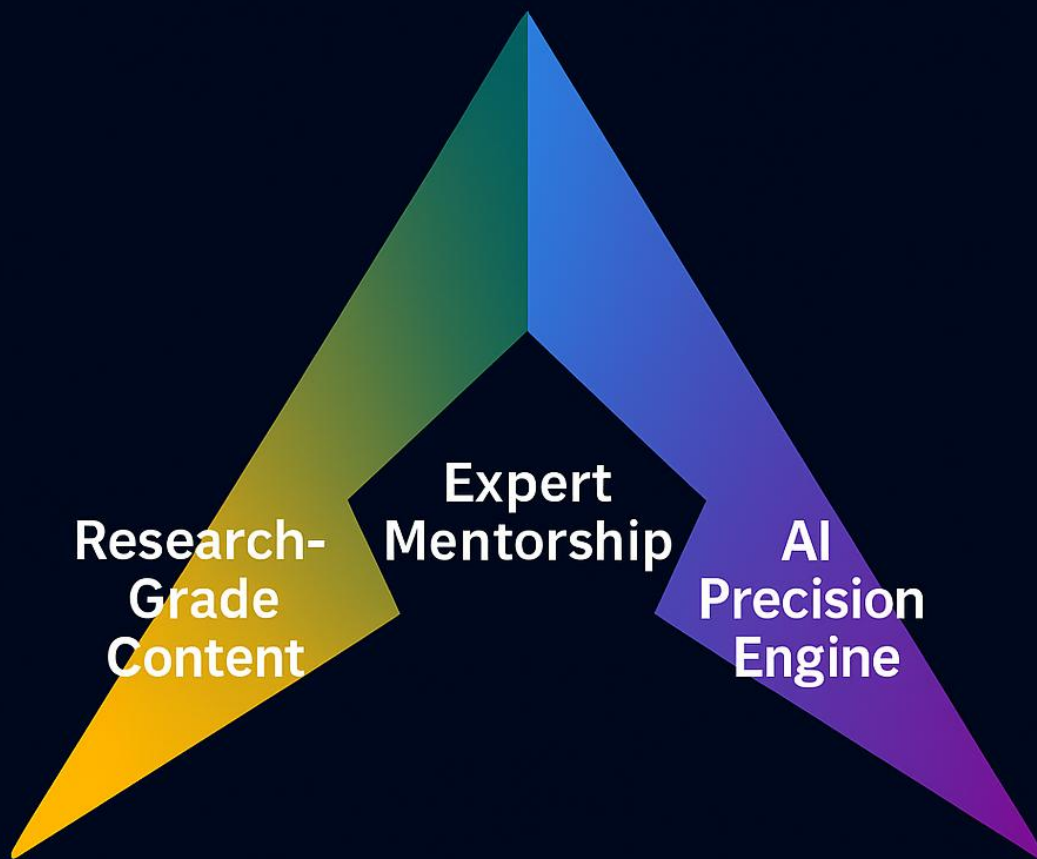


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DAILY CURRENT AFFAIRS DATED 06.05.2026

GS Paper II: Current Affairs

1. India's AI Sovereignty: From Consumer of Intelligence to Producer of Intelligence

a. Introduction

Artificial Intelligence is emerging as one of the most transformative technologies of the twenty-first century. Much like electricity, railways, or the internet in earlier eras, AI is becoming a foundational infrastructure for modern economies and states. Its influence is rapidly expanding across governance, health care, agriculture, education, finance, defence, policing, manufacturing and diplomacy.

