

STRATEGIC ANALYSIS

Governing **AI in India**: Why Strategy Must Precede Mission

Aligning India's AI Governance for National Priorities and Global Leadership

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EXECUTIVE SUMMARY

India's ability to lead in global AI development is constrained by a weak R&D base, an IT industry not yet geared toward frontier AI, and capital markets that do not prioritise long-term investment in advanced AI capabilities. Addressing these challenges requires more than programmatic initiatives — it demands coordination across multiple ministries, institutions, and stakeholders to align capabilities and investments with national strategic objectives.

A national AI strategy is essential to providing the whole-of-government coordination, cross-sector mandate, and policy stability required to drive this systemic transformation. Parliamentary engagement is equally critical: beyond its regulatory function, Parliament serves as the primary forum for building national political consensus — providing a public signal of long-term strategic intent and policy continuity across electoral cycles. For investors, researchers, and industry leaders, such consensus is vital to fostering the confidence needed to commit to India's AI future.

India's current approach - developing AI policy through the IndiaAI Mission under MeitY - lacks the institutional architecture required for comprehensive national transformation.

This governance gap generates three critical risks:

Governance and Strategic Coherence

The IndiaAI Mission, while significant in scope, operates as an implementation-focused initiative rather than a comprehensive national strategy.

Without a formal mandate for cross-sector coordination, India faces policy fragmentation and regulatory inconsistency. Parliamentary engagement remains ad hoc and reactive. This limits both strategic coherence and democratic legitimacy in AI governance.

Strategic and Economic Vulnerabilities

As AI becomes embedded in defense, intelligence, and critical infrastructure, technological dependencies increasingly pose risks to India's strategic autonomy. Building indigenous capabilities across defense, research, and industry requires sustained cross-sector coordination that only a mandated national strategy can provide.

Simultaneously, AI-driven automation is already disrupting employment, with major IT services firms having shed over 65,000 positions and signalling further reductions to come. Managing these transitions demands coordinated action across education, skills development, social protection, and industrial policy — underpinned by political consensus that administrative missions alone cannot generate.

Democratic Legitimacy and Global Credibility

Public data assets are central to AI development — their curation, access, and governance must be shaped by transparent, democratic frameworks. Relying solely on administrative processes risks policy capture and diminished public trust. India's leadership of GPAI signals international ambition but sustainable international influence requires institutional capacity and a long-term commitment to democratic values in AI development.

The Democratic Imperative

India's demographic dividend, digital infrastructure, and democratic institutions offer a unique opportunity to shape an AI trajectory that combines innovation with inclusion.

Realizing this potential requires more than administrative execution — it demands coherent, accountable, and democratically grounded governance.

A Cabinet-endorsed national AI strategy, formally presented to Parliament, would provide a comprehensive mandate for cross-sector coordination, democratic legitimacy for transformative policies, and political consensus that signals long-term strategic commitment to investors, researchers, and international partners.

Without such a foundation, India risks continued policy fragmentation, emerging strategic dependencies, unmanaged employment disruptions, and diminished ability to shape global AI governance in line with its democratic values.

AI governance is too consequential to be driven by narrow administrative approaches. It must be treated as a national strategic priority — grounded in democratic deliberation and political consensus — if India is to transition from a user of AI technologies to a leader in shaping an inclusive, democratically grounded AI future.

INTRODUCTION

The global race for leadership in artificial intelligence (AI) is accelerating. The United States and China have positioned AI at the centre of their strategic competition. The European Union is shaping global norms through the AI Act. Countries such as the United Kingdom, France, Germany, Canada, Japan, and South Korea are building dynamic AI ecosystems that contribute to international governance discussions.

India has articulated its ambition to be an influential voice in this global conversation. As the world's largest democracy with a globally competitive digital workforce, India has both the opportunity — and the responsibility — to help ensure that the perspectives of the Global South are represented in shaping AI's future.

Yet ambition alone is not sufficient. India's AI ecosystem currently lacks key attributes found in global leaders: robust research capacity, advanced industrial development, effective talent retention, and capital allocation that supports deep-tech innovation rather than being concentrated primarily in consumer technology sectors.

AI differs fundamentally from the IT industry of the 1990s, when government policy largely focused on enabling private-sector growth. Today, AI is a transformative, general-purpose technology that is reshaping national security, economic structures, and society at large. It demands a proactive, strategic, and coordinated policy response. However, India does not yet have a national AI strategy that provides the mandate for whole-of-government coordination and builds national political consensus — one that can align R&D priorities, industrial strategy, and capital flows toward national AI leadership objectives.

India faces an important policy choice: whether to continue with an administrative, mission-driven approach, or to establish a comprehensive national strategy with expanded national deliberation and parliamentary engagement.

The stakes are considerable. In the absence of strategic coherence, India risks: technological dependencies that could affect strategic autonomy; employment disruptions without adequate transition measures; uneven distribution of AI's benefits, potentially exacerbating social inequities; and diminished capacity to shape global AI governance.

At the same time, the potential benefits are substantial. India's demographic dividend, digital infrastructure, and democratic institutions offer a rare opportunity to define an AI development path that combines innovation with social inclusion.

