

Daily Editorial Analysis 30 June 2026

June 30, 2026 • vajiramandravi.com



Reforms 3.0 — Towards the Bharat Rate of Growth

Context

- India stands at a transformative moment where Artificial Intelligence (AI) has the potential to become the next engine of economic growth, much like the **1991 economic liberalisation**.
- Just as structural reforms accelerated **GDP growth**, AI can significantly enhance productivity, innovation, and global competitiveness.
- Leveraging its success in **Digital Public Infrastructure (DPI)**, India can position itself as a global AI leader through strategic investments, affordable AI access, and sovereign technological capabilities.

India's Digital Transformation: A Strong Foundation

- **Success of Digital Public Infrastructure**
 - India has demonstrated its ability to implement large-scale digital reforms through **Aadhaar**, the **Unified Payments Interface (UPI)**, and **Reliance Jio**.
 - These initiatives transformed digital identity, financial inclusion, and internet accessibility, proving that well-designed policies can rapidly scale technology for public benefit.

- **Lessons for the AI Era**

- The experience of making mobile data affordable illustrates that reducing the cost of digital infrastructure can unleash innovation.
- Applying a similar approach to AI can democratize access to advanced computing resources across education, research, and industry.

Making AI Accessible Through Free Tokens

- **AI Tokens as Public Digital Infrastructure**

- AI tokens, the computational units used by **Large Language Models (LLMs)**, should be treated as essential digital infrastructure.
- Providing subsidised or free AI access to leading **universities, research institutions, and schools** would strengthen scientific research, improve learning outcomes, and encourage innovation.

- **Economic Feasibility**

- Despite spending relatively little on **Research and Development (R&D)**, India allocates substantial resources to food, fertiliser, and fuel subsidies.
- Redirecting a small proportion of these expenditures, approximately **06% of GDP**, towards AI infrastructure would represent a strategic investment capable of generating significant long-term economic returns.

Building a Sustainable AI Ecosystem

- **Public-Private Partnerships**

- Developing a competitive AI ecosystem requires strong **Public-Private Partnerships (PPP)** involving **AWS, Google, and Microsoft**.
- Government support through land allocation, power incentives, and regulatory certainty can encourage domestic investment in AI infrastructure while reducing computing costs.

- **AI Sovereignty and Open-Source Models**

- India must build AI sovereignty by hosting both indigenous and open-source models on sovereign infrastructure rather than relying exclusively on foreign APIs.
- This approach enhances **data sovereignty**, lowers costs, enables customization for **Indic languages**, and strengthens national security through greater technological independence.

- **Diversified AI Hardware Strategy**

- Dependence on a single supplier creates financial and strategic vulnerabilities.
- A diversified ecosystem incorporating **NVIDIA, Google TPUs, AWS Trainium, and AMD** would reduce **vendor lock-in**, improve cost efficiency, and strengthen supply-chain resilience while supporting AI training, inference, and research.

Roadmap for Implementation

- **Phase I: Policy and Infrastructure**

- A National AI Token Policy should establish partnerships with global hyperscalers and create sovereign AI infrastructure.

- Initial pilot projects should provide AI access to premier institutions such as the IITs and IISc.

- **Phase II: Expansion and Innovation**

- The programme should gradually extend AI access to universities, startups, and schools through API sandboxes, AI literacy programmes, and expanded research support, fostering a vibrant innovation ecosystem.

- **Phase III: Nationwide Deployment**

- The final phase should integrate AI into healthcare, agriculture, education, and the judiciary, while supporting all major Indian languages.
- This comprehensive rollout would accelerate AI adoption across sectors and strengthen India's position in the global AI landscape.

Strengths and Challenges

- **Strengths**

- The proposed strategy combines **historical evidence**, sound economic reasoning, and a practical implementation roadmap.
- It integrates technology, governance, education, and infrastructure into a comprehensive national development strategy while emphasising affordability, innovation, and strategic autonomy.