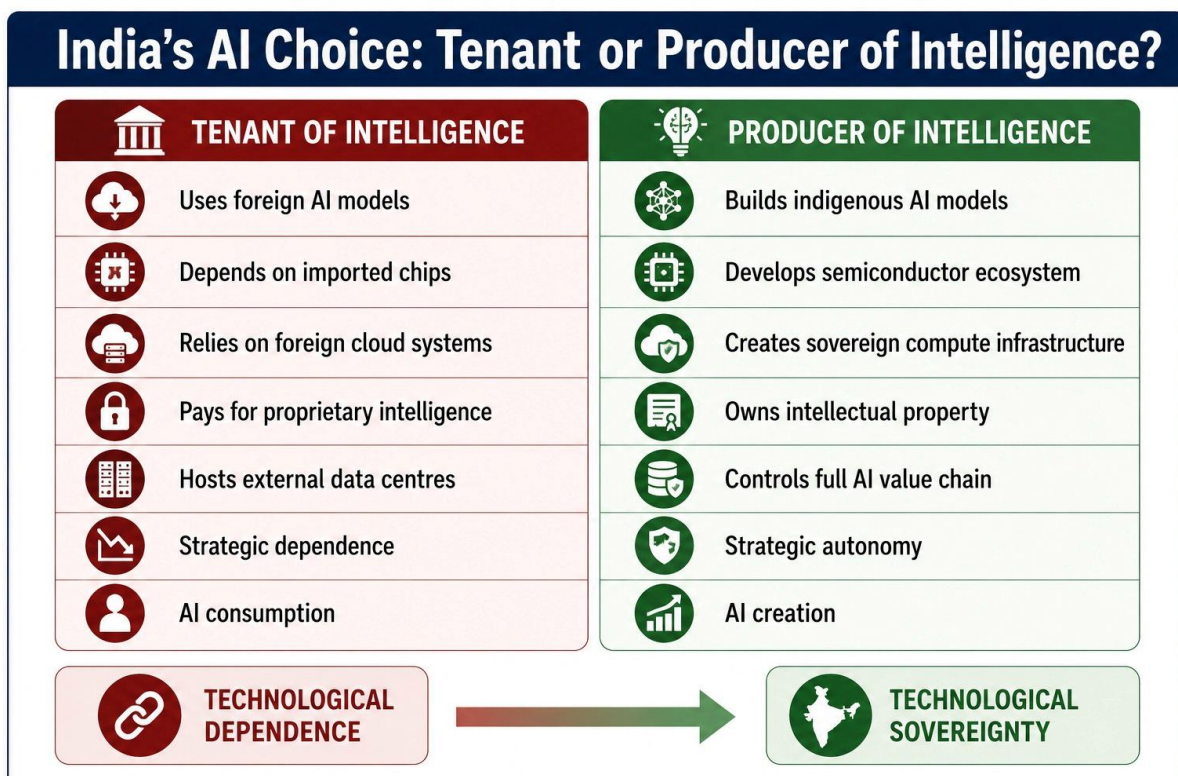
For India, therefore, the central challenge is not merely whether Indians can use Artificial Intelligence. The deeper strategic question is whether India can build, own and control advanced AI systems and the technological ecosystem around them.

This distinction may be understood through two contrasting ideas:

- Being a “tenant of intelligence”
- Becoming a “producer of intelligence”

A country that merely consumes foreign AI systems remains technologically dependent. A country that develops sovereign AI capability gains economic power, strategic autonomy and long-term technological influence.

Thus, AI sovereignty is not only a technological issue; it is also an economic, governance and national security question.



b. Understanding the Core Idea

India as a “Tenant of Intelligence”

A tenant uses a house but does not own it. Similarly, India becomes a tenant in the AI era when it depends primarily on foreign technological ecosystems.

This dependence can take several forms:

- Using foreign AI models
- Relying on foreign cloud infrastructure
- Depending on imported semiconductor chips
- Hosting foreign-owned data centres
- Paying recurring costs for access to proprietary intelligence systems

Under such a model, India may gain temporary access to advanced technologies, but it does not possess strategic control over the underlying systems.

In essence, the infrastructure may physically exist within India, but ownership of intelligence remains external.

India as a “Producer of Intelligence”

India becomes a producer of intelligence when it develops domestic capability across the full AI value chain.

