KPMG

India's digital dividend

The strategic roadmap towards becoming a global digital leader

KPMG. Make the Difference.

Foreword

The global landscape is being defined by a 'polycrisis' - a combination of geopolitical circumstances, environmental changes and rapid technology upheaval. The complex web of challenges today creates significant uncertainty for businesses, governments and economies worldwide. Geopolitical changes, such as trade disruptions and shifting global alliances, are transforming the economic landscape, making it essential for policies to be flexible and adaptable in order to help sectors remain resilient in these turbulent times.

Despite this uncertainty, India serves as a vital catalyst of digital advancement. The country's digital revolution, led by programs such as 'Aadhaar' and the 'Digital India', is empowering citizens and closing the urban-rural disparity. With over 950 million internet users and the BharatNet initiative linking almost 200,000 village councils, India is exhibiting the transformative power of technology to connect individuals and drive equitable prosperity.

Furthermore, the Unified Payments Interface (UPI), which facilitated more than USD1.6 billion in transactions, demonstrates India's unique ability to adopt emerging technologies for digital inclusiveness, catalysing economic development. India's emphasis on workforce evolution, through initiatives such as Skill India, which trained 400 million citizens in varied capabilities, positions the country to meet the demands of a fast-changing employment market.

Global uncertainties and geopolitical risks have disrupted markets and businesses, creating vulnerabilities across sectors and economies, including India. These challenges highlight the urgent need for countries and organisations to adopt strategies that build resilience and ensure long-term stability. In this context, the implementation of advanced technologies such as Artificial Intelligence (AI) emerges as a critical tool for fostering resilience. By enabling predictive analytics, optimising operations and driving innovation, AI empowers businesses to adapt to disruptions and navigate complex global dynamics, while also reshaping the workplace and redefining productivity.

India is gradually establishing itself as a global leader in AI. The IndiaAI Mission, along with large investments in AI infrastructure, is creating a vibrant ecosystem of innovation and a trained workforce. With a concentration on STEM education and an increasing emphasis on women in STEM professions, India is building a talent pool capable of driving AI research, development and implementation.

Collaboration is critical to India's digital transformation. Public-Private Partnerships (PPPs) between the government, academia and the private sector are essential to drive innovation and enhance growth prospects. Initiatives such as National Digital Education Architecture (NDEAR) exemplify the collaborative mindset by bringing together government authorities, educational institutions and technology companies to establish a digital infrastructure that allows broader access to quality education and upskilling capabilities across India.

India is actively charting its own path in the digital era by harnessing technology, encouraging innovation and developing a talented and inclusive workforce. The country is positioned to become a worldwide leader in the digital economy, greatly contributing to global growth and realising its vision of a 'Viksit Bharat (Developed India) 2047'.

Yezdi Nagporewalla

Chief Executive Officer
KPMG in India

Executive summary

Digital transformation has become a driving force that innovates industries and reshuffles the approaches to governance. Over 50 per cent of leaders foresee fluctuations in the political, climatic and technological spheres, the need for flexible strategies is evident for inclusivity and resilience.

India's rise in the digital arena is visible in pioneering projects such as Aadhaar and Digital India, which highlight the country's dedication to promote inclusiveness and improving digital accessibility for all residents. By concentrating on reskilling its workforce via initiatives such as Skill India, India is proactively preparing its populace for the future of work in fields such as AI, robotics, among others, establishing itself as a digital transformation leader.

India is laying the groundwork for long-term economic growth and a prominent position in the global digital environment by investing in digital infrastructure and cultivating a collaborative culture.

> **World Economic Forum's Global Risks Report (2023-24) indicates majority of respondents (54 per cent) anticipate moderate instability and risk on account of global headwinds.**

India's digital renaissance

India's digital revolution
- **1.38 billion Aadhar cards issued**
- High speed internet connectivity access to over **950 million subscribers.**

Digital India
- Internet connectivity in **over 644,000 villages**
- **USD1.6 billion** UPI transactions as of FY23-24.

Skill evolution by 2030
- **Approximately 40 per cent job roles** expected to evolve by 2030
- Skill India to train **400 million people** across varied capabilities.

Leadership and investment
- **Investment of USD1.2 billion** in the IndiaAI mission
- Corpus of **USD12 billion** investment in sunrise technologies.

In a world characterised by interconnected crises ranging from geopolitical conditions to climate change, resilience has become the foundation of survival. Using emerging technologies such as AI, blockchain, IoT, India illustrates how digital innovation, diversity and strategic alliances can turn difficulties into economic opportunities, paving the strategic roadmap for a future-ready global economy.

Riding the wave of emerging technologies

India's digital revolution is redefining global competitiveness by leveraging technology to overcome gaps and create resilient growth. Government of India (GoI) has undertaken several initiatives, that support innovation, entrepreneurship and digital inclusion. **Major investments in AI, IoT and blockchain** are placing India as a technology leader, while a competent workforce is the driving force behind this bold, inclusive future.

Empowering its workforce with AI and digital skills

India is changing its workforce for the future by leveraging hybrid models, AI integration and a burgeoning gig economy. Key initiatives and schemes aim to create an agile, inclusive workforce that will fuel long-term progress, with collaborations playing an important role in **India's ascent as the world's AI powerhouse.**

A model for collaboration and innovation

India's collaborative ecosystems, powered by **PPPs,** are revolutionising industries such as healthcare, education and fintech, by **providing equitable access**. Strong governance and data protection regulations promote secure, long-term progress in India's digital future.

A vision for robust governance and ethical AI

India is embracing a digital-first future, strengthening governance frameworks to balance innovation with responsibility. By fostering transparency, adaptability and ethical AI, India is **paving the way for a secure, thriving digital economy.**

India is boldly charting its course towards becoming a Viksit Bharat, where innovation, resilient governance and ethical leadership converge to drive sustainable growth, empowering the nation to lead on the global stage in the digital age.

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Harnessing technology for resilience

In today's global landscape, characterised by geopolitical tensions, environmental crises and technology disruptions, the term '**polycrisis**' accurately depicts the linked and systemic nature of these issues. For organisations, overcoming this complexity has become a top responsibility. According to the World Economic Forum's Global Risks Report (2023-24), **only 16 per cent of leaders foresee near-term stability, while 54 per cent predict moderate instability and 30 per cent expect heightened uncertainty.**[1] This stark reality highlights why resilience is no longer optional - it is a business imperative.