This report argues that India would benefit from a national AI strategy that aligns executive action with national political consensus, and ensures that AI governance reflects national priorities and shared prosperity.

This analysis reviews India's current AI governance landscape, identifies critical gaps, compares approaches across leading jurisdictions, and assesses Parliament's emerging but limited role. The report advances the perspective that AI should be viewed not only as a technological issue, but also as a strategic foundation for India's sovereignty, societal well-being, and global leadership in AI.

THE STRUCTURAL GAPS IN INDIA'S AI ECOSYSTEM

Establishing leadership in AI will require India to not only catch up with global peers, but also to address a number of structural challenges that currently constrain the development of sovereign AI capabilities.

First, India's AI research and development (R&D) base remains relatively shallow. The university system has not kept pace with global benchmarks. Only a small number of Indian universities appear in the top 100 globally for computer science or AI, and India remains a significant exporter of top-tier AI researchers though its ability to retain talent is improving¹. The annual output of AI-specialised PhDs is limited, and collaboration between academia and industry remains underdeveloped.

Second, India's private sector has not yet emerged as a major driver of frontier AI innovation. The IT industry, while globally competitive, remains primarily oriented towards IT services, business process outsourcing (BPO), and consumer internet applications — rather than toward foundational AI research or deep-tech product development. Private-sector R&D investment in AI remains modest relative to global leaders². India currently lacks AI-first national champions and has a relatively limited pipeline of product-focused AI startups. Global venture capital has largely viewed India as a consumer market, rather than as a hub for AI innovation³.

Third, the gap between academic research and industrial application persists. In contrast to countries such as the United States, China, or the United Kingdom, Indian universities have yet to become global centres of gravity for AI talent or to anchor robust industrial AI ecosystems.

Faculty entrepreneurship remains constrained by institutional barriers, and much of India's top AI talent continues to pursue opportunities abroad or in multinational firms operating in India.

Finally, India's defence, security, and critical infrastructure sectors are at an early stage of AI integration. Countries at the forefront of AI development have prioritised its incorporation into defence modernisation, cyber defence, and infrastructure resilience. In many of these ecosystems, defence-related AI research has driven significant dual-use innovation — with advances in autonomous systems, computer vision, robotics, and communications technologies benefiting both military and civilian applications. India's lag in defence AI capabilities means that this dual-use innovation base remains underdeveloped, which in turn constrains both strategic capabilities and the broader industrial AI ecosystem.

In summary, India's AI ecosystem currently lacks the depth in research, industrial capacity, institutional alignment, and strategic orientation that characterise global AI leadership. Addressing these gaps will require a deliberate and coordinated transformation — not simply the incremental expansion of existing programmes. A mission-based approach, while valuable, is insufficient on its own; a whole-of-government National AI Strategy will be essential if India is to transition from being a user of AI technologies to a contributor to global AI leadership.

THE IMPERATIVE OF A NATIONAL AI STRATEGY

Countries at the forefront of AI development — including the United States, China, the European Union, and the United Kingdom — have adopted national AI strategies as tools for policy coordination, sustained political commitment, and long-term planning. These strategies are not simply aspirational documents; they serve as operational frameworks to guide government action and private-sector alignment.

India's AI ecosystem faces foundational gaps — in R&D capacity, industrial development, talent retention, and strategic orientation — that are unlikely to be addressed through incremental improvements alone. While India has made important progress in AI innovation, it still lacks a formally endorsed, whole-of-government strategy underpinned by broad political consensus. The absence of such a framework limits cross-sector alignment and constrains India's ability to manage the societal transitions that large-scale AI adoption will require.

International experience suggests that key components of an effective national AI strategy include:

Formal Government Endorsement: Adoption of the strategy at the Cabinet level or through parliamentary resolution.

Designated Nodal Institution: A legally empowered agency tasked with coordinating AI policy across ministries and sectors.

Strategic Vision and Roadmap: Clearly defined long-term goals, sectoral priorities, and measurable milestones.

Public Funding and Incentives: Dedicated resources for R&D, workforce development, and public-sector AI adoption.

Regulatory and Legal Coherence: Harmonisation of AI policy with existing legal and ethical frameworks.

Public Engagement: Transparent consultation processes that include civil society and a broad range of stakeholders.

Monitoring and Accountability: Mechanisms for regular reporting to Parliament and the public on strategy implementation.

India's current AI governance lacks several of these foundational elements. In the absence of a national strategy with these attributes, policy execution risks becoming fragmented and slow, and the government may not be adequately prepared to anticipate and manage AI's societal impacts.

INDIA'S AI STRATEGY FALLS SHORT OF GLOBAL BENCHMARKS

India lacks a Cabinet-approved national AI strategy with a clear roadmap and an appropriate governance mechanism with mandate for cross-sector coordination.

Current State: Mission Without Strategy or Mandate

In March 2024, the Union Cabinet approved the IndiaAI Mission, with a budget outlay of ₹10,371.92⁴⁵ crore over five years. The Mission is being implemented by the IndiaAI Independent Business Division (IBD), which operates under the Digital India Corporation (DIC) — a Section 8 company under the Ministry of Electronics and Information Technology (MeitY). The Mission is led by a Chief Executive Officer who also serves as an Additional Secretary in MeitY.