This includes:

- Foundational AI models
- Sovereign compute infrastructure
- AI research institutions
- Semiconductor ecosystems
- Indian-language datasets
- Advanced algorithms
- Domestic intellectual property
- Indigenous AI applications

In simple terms, a tenant uses someone else’s intelligence, while a producer creates and controls its own intelligence systems.

This distinction is becoming increasingly important because AI is now directly linked to economic competitiveness, state capacity and national power.

c. Why AI Sovereignty Matters

i. AI as a Strategic Asset

Artificial Intelligence is no longer merely a commercial technology. It is increasingly becoming a strategic asset.

AI systems are now influencing:

- Economic productivity
- Financial systems
- Military planning
- Cyber security
- Intelligence analysis
- Public administration
- Scientific research
- Digital governance
- Geopolitical competition

Consequently, excessive dependence on foreign AI systems can create strategic vulnerabilities.

During geopolitical tensions or technological sanctions, access to critical technologies may be restricted or controlled by foreign governments and corporations. These may include:

- Advanced chips
- AI models
- Cloud services
- Software frameworks
- High-performance computing systems

Thus, AI capability has become closely linked to the broader idea of strategic autonomy.

This concern becomes clearer when seen against India's earlier experience with the IT services model.

ii. India's Earlier Technological Experience: The IT Services Model

India's rise as a global information technology services power during the 1990s and 2000s remains one of the country's major economic success stories.

Indian firms such as Tata Consultancy Services, Infosys and Wipro created large-scale employment opportunities and integrated India into the global digital economy.

This success generated:

- Export growth
- Urban middle-class expansion
- International recognition of Indian engineering talent
- Growth of the services economy

However, an important structural limitation remained. India became highly successful at servicing and maintaining systems developed elsewhere, but did not sufficiently dominate the next layer of technological ownership.

The country lagged behind in areas such as:

- Frontier research
- Semiconductor manufacturing
- Global technology platforms
- Deep-tech innovation
- World-class research universities
- Foundational intellectual property creation

As a result, India excelled in execution but remained relatively weaker in original technological creation.

The concern today is that a similar pattern could emerge in the AI era unless deliberate corrective steps are taken.

d. The Current AI Challenge

i. Data Centres and the Hosting Problem

India is presently witnessing major investments in AI-related infrastructure, particularly data centres and cloud ecosystems.

These investments are beneficial because they generate:

- Computing capacity
- Digital infrastructure
- Employment
- Cloud services

- Investment inflows

However, a deeper strategic concern remains unresolved.

If the land, electricity and buildings are Indian, but the chips, models, algorithms and intellectual property are foreign, then India may merely become a hosting platform rather than a true AI power.

This creates a situation where physical infrastructure exists domestically, but control over intelligence remains external.

Therefore, India must distinguish clearly between AI infrastructure and AI capability.

ii. AI Infrastructure Versus AI Capability

AI Infrastructure	AI Capability
Data centres	Foundational AI models
Cloud servers	Algorithms and research
Internet connectivity	Indigenous datasets
Power supply	Sovereign compute
Hardware facilities	Intellectual property ownership
Hosting services	Strategic control

Infrastructure is necessary, but infrastructure alone does not guarantee autonomy.

A country may host large computing facilities while still remaining dependent on foreign intelligence systems.

This is why India cannot limit its AI strategy merely to adoption or diffusion.

iii. Why AI Diffusion Alone Is Insufficient

Some experts argue that India should focus primarily on applying AI across society rather than building frontier AI models.

Certainly, India must expand AI applications in areas such as:

- Agriculture
- Health care
- Education
- Disaster management
- Governance
- Micro, small and medium enterprises

However, diffusion without foundational capability creates long-term dependency.

Moreover, successful technological diffusion usually depends upon pre-existing institutional strength. For example, UPI succeeded because banking digitisation had already progressed. Aadhaar succeeded because India possessed administrative experience in identity systems. Digital payments expanded because telecom connectivity and banking penetration improved simultaneously.