The polycrisis manifests across industries, cascading its impact. Manufacturing is disrupted by climate change and supply chain instability due to conflicts. Healthcare systems grapple with resource shortages and bottlenecks, while logistics providers face rising costs and delays from global instability and climate challenges. This interconnected web of threats demands a coordinated and proactive response from businesses worldwide.
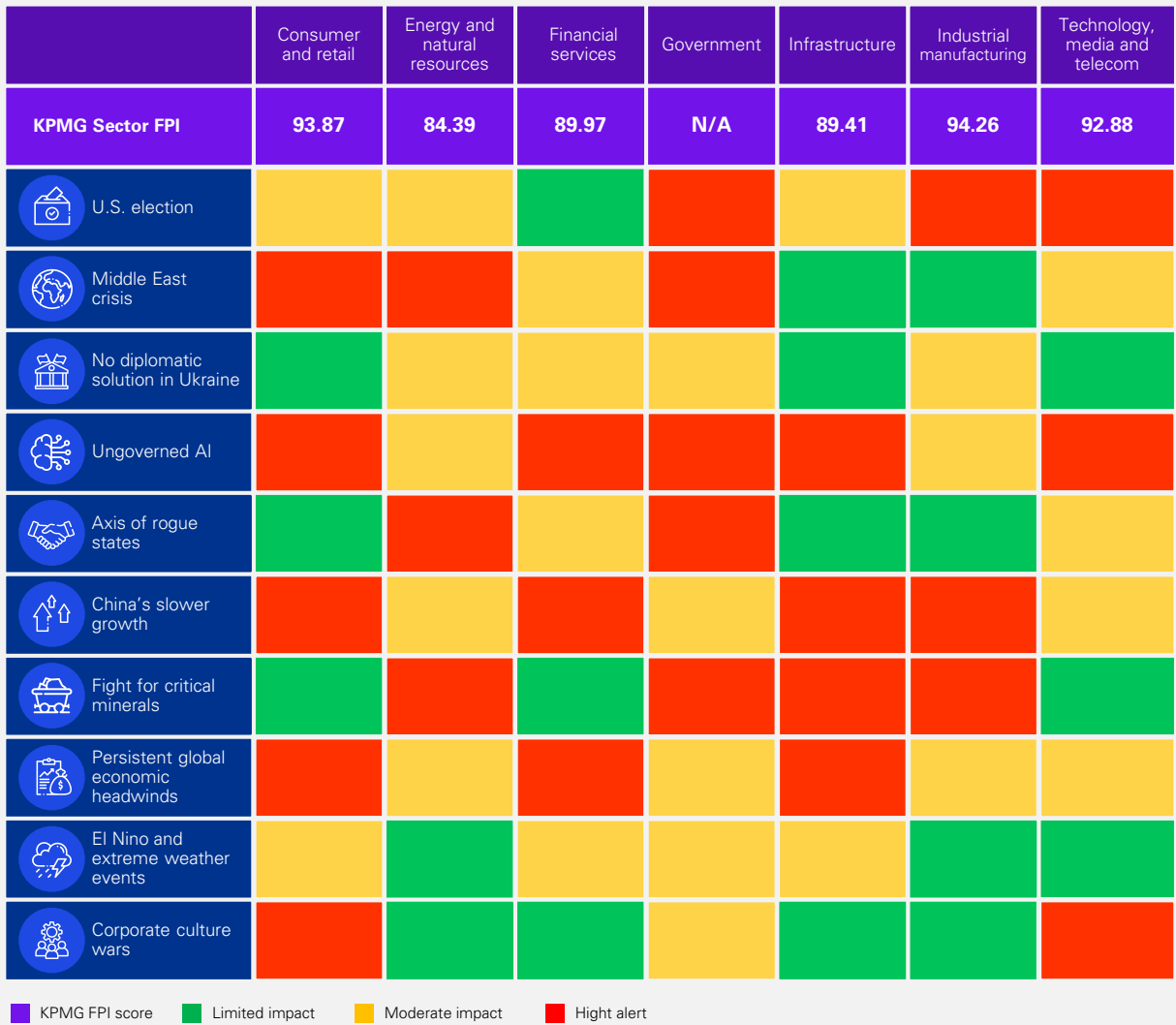
1. The Global Risks Report 2024, World Economic Forum, January 2024

Sectoral heat map of geopolitical risks

Geopolitical risks, including the Middle East crisis, AI governance and China's slower growth, affect industries in various ways, as depicted in this heat map. KPMG International's Top Risks Forecast report evaluates each sector's financial resilience to these challenges, particularly in government, energy, natural resources and more.

KPMG International's Financial Performance Index (FPI) for industrial manufacturing (94.26) and consumer and retail sector (93.87) shows that they are resilient to disruptions, such as rogue states, with only minor or moderate effects. In contrast, financial services (89.97) and infrastructure (89.41) are on high alert due to China's slower growth and global economic headwinds.

Figure 1: Sectoral heat map of geopolitical risks[2]

	Consumer and retail	Energy and natural resources	Financial services	Government	Infrastructure	Industrial manufacturing	Technology, media and telecom
KPMG Sector FPI	**93.87**	**84.39**	**89.97**	**N/A**	**89.41**	**94.26**	**92.88**
U.S. election	Moderate	Moderate	Limited	High alert	High alert	High alert	High alert
Middle East crisis	High alert	High alert	Moderate	Moderate	Limited	Moderate	Moderate
No diplomatic solution in Ukraine	Limited	Moderate	Moderate	Moderate	Moderate	Moderate	Limited
Ungoverned AI	High alert	Moderate	High alert	High alert	High alert	Moderate	High alert
Axis of rogue states	Limited	High alert	Moderate	High alert	Limited	Moderate	Moderate
China's slower growth	High alert	Moderate	High alert	Moderate	High alert	High alert	Moderate
Fight for critical minerals	Limited	Limited	Limited	High alert	High alert	High alert	Limited
Persistent global economic headwinds	High alert	Moderate	High alert	Moderate	High alert	High alert	Moderate
El Nino and extreme weather events	Moderate	Limited	Moderate	Moderate	Limited	Moderate	Moderate
Corporate culture wars	High alert	Limited	Limited	Moderate	Limited	Limited	High alert

Legend: ■ KPMG FPI score ■ Limited impact ■ Moderate impact ■ Hight alert

- The Sectoral Heat Map, based on KPMG International's FPI, evaluates over 40,000 global companies to identify top-performing and underperforming sectors, regions and countries
- FPI scores (0–100 – 0 is lowest and 100 is highest) assess revenue growth, profitability and risk resilience, highlighting financial health amid geopolitical uncertainties.

2. Top risks forecast, KPMG International, May 2024

At the core of any meaningful change lies technology. From AI's ability to anticipate disruptions to blockchain's role in ensuring supply chain transparency, technological advancements can reshape how enterprises tackle crises.

Forward-thinking organisations will leverage transformative tools to thrive amid uncertainty, with India exemplifying innovation, cooperation and inclusion in a world facing dynamic polycrisis.

Turning crisis into opportunity

In an era of interconnected global challenges, **technology is key to turning uncertainty into opportunity**. As dynamic variables reshape the business landscape, solutions including AI, blockchain, IoT, among others, will enable enterprises to predict disruptions, adapt in real-time and unlock growth opportunities. Crucially, these solutions not only enhance operational efficiency but also strengthen businesses with strategic agility to navigate polycrisis-induced risks.

Digital innovation case studies

AI: Navigating geopolitical turbulence

AI-powered predictive analytics help businesses optimise inventory, foresee shortages and identify alternative suppliers, ensuring resilience amidst trade disruptions.

An aerospace company collaborated with an AI firm to improve engine **inspection accuracy by over 30 per cent and reduce downtime**, ensuring operational continuity in the face of global volatility.
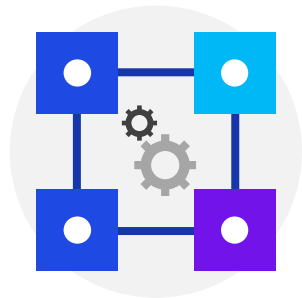
Blockchain: Ensuring supply chain resilience amidst unrest

Blockchain ensures transparency and trust in volatile business environments by generating tamper-proof ledgers that reduce fraud and improve traceability amid trade conflicts and political shifts.

A global retailer implemented a blockchain-based traceability system, reducing traceability timeframes and boosting supply chain efficiency. It also enhanced operational security, enabling faster responses to changing trade policies and supply chain.

IoT: Real-time monitoring to mitigate climate emergencies

IoT enables real-time data collection, helping businesses impacted by climate change make proactive decisions and optimise infrastructure.
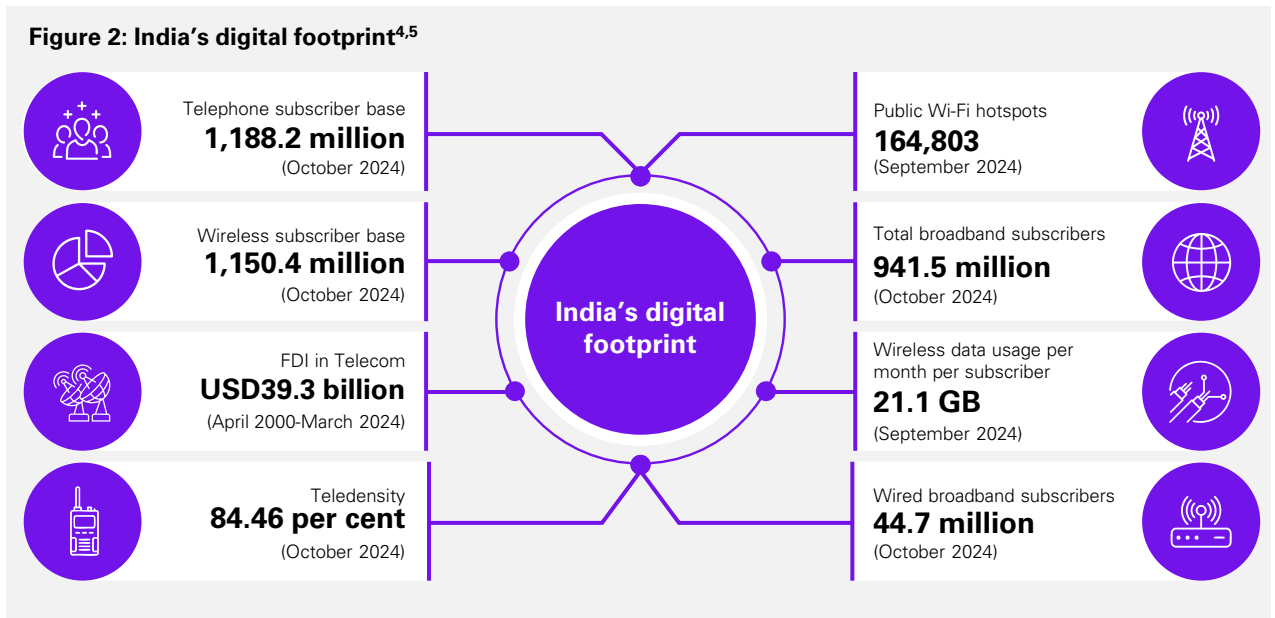
A global car maker uses IoT and cloud tech for predictive maintenance and over-the-air updates. IoT sensors in energy grids detect weather-induced faults, enabling quick action and minimising disruption, crucial for climate resilience.