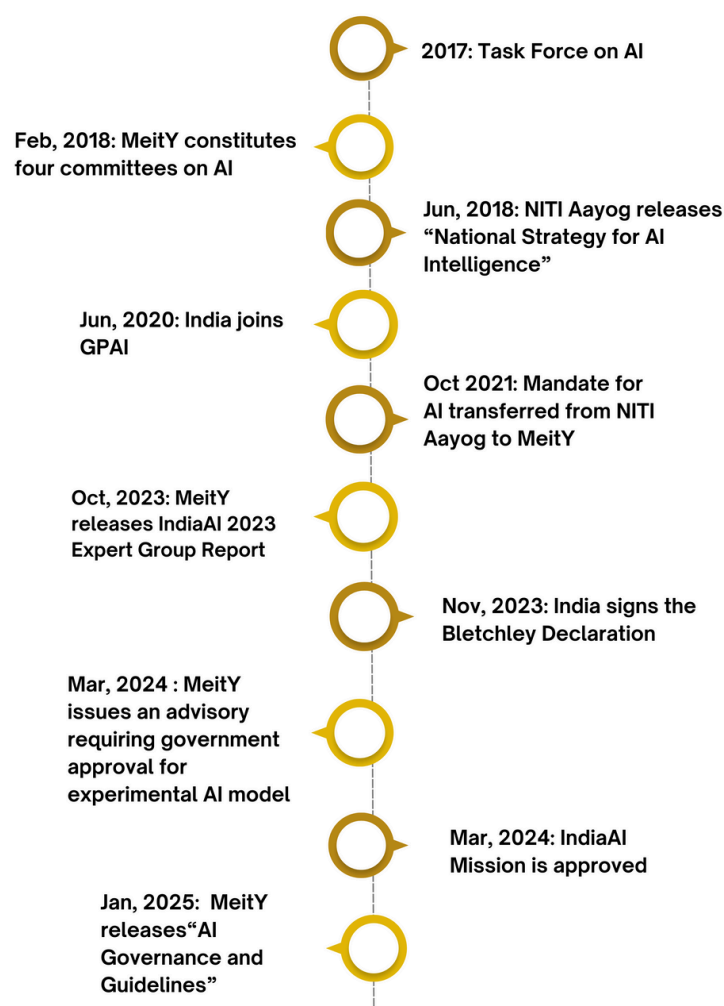
The Mission is organised around seven thematic pillars. While expert groups have submitted recommendations to operationalise these pillars, these recommendations have not yet been formally adopted by the Cabinet or by the Mission leadership.

Although the Mission represents a significant commitment of public funding and administrative resources, it currently does not have the political heft to coordinate policy across ministries or to establish a national implementation architecture. The Mission remains an executive-driven administrative initiative — operating without a clearly articulated roadmap and cross-sectoral mandate.

Timeline of AI Strategy Evolution in India (2017–2025)

The following timeline traces how fragmented decision-making and evolving institutional roles have shaped - and slowed - India's AI governance:

- **Aug 2017:** Ministry of Commerce sets up the Task Force on AI for India's Economic Transformation⁶.
- **Jan 2018:** Task Force report recommends an Inter-Ministerial AI Mission⁷.
- **Feb 2018:** Committee of Secretaries directs NITI Aayog to draft a national AI strategy⁸.
- **Jun 2018:** NITI Aayog releases the National Strategy for Artificial Intelligence ("AI for All")⁹. The strategy is not submitted for Cabinet approval, and implementation progresses slowly.
- **Jun 2020:** India joins the Global Partnership on Artificial Intelligence (GPAI), becoming its founding member¹⁰.
- **Oct 2021:** Mandate for AI transferred from NITI Aayog to MeitY, per a report by the Committee on Government Assurances (2022)¹¹.
- **March 2023:** Draft Digital India Act likely to include provisions to regulate high-risk AI systems¹². Yet to be tabled in Parliament



- **Oct 2023:** MeitY releases IndiaAI 2023 Expert Group Report¹³ ; recommendations are not formally reviewed or adopted by the Cabinet
- **Nov 2023:** India signs the Bletchley Declaration, committing to global cooperation in responsible AI development¹⁴.
- **Dec 2023:** India hosts the GPAI summit. New Delhi declaration emphasises safe and secure AI development¹⁵.
- **Mar 2024:** MeitY issues an advisory requiring prior approval for experimental AI model deployments; the advisory is subsequently withdrawn following industry feedback¹⁶.
- **Mar 2024:** Cabinet approves the IndiaAI Mission¹⁷ ; the Mission does not include a cross-ministerial coordination mandate or an overarching strategy.
- **Jan 2025:** The Principal Scientific Adviser (PSA)-led advisory recommends a whole-of-government approach and inter-ministerial coordination mechanisms; recommendations are under consideration¹⁸.
- **Jan 2025:** The establishment of an AI Safety institute is announced under the 'Safe & Trusted AI' pillar of IndiaAI¹⁹.

While this timeline reflects important executive initiatives, Parliament's role in shaping national AI policy has remained limited and largely reactive, as further discussed in the following sections.