- **Challenges**

- Several projections regarding rapid GDP growth and global AI leadership remain optimistic.
- Greater attention is needed to **AI ethics, privacy, cybersecurity, misinformation, job displacement**, and environmental sustainability.
- Effective regulation and institutional capacity will be essential to ensure responsible AI adoption.

Conclusion

- Artificial Intelligence offers India an unprecedented opportunity to drive inclusive economic growth and technological leadership.
- By expanding affordable AI access, strengthening **AI sovereignty**, promoting **open-source innovation**, diversifying computing infrastructure, and fostering public-private collaboration, India can replicate the success of its Digital Public Infrastructure revolution.
- Timely policy action, sustained investment, and effective governance will determine whether AI becomes the foundation of India's next development revolution.

Reforms 3.0 — Towards the Bharat Rate of Growth FAQs

Q1. Why is the 1991 economic liberalization compared to the AI revolution?

Ans. The 1991 economic liberalization is compared to the AI revolution because both have the potential to bring transformative economic growth through structural reforms and technological advancement.

Q2. Why should AI tokens be made affordable?

Ans. Affordable AI tokens would improve access to AI for students, researchers, and innovators, thereby promoting education and innovation.

Q3. What is meant by AI sovereignty?

Ans. AI sovereignty refers to India's ability to develop and host AI models on its own infrastructure without excessive dependence on foreign providers.

Q4. Why are public-private partnerships important for AI development?

Ans. Public-private partnerships can help build AI infrastructure by combining government support with private-sector technology and investment.

Q5. What are the major challenges in implementing an AI-driven strategy?

Ans. Major challenges include ensuring AI ethics, protecting privacy, strengthening cybersecurity, addressing job displacement, and establishing effective regulation.

Source: **The Hindu**

The New Digital Slavery Needs Constitutional Guardrails

Context

- The rapid advancement of **Artificial Intelligence (AI)** has transformed governance, communication, and economic activity while creating unprecedented **ethical, legal, and constitutional**
- As AI increasingly influences decisions affecting employment, healthcare, education, and public discourse, governance must prioritise **human dignity**, democratic accountability, and national security.
- A robust legal framework is essential to ensure that technological innovation strengthens society rather than undermines it.

Human Dignity as the Foundation of AI Governance

- Pope Leo XIV emphasises that every individual possesses inherent human dignity, making personal data an extension of human identity rather than a commercial asset.
- **Unchecked exploitation** of personal information risks creating a new form of **digital slavery**.
- Therefore, AI governance must move beyond voluntary ethical commitments and establish binding legislation, independent oversight, and clear human accountability for automated decision-making.

Law versus Ethics in the Age of AI

- AI evolves at an extraordinary pace, whereas democratic law-making is inherently gradual. Governments can regulate the application of AI but cannot prevent scientific discoveries themselves.
- As a result, legislation often lags behind technological change.
- Effective governance requires **adaptive regulation** capable of responding to emerging technologies while protecting **fundamental rights** and ensuring legal certainty.

AI as a Threat to Democracy

- Democracy depends on a shared understanding of reality. AI-generated **deepfakes**, synthetic media, and large-scale **disinformation** campaigns increasingly blur the line between truth and falsehood, threatening electoral integrity and public confidence in institutions.
- Social media algorithms further intensify these risks by maximising user engagement through sensational and divisive content.
- This creates **echo chambers**, fuels **polarisation**, weakens **social cohesion**, and concentrates immense influence over public discourse in the hands of private technology companies with limited democratic accountability.

Information Warfare and India's Digital Vulnerability

- AI has transformed information into a strategic weapon.
- Foreign governments and non-state actors exploit digital platforms to manipulate public opinion, deepen social divisions, and destabilise democratic societies through coordinated misinformation campaigns.
- These operations pose serious threats to **democratic sovereignty** and **national security**.
- As the world's largest democracy and a leading digital economy, **India** faces unique vulnerabilities due to rapid digital adoption and uneven **digital literacy**.
- Strengthening resilience against algorithmic manipulation has therefore become a national priority.