In contrast, sectors such as health, agriculture and judicial administration still suffer from fragmented and poor-quality datasets. AI cannot compensate for weak institutional foundations.

Thus, diffusion must be accompanied by capability creation.

e. Structural Weaknesses India Must Address

i. Low Research and Development Spending

India's expenditure on research and development remains significantly lower than major technological powers.

Without sustained investment in frontier research, India cannot emerge as a leader in advanced AI systems.

Why It Matters

AI leadership requires patient investment in basic science, advanced computing, algorithmic research and interdisciplinary experimentation.

ii. Weak Research University Ecosystem

AI leadership requires globally competitive universities capable of producing:

- Doctoral researchers
- Advanced laboratories
- Frontier scientific publications
- Interdisciplinary innovation ecosystems

India possesses substantial talent, but its world-class research infrastructure remains inadequate.

Core Challenge

The objective should be to produce original AI scientists and researchers, not merely software engineers trained for service-sector execution.

iii. Limited Sovereign Compute

Training advanced AI systems requires enormous computational capacity.

If India depends entirely on foreign cloud infrastructure and imported high-performance chips, its AI ambitions remain strategically vulnerable.

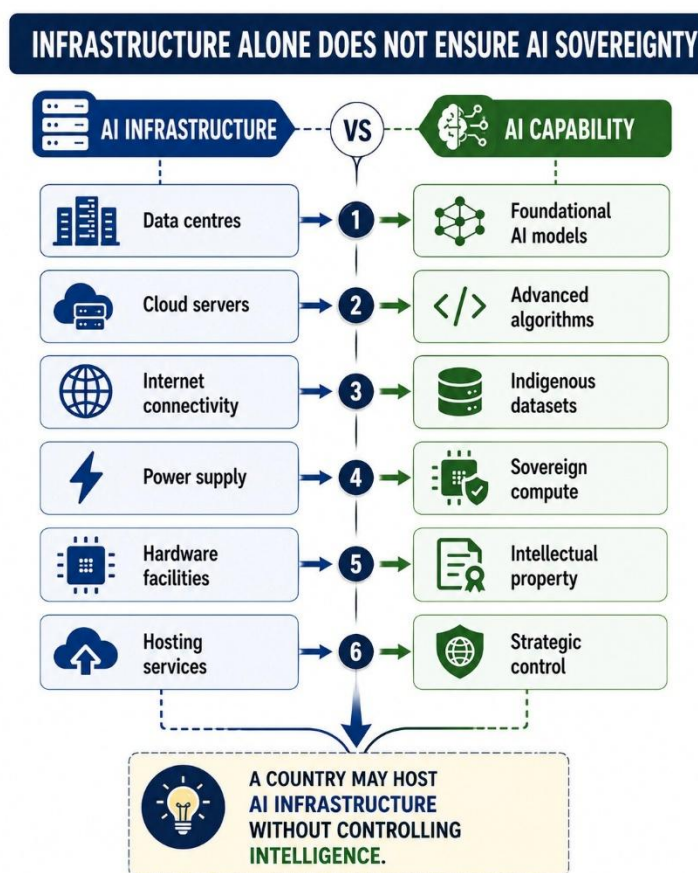
Why Sovereign Compute Matters

Domestic compute infrastructure enables Indian universities, startups, defence laboratories and public research institutions to build and test advanced AI systems without excessive foreign dependence.

iv. Semiconductor Dependence

Modern AI systems are heavily dependent on advanced semiconductor chips.

India continues to rely on global supply chains for cutting-edge processors, graphics processing units and AI accelerators.



Strategic Risk

This dependence creates both economic and security risks, especially during supply-chain disruptions, sanctions or geopolitical tensions.

v. Weak Deep-Tech Financing

AI innovation requires long-term investment horizons.

However, many Indian startups face pressure for rapid commercial returns, while frontier AI research often requires patient capital and sustained experimentation.

