

India's AI Strategy in the Wake of Global AI-Race: Prioritizing Trust, Independence and Inclusion with Caution

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Global Race and the AI Disruption

We're witnessing a major shake-up in the global AI race. China's \ launch of its revolutionary AI model, DeepSeek, has dramatically altered the playing field, causing nearly \$1 trillion in losses for U.S. stock markets. Tech giants scrambled, with OpenAI quickly adjusting prices and Google launching competitive subscription plans. It was a stark reminder of how swiftly AI can disrupt markets and industries. Yet, the excitement wasn't universal—Italy, Australia, and Taiwan banned DeepSeek almost immediately, citing data privacy and security risks. Even the U.S. Navy took precautions, banning the app on official devices. Clearly, AI leadership isn't just about technological prowess; it's equally about managing trust, privacy, and strategic security.

For India, these rapid changes have sent a powerful message: the goal isn't just speed but better strategic alignment with the global south.

Shifting from Speed to Strategic Alignment with Growth

India stands at a crucial intersection, uniquely positioned to shape its own independent AI future. Thankfully, policymakers seem to have understood the message and are trying to create a AI future where India has a role to play.

Recent initiatives under the IndiaAI Mission by the Ministry of Electronics & IT reflect a thoughtful shift toward sustainable development. Efforts like AIKosha—a national dataset repository—and affordable access to powerful AI computing resources highlight India's commitment to democratizing AI access, making sure it isn't just the privilege of the well-funded.

There's also something genuinely exciting about seeing local innovation thrive. Take Krutrim, for instance—India's first AI unicorn. Krutrim is developing and open-sourcing language models tailored specifically for Indian languages. Imagine a

farmer in Rajasthan or a small shop owner in Tamil Nadu easily interacting with AI tools in their native languages. Additionally, industry heavyweights like Reliance Jio are partnering with global tech giants like NVIDIA to build world-class AI infrastructure locally. These developments aren't just impressive on paper; they symbolize a critical step towards real self-reliance, ensuring India's AI future remains securely in our own hands.

Data Sovereignty and AI Accessibility as a Public Good

Central to India's strategic outlook is the pressing issue of data sovereignty. With AI becoming deeply embedded in governance, business, and daily life, dependence on foreign AI solutions risks exposing critical national data, making the nation vulnerable. Thus, India's bold ambition to produce its own AI chips by 2027 isn't just good economics—it's essential for national security. This initiative significantly boosts India's control over the crucial infrastructure of the future.

In addition, India has a multi-language and multi-culture diaspora and boasts of "Unity in Diversity". If AI has to be adopted across various parts of the country across diverse states and requirements, the need for a more robust approach is surely called for.

Just as vital is the philosophy that AI must be accessible and beneficial to everyone, not merely a few elite corporations. By embracing AI as a public good, India's policies aim to bridge the digital divide, providing equitable access to sophisticated AI tools nationwide. Picture this: students from remote villages using AI to enhance their education or small entrepreneurs boosting their productivity with affordable technology. This inclusive vision is central to India's broader strategic goal.

Balancing Optimism with Caution: Learning from History

As exciting as AI's transformative potential is, India wisely maintains cautious optimism and risk conscious curiosity. A helpful principle here is Amara's Law, a gentle reminder that we often overestimate short-term impacts of technology but underestimate its long-term significance. This insight encourages thoughtful, steady progress rather than rushing into potential pitfalls.

Carlota Perez's studies on past technology revolutions offer additional valuable lessons. History repeatedly shows us a pattern: initial excitement leads to speculative frenzies that eventually burst before stable, sustainable applications emerge. AI today clearly exhibits signs of this speculative frenzy. Acknowledging this, India's strategy is deliberately cautious—learning from the triumphs and failures of early adopters, and methodically positioning itself to leapfrog directly into a sustainable, thriving AI ecosystem.

Roadmap for Purposeful AI Leadership for India

India's thoughtful AI strategy should consider and include several key pillars designed to deliver lasting benefits:

- **Robust AI Infrastructure:** Aggressively building scalable digital infrastructure nationwide, enabling every developer, big or small, to easily leverage powerful computing resources.
- **Skilling and Talent Development:** Embedding comprehensive AI training across education and professional development to prepare India's workforce effectively.
- **Research and Innovation Ecosystem:** Fostering vibrant collaborations between academia, industry, and government to address uniquely Indian challenges creatively and effectively.
- **Affordability and Access:** Making AI tools widely affordable and accessible, ensuring even small businesses and rural communities can benefit.
- **Ethical and Inclusive Governance:** Crafting clear, practical regulatory frameworks focused on trust, transparency, ethical use, and democratic values.

Conclusion: Leading with Purpose and Resilience

Ultimately, India's AI journey isn't about racing to keep up—it's about deliberately and confidently setting our own path. This strategic approach emphasizes resilience, inclusivity, and long-term depth. India aims to lead not through speed alone but through principled, visionary stewardship of AI, demonstrating global leadership in responsible technology management. By committing to this path, India will position itself not just as a global participant but as a model of thoughtful, purpose-driven AI innovation across the country.