Single title

What kind of power will India be?

What kind of power will India be? The DPI way…

Aniket Bhavthankar

From 20 to 26 November 2023, the German port city of Hamburg puts a spotlight on India. The Hanseatic city celebrates India Week bi-annually since 2005. This year India Week returns for the 10th time. The government of Hamburg in association with the Indian consulate and the Indian expat community has organised numerous events to mark the occasion. The spectrum of events is broad and covers areas such as education, art, culture, politics, society, business and trade.

During this year's India Week, the Konrad-Adenauer-Stiftung held an event concerning Indian foreign policy. During the discussion, I was asked what kind of power India would have? Will India shoulder its responsibilities? The answer to these questions has multiple dimensions.

On November 22 the Indian government organized a virtual summit of G20 leaders to conclude the country's G20 presidency. At the virtual summit, Prime Minister Modi discussed the global Digital Public Infrastructure (DPI) depository and the creation of a Social Impact Fund for the implementation of DPI across countries of the Global South. He announced $25 million for such fund. Notably, 16 countries have added more than 50 DPIs to the repository. India was tasked to build such a repository during the September summit of G20 leaders. The virtual depository is expected to be shared with G20 members and other interested States. The effort showcases the Indian government's intention to drive capacity building of countries from the global South. At the same time Modi government's thrust on digital technology helps us to explore the answer to the question about the nature of Indian power and global responsibilities.

So let's try to understand the DPI and the government's likely rationale behind it. In March 2023, Bill Gates, praised the Indian efforts regarding DPI and expressed that no other country has such a wide-ranging infrastructure. In September 2023, various dignitaries who visited India for the G20 summit also echoed the views of Gates. Participants of the summit acknowledged the Indian role in promoting access to DPI. Therefore, the declaration of the G20 summit was to recognize safe, secure, and accountable DPI. The beginning of India's DPI could be traced back to 2009 with the launch of the Aadhar system. Later on, services like a Unified payment interface, JAM (Jan Dhan, Aadhar, and Mobile number), Co-Win (to manage the COVID-19 vaccine program), Direct Benefit Transfers (DBT), and others were added to the DPI. The World Bank's report lauded the Indian role in inventing and executing DPI to ensure financial inclusion. In the last 12 years, an additional 45 % of Indians have been absorbed into the banking system. The World Bank report suggests that without DPI, it would have taken around 47 years to ensure such financial inclusion. According to a World Bank document, in 2011, 35 % of Indian adults were part of the formal banking system. PM Modi recalled the importance of digital technology in the fight against corruption and the concomitant issue of middlemen. He also stressed that technology could provide a helping hand in pushing good governance and transparency into the sphere of social welfare.

During its G20 Presidency, India took the lead in the creation of a virtual repository of DPI. The repository implies that the government wanted to share the country's experience with interested States based on open access. The Indian government has also encouraged like-minded countries to share their experiences on the digital technology front. This seems to suggest that the Indian government is considering digital technology as a global common good. The design of DPI is open, inclusive, and interoperable. DPI has emerged as a facilitator and rejuvenated the way in ensuring social welfare. Therefore, it is not unreasonable to conclude that India's DPI combines technology, governance and people.

Single title

What kind of power will India be?

The Indian model of DPI has garnered a lot of attraction on global forums. Countries facing difficulty in ensuring financial inclusion may find the Indian DPI model productive. The Modi administration is willing to share the DPI model with interested states in an open, voluntary, and equitable manner. The Government of India wants to demonstrate that DPI is based on open access and has been designed by development-oriented technology experts for the people, with the ultimate goal of providing public services to humanity. This "whole-of-society approach" is reflected in the Indian government's joint statements with global partners and in the G20 Digital Minister Outcome Document.

In June 2023, India and the US also recognised the DPI's ability to ensure an open and inclusive digital economy worldwide in a joint statement. Moreover, Biden and Modi agreed to create a Global Digital Development Partnership to develop and deploy DPIs. Here, the word partnership designates equal status. Thus, India insists on 'partnership' in its approach towards other states in the domain of foreign policy. Especially with States from the Global South. Concerning the European Union, an agreement was reached to enhance the interoperability of their respective DPIs and work towards developing safe, privacy-maintaining initiatives for states from the Global South. Thus, the DPI approach is gaining momentum in the world. On November 24, 2023, India and the EU's Trade and Technology Council held a virtual meeting and reiterated the focus on DPI. The focus on DPI surprised many. India's intensive attention to DPI on the G20 platform and with its global partners provides us insights into the minds of Indian decision-makers. Importantly, India and France are keen to work together and take DPI to countries in the Indo-Pacific, Africa, and beyond. France and India have also agreed to use Unified Payment Interface (UPI) for payments in Indian rupees made at the famous Eiffel Tower. Beyond States, international organizations are also discussing DPI.

