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AI and India's National Interest

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Brussels, 9 December 2024 - AI offers a policy dilemma for India. On the one hand, export competitiveness hinges on the nationwide deployment of productivity-enhancing technologies. Indian services and consultancies must incorporate AI technologies to keep their leading position in the global market. On the other hand, there are also concerns over automation's impact on social cohesion, discriminatory algorithmic decision-making, and the risks of "deepfakes".

However, the current transitional guidelines have shown a feasible pathway to avoiding overlapping liability or regulatory blindspots by re-interpreting existing legislation. India has a comprehensive framework for antitrust, corporate liability, free speech, and public order that covers AI development and use cases. India may not need AI-specific rules.

Currently, only the EU has chosen to legislate through binding laws due to its unique structural deficiencies. The EU lacks a supranational constitution that safeguards human rights and protects citizens against AI-based surveillance or policing by its Member States. The EU must enact binding rules to pre-empt AI laws by national governments that will otherwise fragment its Single Market.

Whereas India has previously taken inspiration from the EU or the US laws, India must follow its own paths and pursue its national interests based on its services-driven industrial profile and the two-way competition against China and the US, who have chosen not to impose any regulatory impediments on AI use or development.

India's challenge lies not in whether businesses prefer a local or foreign AI platform but in encouraging rapid adoption and supporting open-source and other alternatives accessible for fine-tuning and transfer learning for its IT industry.

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