A Five-Pillar Framework for AI Governance

- **Rights-Based Governance**
 - A rights-based framework should guarantee data privacy, informed consent, and protection against algorithmic discrimination.
- **Platform Accountability**
 - Technology companies must ensure greater platform accountability through transparency requirements, independent audits, and legal responsibility for harmful algorithmic amplification.
- **Protection of Free Speech**
 - Regulation should safeguard free speech by targeting automated bot networks, deepfake creators, and manipulative platform structures rather than restricting legitimate political expression.
- **Digital Literacy**
 - Comprehensive media literacy and digital citizenship programmes should equip citizens to critically evaluate online information and resist manipulation.
- **National Security Measures**
 - Advanced early-warning systems, supported by cybersecurity agencies, independent fact-checkers, researchers, and ethical hackers, are essential for detecting and countering coordinated misinformation campaigns before they spread widely.

Conclusion

- AI governance must evolve beyond technical regulation into a **constitutional imperative** grounded in human dignity, democratic accountability, constitutional values, and national sovereignty.
- Protecting the integrity of the digital information ecosystem is essential for preserving **life, liberty, free expression**, and democratic institutions.
- Through transparent law-making, accountable technology platforms, informed citizens, and proactive national safeguards, AI can become a force for inclusive progress while protecting the foundations of constitutional democracy.

The New Digital Slavery Needs Constitutional Guardrails FAQs

Q1. What is the foundation of AI governance?

Ans. The foundation of AI governance is human dignity, which requires that technology always serves and protects human rights.

Q2. Why is AI a challenge for democracy?

Ans. AI spreads deepfakes and disinformation, making it difficult for citizens to distinguish truth from falsehood.

Q3. Why is legislation often ineffective in regulating AI?

Ans. Legislation often lags behind AI because technological innovation advances much faster than the law.

Q4. What are the key pillars of effective AI governance?

Ans. Effective AI governance requires rights-based regulation, platform accountability, protection of free speech, digital literacy, and strong national security measures.

Q5. Why is AI governance considered a constitutional imperative?

Ans. AI governance is a constitutional imperative because it protects human dignity, democracy, fundamental rights, and national sovereignty.

Source: **The Hindu**

Indian Statistical Institute (ISI) Bill - Reform or Unnecessary Restructuring?

Context

- The Ministry of Statistics and Programme Implementation (**MoSPI**) has drafted a Bill to convert the Indian Statistical Institute (**ISI**) from a registered society into a body corporate, broadly aligning its governance with the **IIT/IIM**
- While some policymakers and members of the 4th Review Committee support the move, many current and former ISI faculty, employees, alumni and academicians oppose it.

- Their argument is that the proposed restructuring is unnecessary and may **undermine** ISI's unique academic character.

Indian Statistical Institute (ISI)

- **About:**

- The ISI is a public research university established in **1931**, and headquartered in **Kolkata**, with regional centers in Chennai, Bengaluru, New Delhi and Tezpur.
- It was declared an **Institute of National Importance** by the Government of India under the **ISI Act, 1959**. It functions under the **MoSPI** of the Government of India.

- **Primary activities of ISI:**

- Research and training in statistics, development of theoretical statistics and its applications in various natural and social sciences.

Draft ISI Bill

- **Purpose:** It aims to modernize the governance and administrative structure of the ISI to align it with other Institutions of National Importance (INIs) like the IITs and IIMs.
- **Governance shift:** The legislation proposes **replacing** the old **ISI Act 1959**, with a new framework, introducing a nominated Board of Governors, making the President of India the "Visitor," and streamlining operations.
- **Proposals:**
 - It transforms ISI from a registered society into a body corporate.
 - Reduce the size of the ISI Council.
 - Grant greater administrative and financial autonomy to ISI's regional centres.