Leveraging advanced solutions helps organisations navigate crises, ensuring operational continuity and adaptability. Addressing infrastructure and regulatory challenges necessitates cross-sector collaboration. With the global business ecosystem transforming due to technological advancements and market interconnectivity, businesses must focus on innovation and adaptability. **As per KPMG global tech report 2024, 87 per cent of organisations have used technology to boost profits in the past 24 months.**[3]

India's digital revolution and path to global resilience

India's digital journey demonstrates how innovation, policy and collaboration can overcome systemic challenges and unlock growth. With strong governance, strategic infrastructure and PPPs, it provides valuable lessons for other developing economies aiming for inclusive growth and sustainable development.

Figure 2: India's digital footprint[4,5]

Telephone subscriber base
1,188.2 million
(October 2024)

Wireless subscriber base
1,150.4 million
(October 2024)

FDI in Telecom
USD39.3 billion
(April 2000-March 2024)

Teledensity
84.46 per cent
(October 2024)

India's digital footprint

Public Wi-Fi hotspots
164,803
(September 2024)

Total broadband subscribers
941.5 million
(October 2024)

Wireless data usage per month per subscriber
21.1 GB
(September 2024)

Wired broadband subscribers
44.7 million
(October 2024)

The country's digital transformation highlights the role of technology, collaboration and inclusive growth in building resilience and sustainability, providing a blueprint for sustainable development in the global digital era.
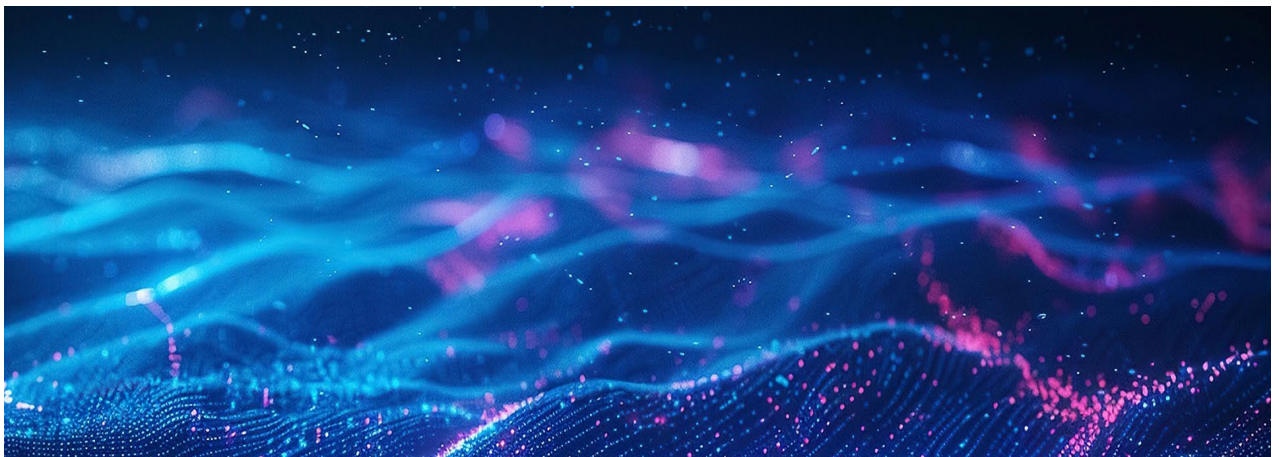
3. KPMG Global Tech report 2024, KPMG, October 2024
4. Highlights of Telecom Subscription Data as on 31st October, 2024, Press Information Bureau, December 2024
5. The Indian Telecom Services Performance Indicators July–September, 2024, Telecom Regulatory Authority of India, January 2025

Addressing the digital divide

The **Viksit Bharat 2047** initiative outlines a revolutionary route for India, emphasising equitable development and sustainable growth.[6] One of its cornerstones on technology growth, drives the **Digital India** project which has led to internet connectivity to over 950 million subscribers in March 2024, from 251 million in March 2014. This represents a monumental movement in large-scale digital transformation.

While the **BharatNet program** has provided broadband connectivity to almost 200,000 village councils, bridging the rural-urban digital divide.[7]

This cohesive strategy demonstrates India's commitment to using technology for growth and empowerment, paving the way for a digitally inclusive future.

With over 1.38 billion Aadhaar* cards issued, India has established one of the world's most extensive digital identification ecosystems.[8] This has empowered millions of people, allowing them to get access to financial services that were previously unavailable.

Smart Cities Mission: Urban spaces reimagined

India's **Smart Cities Mission** integrates technology into urban design, with an emphasis on renewable energy, waste management and citizen services. Cities such as Surat, Pune and others are adopting IoT to create a global norm for sustainable urban development, with investments over USD17 billion.[9] Furthermore, the **Atal Mission for Rejuvenation and Urban Transformation** (AMRUT) improves quality of life by providing basic civic services such as water supply, sewerage, urban transportation and parks to rural areas.[10]

This idea of smart, resilient cities, exemplified in various countries, uses IoT, AI and emerging technology to raise the living standards and build sustainable urban settings.

Data-driven insights for policy design

India's **Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)** has certified **47.8 million rural citizens**,[11] showcasing how data-driven policies drive equitable growth. India's AI focus will further shape policy and innovation, offering a model for emerging economies.

6. Viksit Bharat Sankalp, Ministry of Electronics and Information Technology, 2024
7. Universal connectivity and Digital India initiatives reaching to all areas, Press Information Bureau (PIB), August 2024
8. Aadhaar: A Unique Identity For The People, PiB, 24 October 2024
9. Smart Cities Mission Achievements 91% of Projects Completed, ₹1.47 Lakh Crore Invested, Press Information Bureau, December 2024
10. Hamara Sankalp Viksit Bharat, Ministry of Electronics and Information Technology, 2024
11. 7.35 crore candidates enrolled and 6.39 crore trained under Pradhan Mantri Gramin Digital Saksharta Abhiyan; 4.78 crore candidates certified under the scheme, Press Information Bureau (PIB), July 2024
*. Aadhaar is a biometric-based unique identification system in India that provides residents with a unique identity number for seamless access to government and private services.

India's blueprint for enhanced digital transformation

✓ **Replicating digital inclusion models:** India's Digital India initiative highlights the importance of scalable infrastructure to bridge the digital divide. Emerging markets can adopt similar models to connect rural communities and foster innovation.

PMGDISHA sought to increase digital literacy in rural India by targeting 60 million households. By March 2024, **63.9 million** people had been trained nationwide.[12]

✓ **PPPs for smart cities:** India's Smart Cities Mission demonstrates the potential how these partnerships can create sustainable urban ecosystems. Businesses have the opportunity to co-create solutions with governments to address urban challenges while increasing profits and societal impact.

The **Surat flood mitigation project** reduced flood risk and increased resilience by improving reservoir management, hydrological modelling and forecasting. Businesses and government co-created solutions such as early warning systems for effective preparedness.[13]

✓ **Connected ecosystems for resilience:** India demonstrates how connected ecosystems can overcome systemic barriers. This approach is essential for nations aiming to strengthen infrastructure in a polycrisis world.