ROLE OF PARLIAMENT

Parliament has not yet played a sustained or structured role in shaping India's AI governance. To date, parliamentary engagement has largely been reactive, sector-specific, and driven by individual Members of Parliament (MPs), rather than by coordinated institutional processes. This stands in contrast to jurisdictions such as the United States and the United Kingdom, where parliamentary committees and hearings have been central to the evolution of AI governance frameworks.

One contributing factor is that AI has not been prioritised as a major policy issue by any of the political parties. Consequently, parliamentary discussions on AI remain intermittent. The following analysis provides an overview of Parliament's engagement with AI-related issues.

Parliamentary Questions: Emerging Interest, Limited Coordination

Between June 2019 and April 2025, only 0.6% of questions asked in the Rajya Sabha and just 0.4% in the Lok Sabha focused on artificial intelligence. Among these AI-related questions, 69% in the Rajya Sabha and 67% in the Lok Sabha treated AI as the primary focus, while the rest mentioned AI only in passing.

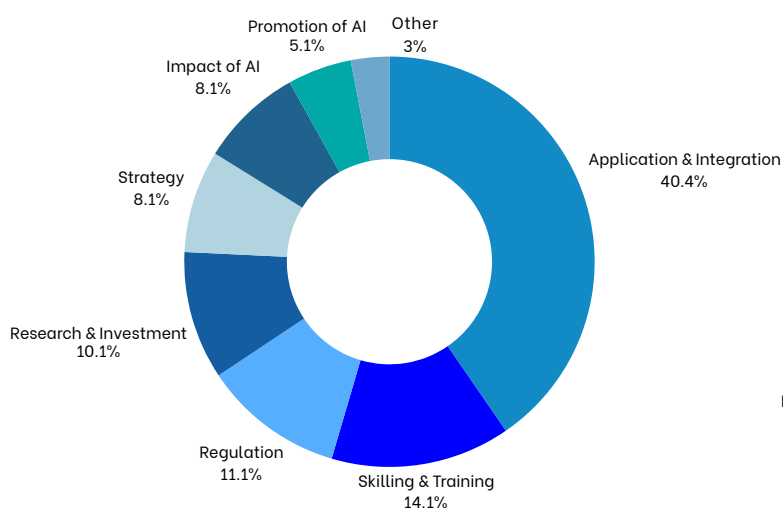
Seven key themes emerge from the questions: *application & integration* (deployment of AI in various sectors), *research & investment* (funding for infrastructure and innovation), *impact of AI* (social and economic disruptions), *strategy* (India's overarching vision for the age of AI), *regulation* (legal and

policy frameworks for AI governance), *promotion of AI* (incentives and initiatives to boost AI adoption), and *skilling & training* (equipping the workforce with AI-related skills).

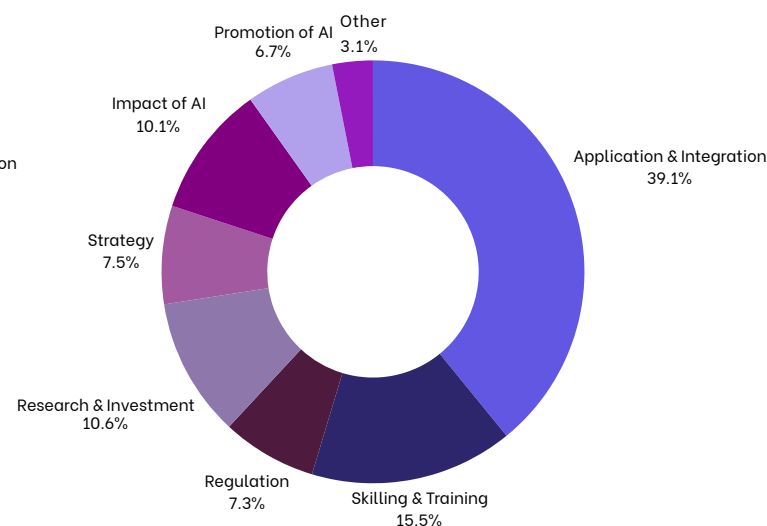
Thematic Breakdown of Questions

In both the Rajya Sabha and the Lok Sabha, application and integration of AI in various sectors like education, agriculture and healthcare emerged as the prominent theme, while strategy, regulation and impact of AI received relatively less scrutiny.

Rajya Sabha (Jun'19 – Apr'25)



Lok Sabha (Jun'19 – Apr'25)