Arguments Against the Proposed Bill

- **ISI is already active in AI and Machine Learning (ML):**
 - The criticism that ISI has failed to engage with emerging technologies is contested.
 - ISI established a Centre for Artificial Intelligence and Machine Learning (**CAIML**) in 2021.
 - The Centre undertakes research and application projects funded by Google, DRDO, TCS and other organisations.
 - AI and ML have already been integrated into flagship programmes such as M.Stat and M.Tech.
 - The existing ISI Act (1995 amendment) already permits expansion into computer science and related disciplines, making another legislative amendment **unnecessary** for AI-related education.
- **Student capacity has expanded significantly:**
 - The argument that ISI has failed to meet India's demand for data professionals (admits around 550 to 600 students a year, while IITs admit close to 2,500) overlooks recent expansion.
 - ISI currently offers: 3 undergraduate programmes, 8 postgraduate programmes, 6 diploma/certificate courses, and Doctoral programmes.
 - Nine academic programmes have been introduced during the last 15 years.
 - The number of graduating students has increased nearly **four-fold** over the past two decades.

- However, the institute argues that its **primary mandate** is to advance statistical theory, methodology and research, not mass education.
- Excessive expansion in student intake may reduce faculty time available for research.
- Student intake has more than doubled over the last decade, but faculty recruitment has not kept pace, largely due to government-imposed recruitment constraints.
- **Governance structure is not the real constraint:**
 - Supporters of the Bill argue that adopting the IIT/IIM governance model would improve growth and global competitiveness.
 - Opponents counter that:
 - ISI's registered society structure has not hindered academic excellence.
 - Slower expansion reflects **institutional priorities**, not governance deficiencies.
 - ISI consciously focuses on high-quality research and specialised training, unlike the larger teaching-oriented IIT system.
 - **Council reform does not require institutional overhaul:**
 - The proposal to reduce the size of the ISI Council is acknowledged as a legitimate issue.
 - However, such reform can be achieved through a simple amendment to the existing ISI Act.
 - Transforming ISI into a body corporate is therefore considered **disproportionate** to the problem being addressed.
 - **Questions over regional autonomy:**
 - The Bill proposes greater administrative and financial autonomy for ISI's regional centres.
 - Critics argue that,
 - ISI headquarters and regional centres have traditionally functioned as an integrated academic network, sharing faculty, resources and teaching responsibilities.
 - No compelling evidence has been presented to justify the sudden push for greater institutional separation.

Alternative Approach Suggested:

- The need of the hour is,
 - Regular consultation between MoSPI and all stakeholders;
 - Greater support for faculty recruitment and infrastructure;
 - **Incremental reforms** within the existing ISI Act wherever necessary;
 - Preservation of ISI's research-oriented institutional identity while enabling gradual modernisation;
- rather than fundamentally altering ISI's legal and governance structure.

Conclusion:

- The debate over the proposed ISI Bill highlights a **broader policy dilemma** between institutional autonomy, governance reform and academic excellence.
- While modernisation and responsiveness to emerging fields such as AI and ML are essential, critics argue that these objectives can be achieved without transforming ISI into a body corporate.

- Meaningful stakeholder consultation and **evidence-based reforms** may offer a more balanced path for strengthening one of India's premier research institutions.

Indian Statistical Institute (ISI) Bill FAQs

Q1. Why has the proposed ISI Bill sparked debate over higher education governance in India?

Ans. It seeks to convert ISI into a body corporate on the IIT/IIM model, raising concerns over institutional autonomy.

Q2. Why do critics argue that a new law is unnecessary for expanding AI and ML at ISI?

Ans. The ISI has established a Centre for AI and Machine Learning and integrated AI/ML into its academic programmes.

Q3. How does ISI justify maintaining a relatively limited student intake?

Ans. Excessive enrolment without proportional faculty expansion would undermine research excellence.

Q4. What governance-related concerns have been raised regarding the proposed ISI Bill?

Ans. Minor changes can be achieved through amendments to the existing Act, making a complete institutional restructuring unnecessary.

Q5. What policy approach is recommended for strengthening the ISI?

Ans. It advocates stakeholder consultations, enhanced faculty recruitment, greater funding, and incremental reforms.

Source: **IE**

Source: <https://vajiramandravi.com/current-affairs/daily-editorial-analysis-30-june-2026/>

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