Using Aadhaar, the **Pradhan Mantri Jan Dhan Yojana (PMJDY)** has opened **531.3 million bank accounts**, bringing millions of previously excluded people into the formal financial system.[14]

India's ascent to becoming the AI capital of the world

AI has emerged as a transformative force, reshaping industries and redefining the way businesses operate globally. Businesses that leverage AI effectively can unlock efficiencies, foster innovation and gain a significant edge in a rapidly digitalising economy.

India is uniquely positioned to become the AI capital of the world, leveraging its vibrant technology ecosystem, vast talent pool and government-driven digital initiatives. With a burgeoning digital economy, India has the data advantage critical for training AI systems across diverse use cases. Initiatives such as Digital India and the National AI Strategy are creating an enabling environment by fostering innovation, promoting AI research and encouraging startups to solve real-world challenges.

India can thus embark on a transformative journey and focus on the following steps:

01 Revolutionising AI education

Integrating AI-focused curricula in schools and universities, encouraging hands-on learning through hackathons, AI labs and competitions to nurture future-ready talent.

02 Democratising data access

Establishing a national AI repository with diverse datasets accessible to researchers, startups and enterprises to fuel innovation across sectors.

03 Global AI research hubs

Setting up globally recognised AI research institutes that attract top talent and foster collaboration between Indian and international experts.

04 Industry 5.0 integration

Pioneering human-AI collaboration in manufacturing and services, blending AI capabilities with human creativity to enhance productivity and innovation.

05 AI for Bharat

Focusing on AI solutions for rural India, including precision agriculture, smart irrigation and vernacular language processing, ensuring inclusivity in the AI revolution.

12. 6.39 crore individuals trained under Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) exceeding the target of 6 crore, Press Information Bureau, December 2024
13. Flood Mitigation in Surat Enhancing Reservoir Operations and Emergency Preparedness, NITI Aayog
14. Pradhan Mantri Jan Dhan Yojana: A Decade of Transformative Financial Inclusion, Press Information Bureau, August 2024

Fostering a culture of continuous learning and scalable transformation

In the face of rapid advancements in AI, IoT and blockchain, developing a trained and adaptable workforce is critical. This necessitates a strategic emphasis on upskilling and reskilling initiatives. With its emphasis on science, technology, engineering and mathematics (STEM) education and increasing digital literacy, India is laying the groundwork for a tech-savvy workforce capable of driving global innovation.

India's STEM education has made significant strides, particularly for women, with female enrolment in STEM disciplines exceeding 40 per cent.[14]

The use of AI, blockchain, IoT and other emerging technologies demonstrates the power of digital innovation in build resilience. As businesses around the world grapple with volatility, technology not only protects operations but also reveals new avenues for growth. Forward-thinking countries such as India illustrate the power of strong digital ecosystems, PPPs and inclusive initiatives in transforming crises into opportunities, laying the groundwork for global resilience in the face of unpredictability.

Key takeaways:

- **Leveraging emerging technologies for inclusive growth**: India's digital initiatives, such as Digital India and the Smart Cities Mission, use technology to drive economic growth, create jobs and ensure equitable access to services, bridging rural-urban divides, promoting long-term governance and improved living conditions

- **AI and advanced technologies to enhance resilience**: AI, blockchain and IoT increase resilience by enabling for real-time predictions, operational optimisation and better decision making. India's emphasis on these technologies places it at the forefront of creating technical resilience in the face of global headwinds.

14. All India Survey on Higher Education 2021-22, Ministry of Education, February 2024

02

Revolutionising talent in a technology-driven era

The future of work is in a flux, disrupted by **hybrid models, gig economy and the inexorable rise of AI**. Forward-thinking organisations are dismantling rigid structures to build agile, inclusive workplaces that attract top talent and unlock peak performance. Adapting is no longer an option but imperative. By embracing hybrid working, supporting the gig economy, investing in continuous learning and prioritising **inclusivity and mental well-being** businesses can cultivate a **resilient workforce** primed for the challenges of tomorrow. This not only boosts efficiency but also positions them for dominance in a hyper-competitive global market.

The future of work embracing hybrid models and the gig economy

The traditional 9-to-5 office is fading, replaced by hybrid work models that unlock a global talent pool. This shift empowers organisations to tap into a diverse range of specialist workers, including gig professionals skilled in software development, data analytics and content creation. Seamless workflows are facilitated by digital collaboration platforms and cloud technologies, creating a dynamic and agile work environment.

However, hybrid work, while offering flexibility, presents challenges. Remote employees often grapple with isolation and performance reviews can be susceptible to unconscious bias. Unequal digital access in rural areas risks exacerbating existing inequalities, making it challenging for some employees to thrive in this model. Organisations can combat isolation with virtual team-building, regular communication and periodic in-person interactions. Investing in digital infrastructure and providing equipment can bridge the digital divide, while clear, location-agnostic performance criteria ensure fair evaluations.

Similarly, the rise of the gig economy brings newfound flexibility for workers but also exposes them to job instability and lack of safety nets. As the gig workforce expands, there is a growing need to build safety nets to ensure fair compensation, benefits and job security, protecting workers from the inherent instability of gig-based employment.

In India, the gig workforce is set for substantial growth by 2030, projected to rise from **7.7 million in 2020 to an estimated 23.5 million**. These workers are deployed across various sectors, playing crucial roles in technology, creative services and more, reflecting the country's evolving economic landscape.[1]

In India, the expansion of the gig workforce necessitates the establishment of minimum wage frameworks, the promotion of upskilling initiatives and the development of tailored financial safety nets to support this growing segment.

Figure 3: Projected growth of India's gig workforce (in millions), 2020-2030[1]

7.7	**23.5**
2020	**2030**
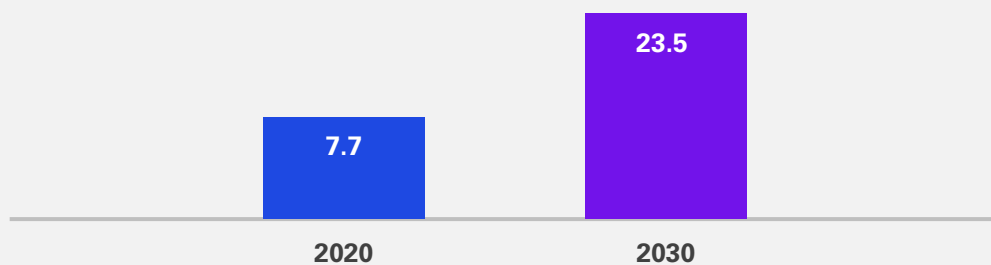
- AI interventions can therefore play an important role in addressing evolving workplace demands by unlocking their potential to amplify human capabilities

- Hybrid work necessitates virtual mentoring, AI-powered objective performance reviews and collaborative efforts with policymakers

- A thriving gig economy requires establishing minimum wages, fostering upskilling and developing robust social safety nets for gig workers.

1. Economic Survey 2023-24, Government of India, July 2024

Prioritising workforce well-being demands robust cybersecurity and inclusive policies championing mental health support and diverse hiring practices. By proactively addressing these imperatives, organisations can harness the transformative power of hybrid models and the gig economy to create a resilient, future-ready workforce.

AI-augmented roles: From replacement to enhancement

AI is reshaping workplaces by automating repetitive tasks and allowing employees to focus on strategic, creative and people-centric activities. **According to 74 per cent of respondents in the KPMG global tech report 2024, AI is currently enhancing the productivity of their knowledge workers, thereby improving the overall performance of their organisation.**[2]

Moreover, AI solutions in healthcare, manufacturing and HR are boosting efficiency and decision-making. For example, predictive maintenance powered by AI reduces manufacturing downtime, while healthcare algorithms enhance diagnostic accuracy and personalise treatments. In HR, AI accelerates recruitment by assessing technical skills and conducting reference checks, enabling recruiters to focus on evaluating cultural fit and soft skills.

However, **ethical implications of AI adoption**, such as algorithmic bias perpetuating systemic inequities in hiring, credit approvals or legal outcomes, **require attention**. Organisations can address this through fairness audits and diverse, representative datasets, promoting transparent and equitable AI-powered decisions.

To harness AI's full potential, organisations must build **AI literacy** and **foster human-machine collaboration**. Initiatives such as **India's National AI Strategy** aim to create a robust AI talent pipeline. Such efforts, coupled with ethical practices, will align AI advancements with human aspirations. As AI augments roles, the fusion of AI and human expertise will ignite innovation, crafting a workforce that's more productive, creative and agile than ever before.