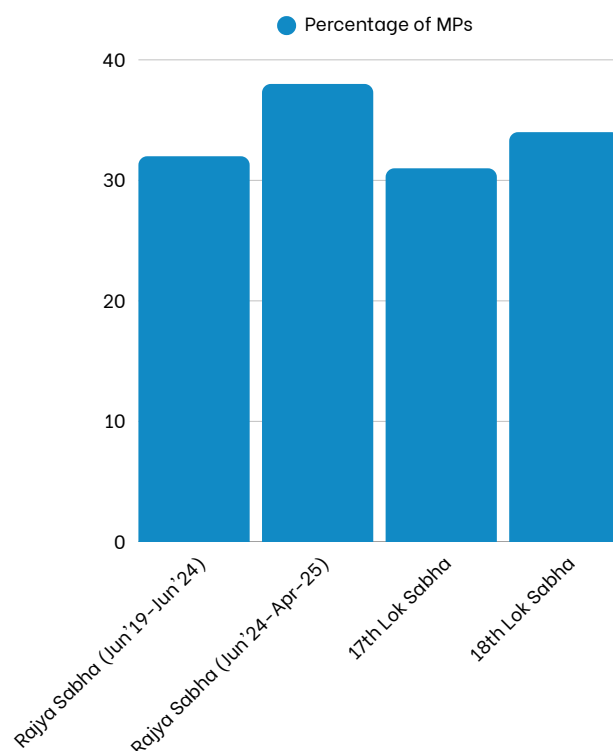
With regards to strategy, regulation and impact, MPs have increasingly started raising questions across the following issues:

- **Strategy and Governance:** Regulation of generative AI, ethical standards, and the use of existing legal frameworks.
- **Employment and Economic Impact:** Job displacement and upskilling, particularly of workers in the IT sector.
- **International Collaborations:** India's role in initiatives like the Global Partnership on AI and bilateral cooperation with other countries.
- **Infrastructure and Investment:** Timelines, budgets, and priorities under the IndiaAI Mission.

These questions reflect concern but also highlight the lack of an institutionalized process for shaping AI policy through parliamentary deliberation.

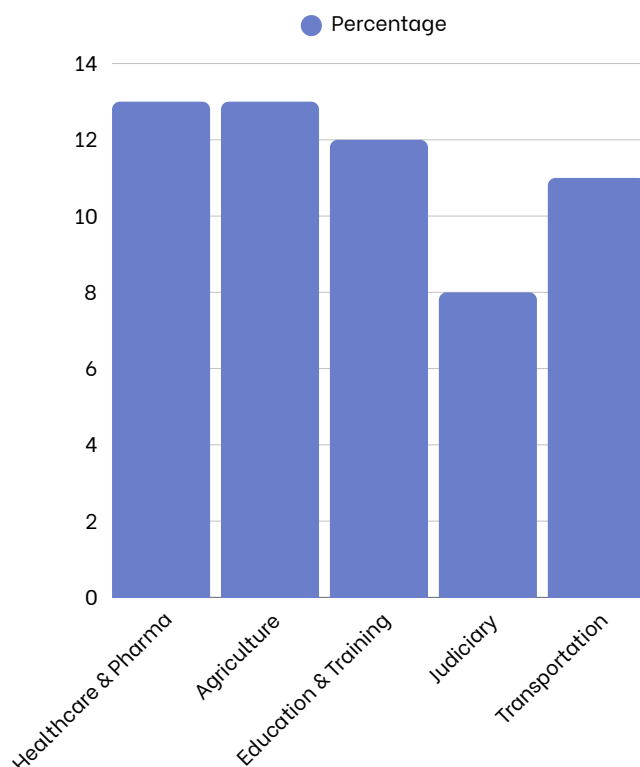
Increasing Engagement over Time

Between June 2024 and April 2025, 38% of the Rajya Sabha MPs asked questions related to AI, up from 32% of the MPs over the entire term from June 2019 to June 2024. In the Lok Sabha, 31% of the MPs from the 17th Lok Sabha and 34% of the MPs from the ongoing 18th Lok Sabha raised AI-related questions. This rise in engagement suggests that Parliament is becoming more aware of AI and its growing policy relevance.



Healthcare and Agriculture Top Sectors

Parliamentary questions on AI deployment focus heavily on key public-facing sectors. Application of AI in healthcare and pharmaceuticals received the most attention, with MPs raising issues related to AI-driven research, diagnostics, and manufacturing. MPs showed interest in AI applications for crop monitoring and yield prediction. Education and training also received attention, particularly in the context of AI-powered learning tools.



MPs also asked about the use of AI in the judiciary and transportation, including roads, railways, and aviation.

Committee Engagement: Broad but Diffuse

Several parliamentary committees have addressed AI, but the engagement has been ad-hoc rather than strategic:

- The Standing Committee on Communications and IT raised concerns around workforce reskilling, private sector involvement²⁰, and gaps in the existing IT Act²¹. The Standing Committee on Communications and IT raised concerns around workforce reskilling, private sector involvement, and gaps in the existing IT Act. The Committee was briefed on the IndiaAI mission and urged the Ministry to make concerted efforts to partner with state governments for a unified approach and coherence²².
- The Agriculture Committee²³ examined AI in irrigation and pest modelling; Defence²⁴ and External Affairs²⁵ committees briefly reviewed military and cybersecurity applications.
- In 2022, the Standing Committee on Government Assurances flagged delays in implementing the national AI strategy and noted coordination gaps between MeitY and NITI Aayog²⁶.

Despite these individual efforts, there is currently no sustained parliamentary oversight of AI policy or developments in India — in contrast to the structured oversight mechanisms present in the UK Parliament and US Congress. This absence represents a clear gap in India's institutional framework for AI governance.