Keyzom Ngodup, head of the United Nations Development Program's digital division, advocated that each country is eager to develop its own DPI. However, for resource-scarce countries, accepting already proven models may reduce the execution expenditure and expedite the process of achieving targets under Sustainable Development Goals through reliable delivery of public services. Especially, Indian DPI's services like UPI and Aadhar help tackle poverty. Besides, the adaptation will reduce time in ensuring the digitalization of society.

Many countries from the Global South associate themselves with Indian DPI due to socio-economic issues and diversity concerns. India has worked on these issues and matured its model. This would allow resource-poor countries to skip the trial-and-error phase and not have to start from scratch. In this context, India is posturing itself as a genuine voice of the Global South. On the sidelines of G20, India entered into an MoU with eight countries from Africa to implement DPI at no cost and in an open-access manner. India has also proposed One Future Alliance (OFA) to augment the capability, technological assistance, and funding to States with limited resources.

However, India's DPI has also attracted countries outside the global South. Ministers from Australia, France and Germany have spoken effusively about the Indian DPI as a success story. Moreover, fiscal discipline has pushed many governments to look for alternative ways to efficiently distribute welfare benefits to their citizens. In this context, many Europeans feel the Indian model might be lucrative.

Indians may be surprised, but several European countries are grappling with digitalisation. When I arrived in Germany in 2021, I was amazed to learn that it takes a minimum of 24 hours to complete online transactions. The German society is slowly adopting digitalization yet the road is long. One of the primary concerns for the German society is data privacy. It has historical connotations. The mindset change is one of the crucial hurdles. Indian tech minds may assist Berlin in innovatively resolving the issue with local suitability. In this context, India and Germany

Single title

What kind of power will India be?

are working together to develop a start-up ecosystem. Another significant area is the decline in Germany's domestic card network at the cost of Visa and Master cards. India's RuPay card asserts its inexpensiveness over its counterparts in the international markets. In this regard, Indian aid with local German suitability may help to revitalise the domestic German card system. It is relevant as it touches on the aspect of data sovereignty. Besides, it could assist German citizens to become part of the country's payment industry inclusively and affordably.

The Indian DPI has attracted both technologically advanced and technologically deficient States. The recent joint statements of India with its global partners reveal the same. During the G20 meeting of Digital Economy Ministers, an extensive paragraph was about DPI. The intense negotiations provided Indian negotiators an opportunity to familiarize Indian DPI experience with other participants. Thus, DPI is not just a technology solution. It offered India an opening to introduce its lexicon in the dictionary of the global geo-strategic domain. The Digital Economy Minister's outcome adopted the DPI framework. Though the framework is not binding, the G20 member states acknowledged the existence of DPI, and its vocabulary has an Indian imprint.

Still, celebrating the success of the Indian DPI is impulsive. As the outcome document mentioned, substantial legal safeguards, financial cushions, and technological assistance are relevant for developing a strong DPI. The Indian track record on this front is patchy. Only recently, data privacy discussions have entered into the drawing board of common Indians. Data breaches, privacy violations, and unauthorized access to personal data are key concerns. In the 21st century, data has become the new oil. Therefore, it warrants scrutiny of the DPI model. Additionally, it is necessary to develop a sound legal and technological frame to address issues relevant to the DPI model. The One Future Alliance (OFA) proposes to bring together all stakeholders, government, private sector, academia, and civil society to develop mechanisms for DPI. With sustained Indian efforts, OFA may emerge as an institution and possibly have headquarters in India due to the country's enormous stakes in DPI. This will enable India to shape the global agenda on one of the important technological aspects. Further, it will assist in synergizing DPI-related global endeavors and building the capacity of interested entities.

Coming back to Hamburg, the above discussion illustrates that India is keen to shoulder global responsibilities. After the Vaccine Maitri, DPI is another example of the same. Furthermore, India as a pole is enthusiastic about inculcating democratic values at a global governance level. Secondly, New Delhi feels that assisting interested states in building their DPI capacities may strengthen governance and ultimately facilitate a move towards democratic direction. Therefore, India insists on the consent of interested States. Moreover, it suggests that India distances itself from binary considerations of 'with me or against me'. The last aspect of Indian power is its posture as a bridge between the global North and the global South. The posture helps India maintain an independent stance in its foreign policy. Moreover, the country could navigate through the complexities of global geopolitics.
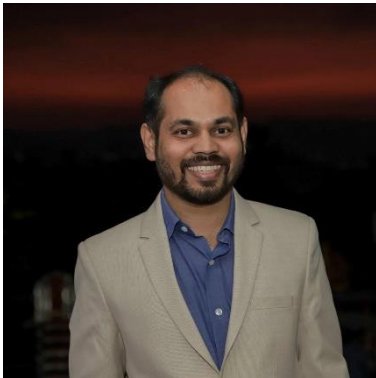
Single title

What kind of power will India be?

About the Author:

Mr. Aniket Bhavthankar is a KAS scholarship holder and pursues his doctoral research at the University of Duisburg-Essen.
He can be reached at:
aubhavthankar@gmail.com
X: @aniketbhav

www.kas.de