Building a future-ready workforce

As technology progresses, it is anticipated that between 2025 and 2030, approximately 40 per cent of the current workforce's skills will be either transformed or become obsolete. Moreover, slower growth is likely to displace 1.6 million jobs globally, making continuous learning vital for staying adaptable, as highlighted in the World Economic Forum's Future of Jobs Report 2025.[3]

According to the World Economic Forum's Future of Jobs Report 2025, demand for manual dexterity is declining significantly, with 24 per cent of respondents predicting a decrease in their relevance.

Hence, by 2030, half of the companies want to rebuild their operations around AI, two-thirds want to hire people with specialist AI skills and 40 per cent expect workforce reductions as AI automates activities.[3]

Large firms are investing heavily in **AI, cybersecurity and data science**. **India's Skill India initiative** aims to upskill **400 million workforce** across varied capabilities.[4] Online platforms are further empowering employees to acquire new skills on demand.

For small and medium enterprises (SMEs), partnerships with local training institutes offer cost-effective upskilling solutions. Strategies such as enhancing vocational training, fostering industry partnerships to create a skilled workforce is critical for evolving job roles.

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2. KPMG Global Tech report 2024, KPMG, October 2024
3. Future of Jobs Report 2025, World Economic Forum, January 2025
4. Skill India Mission, IBEF

India's **Digital India initiative** has made significant strides in bridging the digital divide, particularly in rural areas, through programmes such as the **PMGDISHA.** Due to these initiatives, as per Stanford Institute for Human-Centered AI's Global AI Vibrancy Tool, India ranks among the top five countries in AI alongside the U.S., the UK and China.[5]

To retain its leadership in IT skills, the Ministry of Electronics and Information Technology (MeitY) has launched initiatives, such as "**FutureSkills PRIME" in collaboration with NASSCOM**, which focuses on upskilling in emerging technologies such as AI, Blockchain, IoT and Cybersecurity.[6] Additionally, the Skill India Mission and PM Kaushal Vikas

Yojana have trained 14.8 million youth, with a 1.5 times increase in Industrial Training Institutes (ITIs) from 2014 to 2023, highlighting GoI's commitment to skill development.[7,8]

As hybrid work models become the norm, organisations must address challenges such as digital accessibility and virtual collaboration. By leveraging AI-powered tools, digital collaboration platforms and virtual mentoring, businesses can create equal growth opportunities for both remote and in-office employees. These efforts are essential for building a future-ready, inclusive workforce that can effectively contribute to the nation's growing digital economy.

Inclusivity and well-being as new frontiers of talent strategy

Diversity has become a strategic imperative rather than a choice. Diverse teams foster greater innovation and are better suited to addressing complex challenges. Hybrid work models enable organisations to hire talent from under-represented regions, including rural areas, creating opportunities for those traditionally excluded from mainstream work arrangements.

Equally important is the focus on mental well-being. The blurred boundaries between professional and personal lives in hybrid work settings have heightened the risk of burnout. Companies are addressing these concerns through **wellness days, mental health support programmes and employee assistance initiatives**.

A leading cloud-based customer relationship management (CRM) platform fosters inclusivity and flexibility through diverse initiatives. These include employee resource groups for women, LGBTQ+ employees and employees of colour, alongside leadership training and mental health support and employee assistance programmes offering counselling services.

The platform also embraces hybrid work models, allowing employees to choose between home, office or hybrid arrangements, creating a supportive and adaptable work environment. The company reported that women make up a significant part of its total global workforce, while a moderate portion of its workforce in the U.S. represents underrepresented communities.

Emerging trends, such as AI-driven tools, reduce hiring biases, fostering diverse talent and inclusive workplaces prioritise well-being. Inclusivity drives

productivity and innovation, positioning India as a global talent hub poised to lead the future workforce.

5. Global AI Power Rankings: Stanford HAI Tool Ranks 36 Countries in AI, Stanford University, November 2024
6. More than 18.56 lakh candidates signed-up on 'FutureSkills PRIME' for Re-skilling/Up-skilling of IT Manpower, Press Information Bureau, July 2024
7. NUMBER OF YOUTH BENEFICIARIES UNDER SKILL INDIA MISSION, Press Information Bureau, August 2024
8. 'Humara Sankalp Vikasit Bharat' Mission booklet, Ministry of Electronics and Information Technology, 2023

India's journey to becoming a global talent hub

India's young, tech-savvy workforce has established the country as a global leader in IT outsourcing. However, skill gaps in emerging technologies such as AI, data science and machine learning pose a challenge to future growth, creating hurdles for both job seekers and companies looking to fill advanced roles. To address this, India's **New Education Policy (NEP) 2020** focuses on quality education and critical thinking.[9] Yet, cultural barriers, such as the preference for traditional career paths, may hinder full adoption.

Collaborations between technology firms and educational institutions are creating industry-relevant curricula, while certification programmes in AI and robotics are equipping students with future-ready skills. Additionally, the **Vidya Shakti Scheme**, which focuses on increasing STEM enrolment, targets **500,000 students** through **10,000 Rural Interaction Centres**, with plans to extend this to 10,000 more centres in the next two years.[10]

Meanwhile, India's manufacturing sector is embracing **Industry 5.0**, merging human creativity with AI and robotics. In certain states, collaborative efforts between the government, industries and educational institutions highlight how human-machine synergy is ensuring that India's workforce remains agile and future-ready.

This collaboration is crucial in preparing the workforce for a future driven by AI and robotics, where productivity gains are coupled with human creativity and problem-solving skills. By developing a workforce skilled in both technical and cognitive areas, India is fostering innovation, boosting efficiency and positioning itself as a global manufacturing pioneer. This approach aligns education with industry needs, bridging the skills gap and building a sustainable talent pipeline for the digital economy.

Road ahead: Adapting to the future of work

The redefinition of talent in the technology era presents unparalleled opportunities and challenges. Hybrid work models, AI integration and a focus on continuous learning are reshaping the global workforce. For organisations, navigating this disruption requires strategic investments in technology, skills development and inclusive practices.

Leaders must thus act decisively to create resilient talent ecosystems that help them realise long-term success. Governments, businesses and academia must work together towards building such ecosystems.

Key takeaways:

- **Creating a holistic talent development ecosystem:** Organisations can integrate formal education, upskilling, mentorship and industry collaboration to address both technical and cognitive skills. This ensures employees are prepared for future demands and agile talent pipelines are built using AI and digital tools

- **Fostering an inclusive, purpose-driven culture:** To attract diverse talent, organisations can seek to embed inclusivity, mental well-being and diversity into their culture through inclusive hiring, mental health support and a workplace where all feel valued, driving innovation and performance

- **Leveraging AI for human-centric workplaces:** AI has the potential to enhance human capabilities, focusing on fairness, transparency and human values. This improves productivity, decision-making and creativity, giving organisations a competitive edge while nurturing an adaptable workforce.

9. National Education Policy 2020, Ministry of Human Resource Development
10. Panel discussions held on GER and Ranking and Accreditation at Akhil Bhartiya Shiksha Samagam 2024 indicate important takeaways, Press Information Bureau, July 2024

03

Power of collaboration for shared success

In the fast-paced digital world, it is essential for industries, governments and academia to collaborate and work together for long-term innovations. Collaborative ecosystems, which bring together various industries not only facilitate breakthroughs in technological progress, but also generate sustainable solutions to societal problems.

Fostering collaborative synergies to drive digital transformation

Impactful innovation emerges from the seamless collaboration between different institutions. By aligning their efforts, these stakeholders unlock the transformative power of emerging technologies, revolutionising key areas such as fintech, smart cities, digital connectivity, among others.

India's key collaborations reflect a strong, multi-stakeholder approach working together to address complex challenges through shared expertise and resources. Selective government multistakeholder collaborations are listed below:

- **Aadhaar, Ayushman Bharat Digital Mission (ABDM) and Unified Payments Interface (UPI)[1]**: Promotes financial inclusion, increase healthcare access and enable smooth digital payments

- **Open Network for Digital Commerce (ONDC)**: Encourages competition and helps small firms to enter and succeed in digital markets.

These collaborative models promote creativity and long-term solutions by combining various viewpoints, resources and experience to encourage long-term outcomes and impact.