Parliamentary Debates: Heightened Risk Awareness

Parliamentary debates in both Houses have begun to reflect a growing awareness of the ethical, economic, and governance challenges associated with AI. However, the extent of these discussions remains relatively limited and exploratory. Some examples include:

- In the Lok Sabha, MPs highlighted issues such as algorithmic bias, privacy violations, and misinformation, calling for ethical guidelines and stronger data protection²⁷ and advocated for legislation to curb deep fakes²⁸.
- In the Rajya Sabha, MPs argued for a national AI strategy²⁹ and proposed creating a SEBI-like regulator for AI³⁰. The MPs also warned of job losses and privacy risks, urging the creation of an independent regulatory body to oversee ethical deployment³¹.

These discussions reflect an emerging recognition of AI-related risks within Parliament. However, to date, they have not resulted in significant policy follow-through or in the introduction of government-led legislative proposals addressing AI governance.

Private Member Bills and Resolutions: Symbolic but Significant

Though few in number, recent private member initiatives indicate emerging political interest in AI:

- RS MP Kartikeya Sharma introduced a resolution to establish a Council for Future Affairs to steer India's AI strategy³².
- RS MP Mausam Noor introduced the Workforce Rights (AI) Bill, focusing on upskilling and displacement protection, and another bill addressing deep fakes³³.

- RS MP P. Sandosh Kumar proposed a bill to set up a National Artificial Intelligence Regulatory Authority (NAIRA)³⁴.

While these private member initiatives, consistent with broader legislative practice, have not advanced beyond the introduction stage, they reflect emerging political concerns around employment impacts, ethical AI use, and regulatory preparedness.

To put India's governance in context, it's instructive to examine how other major AI powers have structured their national approaches.

OTHER JURISDICTIONS: HOW KEY COUNTRIES ARE GOVERNING AI

AI governance in India has thus far been predominantly executive-led, with limited engagement with Parliament. The relative absence of legislative engagement introduces potential risks, including the possibility of policy capture by narrow stakeholder groups.

Recent advisory committees and subcommittees — some of which operate without formal public notification — include significant representation from global technology firms, industry associations, and private-sector actors. At the same time, these bodies have provided limited opportunities for participation by civil society organisations, labour representatives, or elected officials. In contrast, jurisdictions such as the United States and the United Kingdom have established mechanisms — including parliamentary hearings and committee oversight — to ensure more balanced public accountability. In these settings, major technology leaders have been called to testify before legislative bodies.

The current approach in India has resulted in relatively limited policy attention to issues such as labour market impacts, worker protections, and broader questions of democratic accountability. These omissions are particularly salient given India's large youth population and the potential for AI to reshape labour markets in ways that will affect millions of young Indians entering the workforce. To support the development of a more inclusive and resilient AI governance framework, it is instructive to examine how other jurisdictions are balancing innovation, regulation, and democratic oversight.

Elements of Strategy	Government Endorsement	Nodal Agency	Roadmap	Public Funding & Incentives	Legislative/Regulatory Alignment	Public Engagement & Transparent	Monitoring & Accountability
	 AI Initiative Act (2020), Executive Orders	 OSTP + National AI Initiative Office	 White House & AI Initiative Act set priorities, metrics, timelines	 CHIPS Act, federal R&D, workforce grants	 AI Initiative Act offers framework, lacks full federal regulation	 Public hearings, AI Bill of Rights consultations	 Congressional oversight, GAO audits, agency reporting
	 EU AI Act passed by Parliament & Council	 DG CONNECT + AI Board	 Phased rollout & national plans in EU AI Act	 Horizon Europe, Digital Europe	 Binding EU AI Act, aligned with GDPR	 Drafts, civil society engagement, consultations	 Annual reporting + independent evaluation
	 AI Strategy presented to Parliament	 DSIT, regulators by sector	 Strategic intent clear, roadmap still evolving	 Public funding, AI Safety Institute	 Principles now; AI Regulation Bill in process	 Committee reports, consultations	 Parliamentary scrutiny, committee recommendations
	 AIDP endorsed by State Council	 CAC + Ministry of Science & Technology	 AIDP outlines goals across R&D, talent, deployment	 State-driven investment, R&D subsidies	 Algorithm laws, audit mandates	 Closed processes, limited civil participation	 Internal audits only; no public accountability mechanism
	 IndiaAI approved, but pillars not formally adopted	 MeitY leads	 Strategy documents exist, no binding roadmap	 ₹10,371 cr allocated under IndiaAI Mission	 Current framework fragmented	 Committees not notified at constitution; recommendations public	 No formal monitoring process or reporting to Parliament



Implemented



Partially Implemented



Not Implemented

This comparative review reveals that all major AI powers—across democratic and centralized systems—have institutionalized core elements of a national AI strategy: formal government endorsement, empowered nodal institutions, measurable objectives with roadmaps, regulatory alignment, and mechanisms for public engagement and oversight. In contrast, India remains an outlier in several respects. While it has committed significant public funding through the IndiaAI Mission, it lacks a Cabinet-endorsed strategy, institutional architecture for cross-sector coordination, or a binding roadmap for implementation.

