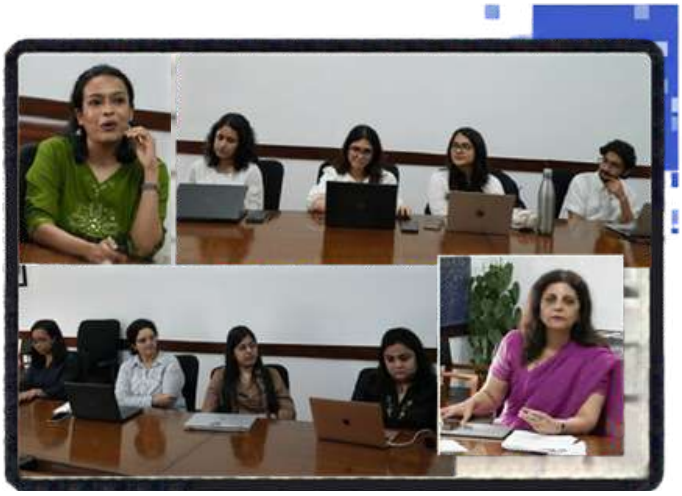


29 May, 2026 | India Habitat Centre, New Delhi

The conference marked the launch of SIDE 2026 and explored India's digital trajectory, AI readiness and the road to inclusive digital growth.

Speakers: Pramod Bhasin, Abhishek Singh, Deepak Mishra, Helani Galpaya, Nitin Pai, Sanjeev Bikhchandani, Sanjay Jain, Gaurav Aggarwal, Purva Bhandari, Prakash Kumar, Anita Gurumurthy, Girish Krishnamurthy, Vibhav Mithal, Aalekh Sharan and David Tudor; **Chairs:** Shekhar Aiyar and R. Chandrashekhar; **Moderator:** Payal Malik.

Visiting Scholar Seminar Series





The Geography of AI Firms

5 Aug, 2026

The session mapped where AI production is concentrated, drawing on a new database of 1,246 AI-producing firms across 32 economies.

Speaker: Vatsala Shreeti, Bank for International Settlements;
Moderator: Payal Malik.

Forget Stablecoins

7 Sept, 2026

The session examined the case for central bank digital currency as a way to separate money creation from credit creation.

Speakers: Sunil Sharma, The George Washington University, and Rajesh Bansal, former CEO, Reserve Bank Innovation Hub;
Moderator: Payal Malik.

Media





Big Tech, Real Cost: Can India Achieve Tech Sovereignty?

22 Sept, 2026 | WION

Payal Malik and Ashish Aggarwal join WION's Big Tech, Real Cost panel. They discuss what it would take for India to build genuine digital sovereignty across data, cloud, chips, compute and AI without cutting itself off from the world. The panel covers where India has built real capability, where it still depends on global tech, and the roles of regulation, private capital and public investment in closing the gap.

Podcast



Can India do AI without Anthropic?

29 Jun, 2026

"Whether India needs its own AI is no longer a question. We do. It may not be an LLM or a foundation model, but we must avoid importing intelligence from outside."

— Gaurav Aggarwal, Chief AI Scientist, Reliance Intelligence

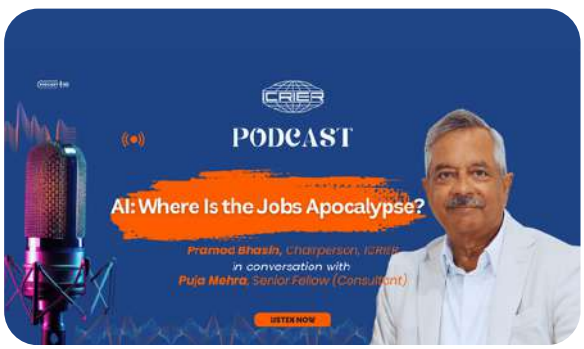
The Exciting World of Indian Startups

4 Aug, 2026

"UPI is digital public infrastructure, and global Big Tech runs on it. WhatsApp works on UPI. PhonePe, owned by Walmart, runs on it. These are big tech companies using our technology and taking it global."

— Dr Arvind Gupta, Co-Founder, Digital India Foundation





AI: Where Is the Jobs Apocalypse?

22 Sept, 2026

"We all make the fatal error of assuming the market is fixed, and that anything new will simply take a slice of it. But AI can expand the market, and other things will happen."

— Pramod Bhasin, Chairperson, ICRIER

Upcoming Milestones

Upcoming Event | Virtual Seminar

Labor Markets in Asia: Challenges and Opportunities in the Age of AI

18 November 2026
from 6:30–7:30 pm IST (8:00–9:00 am EST)

Register here

Asia's export-led, manufacturing-based growth model is becoming harder to follow. Manufacturing is turning more capital intensive, trade is fragmented, and demographic trends are diverging across the region. AI arrives in the middle of these shifts. Drawing on millions of online job postings from across Asia, this session presents some of the first evidence on how AI is already reshaping the region's labour markets, and what it means for workers and policymakers.

Speaker: Divya Kirti, Senior Economist, Asia and Pacific Department, International Monetary Fund

Upcoming Report Launch

Decadal Evolution of India's Technology Startup Ecosystem: A Triple Helix Perspective

Authors: Payal Malik, Krishnapriya VS, Maria Khan, Nikita Jain and Saloni Dhadwal

The report carries out a comprehensive evaluation of India's technology startup ecosystem in the last decade. It examines how startups across various clusters and sectors have performed and the synergetic role played by the triple helix of academia, industry, and the government in shaping the startup ecosystem.