India's potential as a digital frontrunner is highlighted by its strategic influence in the Global Partnership on Artificial Intelligence (GPAI), collaborating with the Organisation for Economic Co-operation and Development (OECD) and several other nations to drive ethical, inclusive AI development.

The **DiGi Framework**, a partnership between India, the U.S., Japan and South Korea, advances India's digital infrastructure in areas, such as 5G, AI and smart cities, underscoring the power of international cooperation to strengthen digital economies and improve connectivity.[2]

India has pledged USD1.2 billion investment for the **IndiaAI Mission**, to foster AI innovation, develop talent and expand infrastructure access. This positions the country as a global AI champion while addressing societal challenges and driving sustainable growth.[3]

PPPs driving equitable access

PPPs play a crucial role in enabling access to equitable technologies for transformative purposes. By combining the resources of the private sector with the policy framework of the public sector, PPPs create an environment that fosters broader access to innovative solutions and supports global progress.

India's Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) showcases the potential of PPPs, the central and state governments and utility firms to advance electrification and improve access to digital services, positively impacting millions of underserved households. This scheme has successfully electrified over 28 million households, particularly in rural and remote areas, through strategic PPPs.[4]
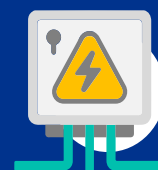
1. Ayushman Bharat Digital Mission, 2021
2. U.S., Japan and South Korea join hands to support digital infrastructure in India, The Hindu, October 2024
3. Cabinet Approves Over Rs 10,300 Crore for IndiaAI Mission, will Empower AI Startups and Expand Compute Infrastructure Access, PiB, 7 March 2024
4. SAUBHAGYA ELECTRIFICATION SCHEME - A total 2.86 crore households have been electrified, Press Information Bureau, March 2023

A leading online store aims to digitise over a million small businesses, drive significant growth in e-commerce exports and create millions of jobs by 2025. Through partnerships with India Post, Indian Railways, Indian Space Research Organisation (ISRO) and Indian National Space Promotion and Authorization Centre (IN-SPACe), it modernises key institutions and fosters space-tech innovations, cloud computing and talent development for start-ups, research institutes and students.

Expanding PPPs in sectors such as healthcare and education holds significant potential, benefiting a vast spectrum of stakeholders within these industries. In healthcare, digital solutions can enhance access to quality services, streamline processes and improve patient outcomes, while in education, technology can enable personalised learning and facilitate skill development. PPPs are crucial in driving digital transformation, creating scalable and inclusive solutions that address challenges and foster innovation across critical sectors.

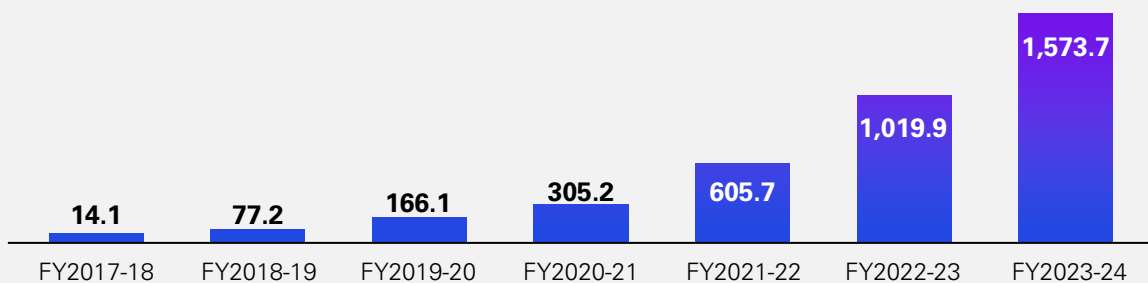## Leveraging open innovation to accelerate solutions

Open innovation, a model that invites ideas and expertise from diverse external sources, offers Indian businesses a transformative approach to solving complex challenges and unlocking new opportunities. By embracing this collaborative strategy, businesses can break free from the limitations of in-house innovation, leveraging the collective intelligence of startups, research institutions and even competitors to co-create impactful solutions.

For Indian enterprises, this approach not only reduces the time and costs associated with traditional research and development (R&D) but also ensures solutions are more inclusive and adaptable to local contexts. Open innovation also provides a transformative platform for co-investing in R&D, enabling organisations to share the financial burden, resources and expertise required for innovation. This shared approach reduces costs while accelerating the pace of innovation, as diverse perspectives lead to more comprehensive and efficient solutions.

India's open innovation model is epitomised by the UPI platform, which was developed by the National Payments Corporation of India (NPCI) in collaboration with the Reserve Bank of India (RBI) and various banking and fintech stakeholders. It is a colossal achievement with an increase in transactions from USD14.1 million in FY 2017-18 to USD1.6 billion in FY 2023-24. This is a significant example of how an open ecosystem can build inclusive growth.[5]

Figure 4: UPI transactions volume, (USD million), 2018-2024[5]

FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24
14.1	77.2	166.1	305.2	605.7	1,019.9	1,573.7

By pooling resources and aligning goals, Indian businesses can drive shared success, paving the way for innovations that are not only market-ready but also globally competitive. In doing so, India can position itself as a hub for collaborative innovation, fueling its journey towards becoming a global economic powerhouse.

5. DFS drives expansion of digital payments in India and abroad, Press Information Bureau, September 2024

Inter-sectoral collaboration as a solution to India's challenges

One of the vital factors required in subduing the significant hurdles that have plagued India today in areas, such as healthcare, agriculture and education is cross-sector collaboration. For instance, the **National Health Stack** strives to bring together digital technologies including blockchain and AI in order to enhance the efficiency as well as accessibility of healthcare.[6]

In agriculture, initiatives such as the AI for agricultural innovation (AI4AI) plan utilises AI, IoT and blockchain to enhance farming efficiency. This includes reducing crop and food losses and enhancing transparency in supply chains, leading to significantly increasing the farmer's income.[7]

The GoI's National Digital Education Architecture (NDEAR) seeks to integrate and revitalise the education ecosystem by encouraging cooperation among educators, technology providers and content creators. In line with NEP 2020, it uses new technologies such as AI, machine learning, blockchain, among others, to promote innovation in customised learning and immersive educational content.[8]

These are examples of opportunities that reveal potential for valuable impact creation through collaborative ecosystems to solve the systemic problems of an innovation pathway that can help tackle some of the most urgent issues in India. Their amalgamation will enable businesses, government and academia to collaborate towards bringing new solutions together for a long-term societal impact.

Strategic governance for long-term digital leadership

To strive ahead in today's rapidly evolving landscape, organisations must take immediate, strategic actions. Key initiatives include establishing innovation clusters, co-investing in R&D and fostering cross-sector collaboration. However, a critical factor for sustained success in the digital age is robust governance. Transparent and effective governance frameworks that prioritise data privacy, cybersecurity and compliance are essential for ensuring that collaborative ecosystems thrive securely and efficiently.

Navigating this collaborative landscape requires an effective governance framework. In India, the **Data Empowerment and Protection Architecture (DEPA)** empowers individuals with data control, fostering trust and collaboration.[9] By addressing platform monopolisation and cybersecurity risks, DEPA strengthens adoption. To thrive in a digital world, organisations must mitigate risks, ensure compliance and build trust to fully leverage the potential of collaborative ecosystems.

For India to establish itself as one of the global leaders in digital ecosystems, it is essential to develop strong governance frameworks and ensure full transparency. A key component of this strategy is the **National Intellectual Property Rights (IPR) Policy**,[10] which provides a robust structure for protecting intellectual property rights and fostering innovation. Additionally, comprehensive cybersecurity measures, such as the proposed **Digital India Act 2023**,[11] are vital in managing and mitigating emerging risks, ensuring a secure digital environment that supports sustainable growth and global competitiveness. These initiatives collectively form the foundation for India's stewardship in the digital age.

In addition to that, India must work towards establishing strong governance and transparency in order to be a global innovator in digital ecosystems. Sound regulatory frameworks around data privacy, intellectual property protection and risk management would thus create the solid foundation essential for linking business and government efforts. Ongoing monitoring and evaluation will be crucial in adapting to new challenges and opportunities. Through strong governance, organisations can drive innovation and deliver long-term value, ensuring that digital transformation creates benefits for all stakeholders involved.