Perhaps most critically, India's AI governance is evolving without sufficient transparency, parliamentary anchoring, or societal safeguards. Without further institutional development, India risks both domestic policy fragmentation and reduced credibility in international AI governance forums.

WHY STRATEGY MUST PRECEDE MISSION: CRITICAL GAPS IN INDIA'S AI GOVERNANCE

India's AI governance ecosystem is active but remains fragmented, and it continues to operate without the mandate of a comprehensive national strategy. This gap is not simply procedural — it raises substantive risks for India's strategic autonomy, societal stability, global credibility, and public trust.

Seven key gaps are particularly noteworthy:

Limits of a Mission-First Approach

The IndiaAI Mission provides an important administrative framework for executing AI-related initiatives. However, as the current state of India's AI ecosystem illustrates, the core challenges are not limited to implementation — they are structural in nature. Without a deliberate and coordinated effort to strengthen India's research capacity, industrial AI capabilities, and strategic posture, an administrative approach is unlikely to achieve desired outcomes.

Moreover, missions are typically designed to implement priorities once those priorities have been clearly defined and agreed upon. In the case of AI, several fundamental policy questions — including national priorities, values, and governance principles — remain unresolved. In this context, a mission-first approach risks embedding decision-making processes that are technocratic and opaque, and that may lack broader public deliberation and accountability.

Strategic Autonomy and National Security Risks

AI technologies are becoming increasingly embedded within India's defence, intelligence, and critical infrastructure systems. Recent military conflict with Pakistan has underscored the growing operational dependence on AI-enabled platforms. In the absence of an indigenous, coordinated AI strategy, India faces the risk of strategic dependencies on foreign technologies. Such dependencies could constrain India's ability to act independently during future geopolitical crises.

International developments further highlight this risk. For example, the US–Russia standoff and the weaponisation of financial infrastructure have demonstrated how technological and economic dependencies can be leveraged — even by allies — to achieve geopolitical objectives. Rising tensions linked to tariff policies and strategic technology competition further illustrate the relevance of this risk landscape.

In an increasingly AI-driven global environment, technological dependencies can translate into strategic vulnerabilities. Safeguarding India's strategic autonomy will require the development of a whole-of-government AI strategy, aligned with national security priorities, and focused on building resilient and sovereign capabilities.

Managing Societal Transitions Requires National Deliberation

AI is poised to reshape not only employment but also the broader social contract — influencing which skills are valued, transforming education and training pathways, and altering prevailing norms around work and social equity.

These transitions are unlikely to be managed equitably if left solely to market forces or technical expert groups. A national dialogue — involving a broad cross-section of stakeholders, including policymakers, industry leaders, educators, civil society, and labour representatives — will be essential. Such a dialogue should help guide curriculum reform, workforce transition planning, the design of social protections, and the expansion of new avenues for work — including in sectors such as the care economy.

Without such a deliberative and anticipatory approach, there is a risk that the benefits of AI adoption will be unevenly distributed — potentially exacerbating social inequities and undermining public trust.

Employment and Societal Impact: A Blind Spot in Policy

AI is transforming the global labour market, and India's labour surplus³⁵ and service-driven economy is particularly vulnerable to automation. Sectors like IT, BPO, and finance—key sources of entry-level white-collar employment—are already feeling the effects. Evidence is piling up internationally and domestically.

The World Economic Forum projects that 92 million jobs could become obsolete globally by 2030 due to AI³⁶. Dario Amodei, CEO of Anthropic, one of the world's largest AI companies warned in an interview³⁷ that AI could wipe out half of all entry-level white-collar jobs in the next one to five years. Aneesh Raman, chief economic opportunity officer at LinkedIn, warned in a New York Times op-ed³⁸ that AI is breaking "the bottom rungs of the career ladder. A 2025 SignalFire report shows entry-level recruitment is down more than 50% from pre-pandemic levels³⁹. Companies like Microsoft and Google have replaced between 20-30% of coding tasks with AI tools⁴⁰.

India's Economic Surveys from 2023 to 2025 have acknowledged these risks and underscored India's heightened vulnerability as a services-led economy⁴¹. According to the IMF, 26% of the Indian workforce is exposed to generative AI, with 12% at risk of displacement⁴². In 2024, the top 3 Indian IT services companies Tata Consultancy Services (TCS), Infosys and Wipro reported a combined headcount decline of almost 65,000 employees for the first time in at least 20 years⁴³. In February 2025, HCL CEO speaking at Nasscom's annual Technology and Leadership Forum on the impact of AI on the Indian IT industry revealed that the company has challenged its employees to “generate twice the revenue with half the workforce.”⁴⁴

Despite this, current national AI initiatives — including the IndiaAI Mission — do not sufficiently address employment transition, workforce planning, or social protections. The absence of structured input from labour economists, civil society, and workforce experts has limited the scope of policy responses. Addressing these gaps is critical to ensuring that AI adoption supports broad-based economic resilience and social stability.

Democratic Governance of Public Data

High-quality datasets are foundational to AI development. As public data initiatives advance, questions of how data is curated, accessed, and governed will shape innovation outcomes and market dynamics. Without transparent, democratically debated frameworks, there is a risk that data governance could reinforce market concentration and erode public trust. Establishing clear principles for the responsible use and stewardship of public data should be a core element of India's AI strategy.