Required Shift

India needs financing models that support research-heavy innovation, not only quick market-ready digital products.

vi. Brain Drain and Talent Migration

A significant proportion of India's top AI researchers currently work abroad due to:

- Better funding
- Superior infrastructure
- Greater research freedom
- Stronger academic ecosystems

Retaining and attracting global talent remains a major challenge.

These structural weaknesses show that AI sovereignty requires a national mission, not scattered policy measures.

f. AI as a National Security Issue

i. Strategic Relevance of AI

Artificial Intelligence is increasingly integrated into national security systems.

AI applications are expanding in:

- Military logistics
- Autonomous drones
- Cyber warfare
- Intelligence gathering
- Surveillance systems
- Border management
- Predictive analysis
- Strategic planning

Dependence on foreign AI systems for critical functions may expose India to serious risks.

ii. Risks of External Dependence

These risks include:

- Denial of technological access
- Hidden algorithmic bias
- Data leakage
- Strategic manipulation

- External control over sensitive systems

Therefore, AI sovereignty is no longer merely an economic issue. It is also a defence and strategic necessity.

The same logic must inform India's policy roadmap for building sovereign AI capability.

g. What India Must Do

i. Build Sovereign Compute Infrastructure

India must develop domestic high-performance computing infrastructure accessible to:

- Universities
- Public research institutions
- Startups
- Defence laboratories
- Indian-language AI initiatives

Compute capacity should strengthen Indian research capability rather than merely serve foreign cloud platforms.

ii. Establish World-Class AI Research Institutions

India requires mission-oriented AI research centres with:

- Long-term public funding
- Advanced laboratories
- Doctoral fellowships
- Global academic collaboration
- Interdisciplinary ecosystems

The objective should be to produce original AI scientists, not merely software engineers.

iii. Develop Indian-Language AI Ecosystems

India's linguistic diversity offers a unique opportunity.

AI systems must support:

- Hindi
- Tamil
- Telugu
- Bengali
- Marathi
- Punjabi
- Odia
- Assamese
- Tribal and low-resource languages

Indian-language AI is essential for:

- Digital inclusion
- Governance accessibility
- Educational equity
- Wider social adoption of AI technologies

iv. Link Foreign Investment with Domestic Capability Creation

Foreign AI investment should be welcomed, but structured strategically.

Investment agreements should encourage:

- Research partnerships
- Local talent development
- Joint innovation ecosystems
- Compute access for Indian startups
- Indian-language AI development
- Technology transfer wherever feasible

India should avoid creating isolated foreign-owned data enclaves disconnected from domestic innovation ecosystems.

v. Improve Public Data Systems

Artificial Intelligence depends fundamentally upon high-quality data.

India must strengthen data ecosystems in:

- Health
- Agriculture
- Education
- Land records
- Judicial systems
- Policing
- Welfare delivery

At the same time, data governance must protect:

- Privacy
- Consent
- Accountability
- Digital rights

vi. Promote Deep-Tech Finance

India needs patient and long-term financing for sectors such as:

- Foundational AI models
- Robotics
- Semiconductor technologies
- Defence AI
- Scientific computing
- Language technologies

This requires coordinated participation from government, private industry, venture capital, universities and defence institutions.

These measures can help India move from mere AI adoption to genuine AI ownership.

Conclusion

Artificial Intelligence is rapidly becoming a foundational pillar of economic power, governance capacity and national security. For India, the challenge is not merely to access AI technologies, but to build sovereign capability across research, compute, semiconductors, datasets and intellectual property.

Data centres, foreign investments and AI adoption are important, but they cannot substitute for domestic technological ownership. A country that merely hosts foreign intelligence systems remains strategically dependent, regardless of how large its digital infrastructure becomes.

India's long-term objective must therefore be to move beyond being a passive consumer of Artificial Intelligence and emerge as a creator, owner and regulator of advanced intelligence systems.

In the emerging AI-driven world order, true strategic autonomy will belong not simply to those who use intelligence, but to those who can produce it.

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- data recall
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- objective pattern analysis

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