6. National Health Stack, Ayushman Bharat Digital Mission
7. AI for Agriculture Innovation (AI4AI), WEF, accessed on January 2025
8. National Digital Education Architecture, National Informatics Centre, accessed on January 2025
9. Data Empowerment and Protection Architecture Framework
10. Intellectual Property Rights Policy Management framework covers 8 types of intellectual property rights, Press Information Bureau, July 2023
11. Proposed Digital India Act 2023, Ministry of Electronics and Information Technology, March 2023

Key takeaways:

- **Collaboration accelerates innovation:** True innovation occurs when businesses, governments and academia come together and the result is transformative solutions in fintech, smart cities and digital connectivity with sustainable social and economic impact

- **PPPs fuel equitable access:** Open innovation and strategic PPPs play a pivotal role in accelerating digital solutions and addressing systemic challenges. By fostering partnerships and leveraging digital infrastructure, India has showcased how collaboration can drive economic growth, enhance digital inclusion and bolster its position as a global pace-setter in digital innovation

- **Governance enables trust:** Robust governance frameworks prioritising data privacy, cybersecurity and compliance are essential to support the success of collaborative ecosystems. With initiatives such as DEPA and the Digital Personal Data Protection Act, India is setting the stage for secure and transparent digital platforms that enable innovation while safeguarding users' interests.

04
Futureproofing digital transformation through governance

In today's dynamic digital landscape, organisations face a delicate balance: seizing opportunities to innovate and improve operations while managing the risks that come with technological advances. Recently several companies have faced scrutiny over data privacy issues and AI bias. These situations underscore the vulnerabilities organisations face as they undergo digital transformation. It becomes clear that a thoughtful approach, one that blends resilience, governance and adaptability in their digital strategies, is crucial for long-term success.

Several companies have embraced this approach, using technology not just for growth but to enhance transparency and accountability. For instance, digital tools have helped optimise operations and supply chains, boosting efficiency and reliability. At the same time, businesses are building systems that place a strong emphasis on data privacy and ethical governance. This balance between innovation and responsibility helps ensure that they are prepared for the future and capable of navigating the challenges ahead.

Balancing innovation and risk

As organisations look to the future, many CEOs are prioritising digital transformation and the adoption of Generative AI (Gen AI), but they are also mindful of the risks that come with these technological advances. The KPMG International 2024

Technology and Telecommunications CEO Outlook report, highlights the growing focus on Gen AI while acknowledging the risks and complexities of its implementation. Key findings are presented below:
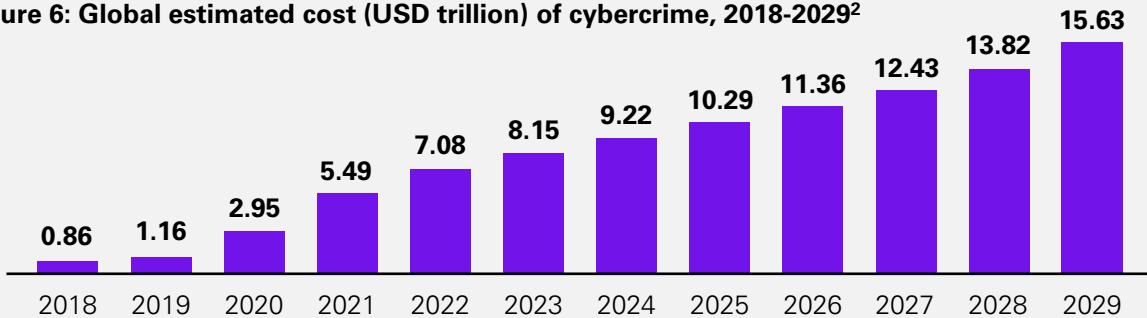
Figure 5: CEO insights on technology adoption[1]

78 per cent	**23 per cent**	**55 per cent**	**21 per cent**
expect Gen AI to be their organisation's primary investment focus.	regard the implementation of Gen AI as the key operational priority for enhancing their operations.	consider the integration of Gen AI as the most significant potential risk to their organisation.	believe that technological advancements present a major risk to their organisation over the next three years.

With cybersecurity threats and data breaches on the rise, especially due to emerging regulations, organisations must strengthen their governance frameworks to mitigate risks and ensure compliance. The global estimated cost of

cybercrime is projected to reach USD15.63 trillion in five years, up from USD9.22 trillion in 2024, making governance a priority for businesses of all sizes.[2]

Figure 6: Global estimated cost (USD trillion) of cybercrime, 2018-2029[2]

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
0.86	1.16	2.95	5.49	7.08	8.15	9.22	10.29	11.36	12.43	13.82	15.63

1. KPMG Technology and Telecommunications CEO Outlook 2024, KPMG International, October 2024
2. Estimated cost of cybercrime worldwide 2018-2029, Statista, July 2024

To manage risks effectively, organisations need to prioritise strong governance, invest in cybersecurity and set clear ethical guidelines for AI. A single breach or unethical decision can have far-reaching consequences, making robust privacy and security standards vital. With the global average cost of a data breach reaching USD4.88 million in 2024, stringent safeguards are essential to mitigate risks and ensure secure, future-proof digital ecosystems.[3] In India, where data protection laws are constantly evolving, companies must stay flexible, relying on tools such as real-time compliance software, AI platforms for regulatory updates and secure cloud services.

Building a stronger digital defense

Countries around the world are stepping up to protect against the risks of new technologies. Initiatives including the **Cyber Surakshit Bharat program** are boosting awareness and strengthening digital security for both businesses and government, reflecting India's focus on protecting personal data and building a secure digital future.[4]

India's recent achievement of Tier 1 status in the Global Cybersecurity Index (GCI) 2024 positions it alongside leading nations, including the U.S., Japan and Australia[3]. This success stems from several initiatives:

- ✅ The **Digital Personal Data Protection (DPDP) Act**, India's first comprehensive data protection law, aligns with global standards, such as General Data Protection Regulation (GDPR)
- ✅ The proposed **Digital India Act 2023**, is aimed at regulating India's online space and safeguarding digital data
- ✅ The **Cyber Surakshit Bharat program** enhances cybersecurity awareness and infrastructure for both government and businesses.

These initiatives reflect India's commitment to fostering a secure digital environment, emphasising the protection of personal data and the integrity of its digital infrastructure.

Crafting resilience with anticipatory governance

Anticipatory governance is a forward-thinking approach that equips organisations to proactively address potential challenges and uncertainties before they escalate into significant risks. Anticipatory governance fosters resilience by aligning policies and strategies with future scenarios, reducing vulnerabilities.

Industry leaders are pioneering anticipatory governance to navigate the complexities of emerging technologies. An electric vehicle (EV) cars manufacturer uses scenario planning to predict regulatory challenges in autonomous vehicle development, working closely with regulators to ensure safe and ethical deployment. Technology companies in quantum computing, invest heavily in predictive compliance strategies to stay ahead of evolving cybersecurity and data privacy regulations.

The pharmaceutical industry applies scenario planning to navigate the complex regulatory environment surrounding genetic engineering and bioengineering. This proactive approach ensures their innovations align with evolving public safety standards, driving responsible and ethical development.

The OECD's Framework for Anticipatory Governance focuses on emerging and converging technologies, including but not limited to AI, quantum computing, robotics and others. These technologies are transformative and often intersect across domains, creating new challenges for traditional governance and regulatory systems.[5]

3. Average cost per leaked record in data breaches worldwide from 2014 to 2024, Statista, November 2024
4. Cyber Surakshit Bharat (CISO), National e-Governance Division, 2023
5. Framework for anticipatory governance of emerging technologies, OECD, April 2024

Key governance models for the future:

✓ **Scenario planning:** This powerful tool, employed by global technology pioneers enables organisations to simulate various future regulatory landscapes, allowing them to proactively adapt to unforeseen changes

✓ **Predictive analytics for compliance:** A major German technology conglomerate adopted predictive analytics to forecast potential compliance risks and regulatory changes. By analysing vast datasets, these tools were able to identify emerging trends and proactively address potential issues, ensuring ongoing compliance and minimising disruption.

In a nutshell, anticipatory governance is key to staying ahead of technology concerns and regulations. By using tools such as scenario planning and predictive analytics, companies can reduce risks, drive innovation and adapt to changes smoothly. This proactive approach builds trust and ensures that technology evolves responsibly alongside regulation.

The digital trust equation

Transparency and accountability are essential for earning trust and ensuring the responsible use of technology. Organisations must be clear about their data practices, communicating privacy policies and using AI and emerging technologies ethically.