Aligning Global Leadership with Domestic Readiness

India's leadership role in the Global Partnership on AI (GPAI) reflects its international ambition in AI governance. However, global credibility depends on coherence at home. To sustain influence, India must align its international commitments with a transparent, democratically grounded domestic strategy. Strengthening domestic governance will enhance India's ability to contribute meaningfully to global AI norms and frameworks.

Public Trust and Regulatory Coherence

As AI becomes integrated into public services — such as healthcare, policing, and welfare — questions of legitimacy, fairness, and accountability will grow more salient. Without transparent public debate and coherent regulatory frameworks, public trust in AI governance may weaken, increasing the risk of societal pushback. A national AI strategy should promote regulatory alignment across sectors and uphold democratic values and human rights.

These gaps underscore a central principle: **strategy must precede mission**. AI is not comparable to the IT industry of the 1990s, where the government primarily enabled private enterprise. Nor is it simply another sectoral technology. As a transformative general-purpose technology reshaping national security, economic structures, and social frameworks, AI requires a proactive, strategic, and coordinated governance approach. Managing this transition demands inclusive, forward-looking, and democratically accountable governance, anchored in a national strategy shaped through open public deliberation.

Recommendations: Strategy for India's Global Leadership in AI and Democratic Accountability

India has the opportunity to shape AI as a driver of public good and inclusive growth. Realising this potential will require political consensus and purposive, whole-of-government coordination to ensure both strategic speed and social equity. The following priorities can guide such an approach:

Institutional Design and National Strategy Coherence

- Publish a Cabinet-endorsed National AI Strategy with a clear vision, KPIs, implementation roadmap, and timelines.
- Establish an Inter-Ministerial AI Governance Council to give IndiaAI a clear mandate and political backing to move with speed. Provide regular updates to Parliament on key KPIs and implementation timelines aligned with the National AI Strategy
- Create regulatory sandboxes and ethics protocols for high-risk AI use cases—especially in healthcare, finance, and law enforcement—to balance innovation and accountability.

Political Leadership and Legislative Engagement

- Constitute a dedicated Standing Committee on AI and Emerging Technologies in Parliament to oversee executive initiatives, ethical risks, and public consultations.
- Political parties must mainstream AI in their platforms and manifestos to ensure AI becomes a political and developmental priority.
- Initiate a national debate on the AI-era social contract, covering just transition, data governance, and democratic oversight.

Transparency, Accountability, and Public Trust

- Formally notify all AI-related expert committees with public terms of reference, membership, and outputs to avoid technocratic opacity and corporate capture.
- Present major AI policy documents in Parliament and open them to structured public consultation.
- Publish periodic updates on the implementation of AI initiatives, including timelines, budget utilization, and regulatory outcomes.

Employment Transition and Socio-Economic Resilience

- Commission a national impact study on AI-driven employment disruption, particularly in entry-level white-collar roles, with granular data on sectors, demographics, and regions.
- Develop a cross-ministerial action plan for workforce transition, including skilling pathways, reemployment and wage support.
- State Governments must take the lead through state-level experimentation for AI transition frameworks that integrate innovation with protections for local labour markets to create replicable policy models.

AI governance is too consequential to be driven by narrow administrative approaches. Delay itself carries strategic risk: as global governance frameworks take shape and AI capabilities advance, India must move now to define its national priorities and governance architecture. AI must be treated as a national strategic priority — grounded in democratic deliberation and political consensus — if India is to transition from a user of AI technologies to a leader in shaping an inclusive, democratically grounded AI future.

Conclusion

This analysis highlights three core challenges in India's current AI governance: the absence of a clear national strategy and political consensus; an institutional framework unsuited to whole-of-government coordination; and under-addressed risks to strategic autonomy and societal transitions.

The window for action is closing. Delayed alignment risks deepening structural dependencies and diminishing India's influence in emerging AI governance frameworks.

To address these risks, four immediate priorities stand out:

- Develop and present a Cabinet-endorsed National AI Strategy to Parliament
- Empower IndiaAI with a clear mandate and political backing to move with speed and provide regular updates to Parliament on KPIs and timelines
- Establish a Parliamentary Standing Committee on AI
- Commission a national employment and societal impact study to inform an equitable, whole-of-government transition strategy

AI governance is not a choice between innovation and regulation. It is a choice between narrow, technocratic pathways — and democratic, inclusive governance that advances national interests and broad-based prosperity. India's leadership in forums such as GPAI has demonstrated international ambition. Aligning domestic governance with this ambition is now essential to shape an AI future that reflects democratic values and inclusive growth.

A coordinated, accountable, and democratically grounded AI strategy is not just about catching up — it is about choosing the kind of AI future India wants to lead.

Notes

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This report has focused on the need for a national strategy and governance architecture to align India's AI development with national priorities and democratic accountability. A companion report, forthcoming, will examine the labour dimension of India's AI transition — exploring how national and state governments, public agencies, industry bodies, and individual institutions can proactively manage just transitions, support inclusive workforce transformation, and foster new employment opportunities in an AI-driven economy.

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