Collaboration among government, businesses and academia is key to shaping effective governance.

Open dialogue helps address concerns, refine regulations and create a more inclusive digital landscape. By prioritising transparency, accountability and stakeholder engagement, organisations can build trust, protect their reputation and ensure that the benefits of digital progress are shared fairly.

Key takeaways:

- **Embed ethical AI in governance:** Businesses should make ethical AI a core part of their governance, ensuring AI models are transparent, fair and free from bias. This builds trust and helps meet evolving regulations

- **Create adaptive governance:** Organisations need governance frameworks that can quickly adapt to new technologies and changing rules. A culture of continuous improvement ensures they stay ahead of the curve

- **Emphasise transparency and stakeholder collaboration:** Clear communication about data use and actively engaging with stakeholders, from customers to regulators, is crucial for building trust and ensuring that digital operations align with both business goals and regulatory expectations.

05
Unlocking the dividend of tomorrow

The future of the digital economy globally lies within reach- led by an intense mix of technology advancement, a future-ready equipped workforce and a collaborated ecosystem. Approximately **70 per cent** of new value creation in the coming decade will likely be on digitally-enabled platform business models due to the expansion of digitalisation of the world economy.[1]

However, nearly **2.7 billion people lack access to the internet**, indicating a huge digital divide.[1] It therefore accentuates the essence of a multi-stakeholder approach with inclusivity, sustainability and ethical development at the heart. Investing heavily in human capital and governance frameworks will create the basis for unlocking the power of technology towards achieving a more equitable and sustainable future for all.

Driving the digital dividend through collaborative synergies

Harnessing the digital dividend requires strong collaborations across sectors. PPPs and academia-industry synergies drive innovation, upskill the workforce and ensure inclusive digital progress.

These efforts are crucial for a sustainable, shared future where the benefits of technology are accessible to all.

With 54 percent of global organisations facing a technology talent shortage, major tech firms have collaborated with universities, investing over a billion dollars in partnerships focused on AI, quantum computing and cybersecurity, to drive innovation and develop a future-ready workforce.[2]
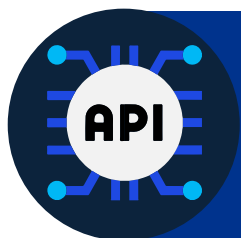
IndiaStack, a groundbreaking framework of open application programming interface (APIs), has revolutionised digital infrastructure, facilitating 67 billion identity verifications, 8.6 billion real-time mobile payments monthly and streamlined public services. This collaborative ecosystem has enhanced financial inclusion, driven government digitalisation and laid a secure, scalable foundation for private sector innovation across industries.[3]

Unified vision: Align stakeholders with a shared purpose and clear objectives to ensure accountability and collective success.

Effective governance: Establish strong frameworks for decision-making, progress monitoring and issue resolution, ensuring transparency and seamless collaboration.

Resilience and agility: Cultivate adaptability to respond swiftly to technological, market and policy changes, keeping collaborations effective and forward-focused.

Cultivation of a common ecosystem empowers all stakeholders and maximises the benefits of digital transformation. It also drives sustainable and inclusive growth while adhering to these guiding principles.

1. The Digital Economy, World Economic Forum
2. Tech organizations experiencing skills shortage worldwide from 2015 to 2023, Statista, September 2024
3. IndiaStack, 2024

The workforce reskilling imperative

As technology evolves, continuous learning and adaptation enriched with innovative emerging technologies are therefore critical not only for equipping with the competitive edge but also for enabling responsible innovation.

World Economic Forum's Future of Jobs Report 2025 reveals that if the global workforce were represented by 100 people, 59 would require some form of training by 2030. Among them, employers anticipate that 29 could be upskilled within their current roles, while 19 could be retrained and moved to different roles within the organisation. However, 11 individuals may not receive the necessary training, placing their job prospects at significant risk as the workplace continues to transform.[4]

Encourage digitalisation: Lead the development of scalable upskilling for the most critical digital skills so that the workforce is better prepared for future changes.

Embody a technologic leadership: Infuse developments in emergent technologies into the organisation within an ethical framework to develop its resilience.

Incentives for lifelong learning: Create adaptive learning cultures via incentives and policies directed towards long-range goals of the organisation and society

Strengthening governance in the disruptive era

In the transition to a digital world, good governance frameworks serve as an important pillar for ethical development, risk mitigation and leveraging emerging technologies. AI and automation are transforming industries and to remain competitive and ensure long-term value, the ability to focus on issues such as data privacy, AI ethics, cybersecurity and regulatory agility is critical.
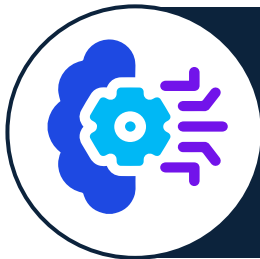
The OECD has put forth the AI Principles to ensure development and application of AI in harmony with human rights, democracy and ethics. Among the principles are inclusive growth, fairness, transparency and accountability, security and privacy, as well as stakeholder collaboration. More than 40 countries are already implementing these principles in their national strategies for AI development.[5]

Ethical leadership & AI governance: Embed ethical principles in decision-making and develop AI governance focused on fairness, transparency and accountability.

Adaptive governance models: Build agile frameworks that evolve with technological and regulatory changes, ensuring resilience.

Prioritise data governance: Implement robust data privacy and security frameworks, ensuring compliance with global standards.

Effective leadership requires prioritising robust governance frameworks that align with both ethical standards and technological advancements. By embedding these principles, organisations can navigate the complexities of the digital landscape, driving sustainable growth and long-term success.

4. Future of Jobs Report 2025, World Economic Forum, January 2025
5. OECD AI Principles overview, OECD, 2024

India leveraging its strengths for digital influence

India is emerging as a formidable contender for global digital leadership, propelled by its robust digital transformation agenda. With a thriving tech ecosystem, substantial government investments and a rapidly expanding digital infrastructure, India is positioning itself as a pioneer in innovation and advancements in the coming years. As the country advances in areas such as connectivity, innovation and inclusivity, its growth potential is set to reshape global digital markets. Presented below are some of India's key initiatives that showcase its strong commitment towards building a digital-first future:

Strengthening digital infrastructure: Expanding broadband connectivity, investing in 5G and 6G technologies and developing robust digital public infrastructure.

Corpus of USD12 billion investment in sunrise technologies[6]

Fostering innovation: A vibrant ecosystem for startups, entrepreneurs and research in emerging technologies, alongside promoting open innovation.

Department for Promotion of Industry and Internal Trade recognised 158,701 startups, with growth projected to 180,000 by 2030[7, 8]

Skilled workforce: Investing in education and training programmes to create a highly skilled, adaptable workforce for the digital economy.

FutureSkills Prime has over two million registered users, 884,000 enrollments and has awarded 13.2 million digital fluency badges[9]

Inclusive growth: Bridging the digital divide and ensuring equitable access to technology for underserved communities.

Digital India initiative has enabled 3G or 4G connectivity in over 644,000 villages[10]

India is at the cusp of a digital revolution, spurred by a vision of driving innovation, inclusiveness and future ready workforce. Investing in digital infrastructure, human skills and promoting healthy collaborations fosters a digital economy that is comprehensive in all directions. The concept of technology empowerment is about closing disparities and offering opportunities to all individuals.

As India looks ahead, the future looks promising, with the country's digital journey showing significant potential of collaboration, resilience and forward-thinking in creating a digital economy that is inclusive and accessible to all.

6. Finance Minister proposes a new corpus of rupees one lakh crore to boost private investment in sunrise technologies, PiB, 1 February 2024
7. Startup India, 2024
8. Indian start-up ecosystem poised for exponential growth by 2030, Ministry of External Affairs, September 2024
9. FutureSkills Prime, Ministry of Electronics & Information Technology, 2024
10. As of April 2024, 95.15% villages having access to internet, Press Information Bureau, August 2024

Currency conversion rate
31-Mar-18: USD1 = INR65.1
31-Mar-19: USD1 = INR69.3
31-Mar-20: USD1 = INR75.4
31-Mar-21: USD1 = INR73.2
31-Mar-22: USD1 = INR75.9
31-Mar-23: USD1 = INR82.1
31-Mar-24: USD1 = INR83.3
All other conversions have used USD1 = INR85.4 (Dec 2024)

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