

Digital Driven Administrative Reforms: Viksit Bharat 2047

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ABSTRACT

This article probes and analyses the transformative potential and inherent legal complexities of digitalizing India's public administration as a part of the visionary goal of Viksit Bharat 2047. Marking a centenary of Independence for India in 2047, the Viksit Bharat initiative aims to achieve a fully developed India through integrated digital governance that enhances transparency, efficiency, accountability, and citizen centric approach of services. Central to this vision is the expansion of Digital Public Infrastructure (DPI) to create a seamless digital ecosystem. Foundational platforms such as Aadhaar for identity, UPI for payments and DigiLocker for the data exchange serves as a backbone for this digitalization structure, whilst the new DPI's education, health, law and justice, agriculture, MSMEs, urban governance, and other sectors which involves automation of the governance thorough AI which effectively benefits the administration of the sectorial aspects and development. This paper stresses dynamic legal reforms alongside infrastructural growth to safeguard rights, harmonize governance, and realize inclusive, participatory digital empowerment while also facing the challenges and complexities of privacy, security and ethics during such transformation.

Key words: Digital governance, Digital Public Infrastructure, artificial intelligence, empowerment, privacy.

1. INTRODUCTION

India's Viksit Bharat 2047 aims for a \$30 trillion USD economy,³ prioritizing the technological innovation, and social welfare. This shift towards digital transformation is very essential for enhancing the productivity in the foundational sectors of Indian economy and development, supported by robust digital infrastructure and the AI automation. The integrated digital governance, evolving from the Digital India initiative, is a crucial part in addressing the systematic risks and maintaining public trust against the

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³ PHD Chambers' Viewpoint. (2024). In PHDCCI. <https://www.phdcci.in/wp-content/uploads/2024/04/Viksit-Bharat@2047-A-Blueprint-of-Micro-and-Macro-Economic-Dynamics.pdf>

resulting threats like data breaches and so on. The analysis considers legal complexities of digitalization and calling for dynamic legal reforms for the purpose of oversight in automated decisions.

2. LITERATURE REVIEW

The impact of digital adoption on economic growth has been widely studied in recent years. According to Mahammad Rafee (2024), India's digital economy grew by 15.6% between 2014 and 2019, expanding 2.4 times faster than the overall economy. The Reserve Bank of India (RBI) reported that the core digital economy contributed 8.5% of Gross Value Added (GVA) in 2019, up from 5.4% in 2014, reflecting rapid digital transformation (Rafee, 2024). Digital adoption has played a crucial role in economic expansion, employment generation, and financial inclusion. The Digital India initiative, launched in 2015, has accelerated internet penetration, digital payments, and online services. Gaur and Padiya (2021) analyzed the impact of Digital India on the IT & BPM sector, highlighting that the initiative has boosted smart city projects, e-governance, and digital literacy (Gaur & Padiya, 2021). However, Malhotra and Sharma (2017) identified key challenges such as infrastructure gaps, cybersecurity threats, and unequal digital access, which must be addressed for sustainable digital growth (Malhotra & Sharma, 2017). Additionally, Jinzhu Zhang et al. (2022) examined the impact of the digital economy on post-COVID-19 economic recovery, revealing that digital industries played a crucial role in stabilizing economies and driving innovation. Their study emphasizes the need for stronger regulatory frameworks and digital inclusion policies to maximize the benefits of digitalization (Zhang et al., 2022). Overall, the literature confirms that India's digital transformation has significantly contributed to economic growth. However, addressing infrastructure challenges, enhancing cybersecurity, and promoting digital literacy will be crucial in realizing India's vision of Viksit Bharat 2047.

3. RESEARCH METHODOLOGY

The study employs a qualitative-doctrinal approach to analyze the role of digital adoption in India's economic transformation and its journey towards Viksit Bharat 2047. The research is based on the critical policy analysis approach, examination of existing government documents, legislative acts (like the DPDP Act and Aadhaar Act), and the policy initiatives (e.g., IndiaAI Mission, e-Courts Project).

4. RESULT & ANALYSIS

The Digital public structure in India, integrates open **APIs** for efficient and paperless service delivery. It comprises three core public utility layers namely identity, monetary transactions or payments and data storage and documentation of government of citizens of the country.

NOTABLE INITIATIVES OF INDIA FACILITATING DPI

Despite its efficiency, the centralized nature of this digital identity involves systemic risks concerning privacy and security. The rising incidents of UPI-related fraud, by 85% in fiscal year 2024,⁴ shows the necessity for a robust legal framework to enforce data security and individual control through the **Consent Layer** (DEPA/AA) which is a core component of India's Digital Public Infrastructure designed to give the

⁴ Digital payment transactions surge with over 18,000 crore transactions in 2024-25. (n.d.).
<https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2110405>

individuals, the control and ownership to their digital personal data. Furthermore such expansion of the Digital Public Infrastructure into a more sector-specific application would enhance public services in health, law, and urban governance.

In the health sector, schemes such as the **Ayushman Bharat Digital Mission (ABDM)** develops a more digitalized foundation to integrate technologies in means of electronic health records, and health information systems, promotion of patient care and transparency through efficiency and automation in such emergency services across India . The Global Initiative on Digital Health further demonstrates India's commitment international standards.

In legal aspects of India , the **e-Courts Mission Mode Project** has modernized the judiciary and legal filing through Information and Communication Technology (ICT) , with **Phase III** and have received Rs. 7,210 crores⁵ for establishing the paperless courts and digitization of records and such related facilities thereby enhancing judicial productivity and information access.

Further stating the urban governance has benefited from the **Smart City Mission (SCM)**, which was initiated in 2015, promoting efficiency, optimization of resource management, enhancing public safety, and improving the quality of citizen services using AI driven technology which is executed through the **Integrated Command and Control Centres (ICCCs)** which are established in and around almost 100 Smart Cities, which act as the technological backbone to serve efficiency.⁶ Effective governance requires vertical systems above stated to integrate with Digital Public Infrastructure foundations, uplifting the difficulties and complexities of legal frameworks and the need of robust protocols for data management in means to provide security and privacy of citizens. This has empowered the private sector while ensuring universal access, particularly through initiatives targeting rural and tribal communities. The **Bhashini platform** for real-time language translation and the **Jugalbandi Chatbot** for women farmers facilitate information access. The **Digital Sakhi Initiative** trains members of Self-Help Groups to enhance digital service accessibility, promoting skills and empowerment among women.

AUTOMATED GOVERNANCE AND SERVICE DELIVERY THROUGH AI

India's AI ambition, facilitated by the IndiaAI Mission, is supported by a ₹10,300 crore allocation over five years , aiming to establish a leading computing facility with 18,693 GPUs which majorly focuses on the development of the indigenous Large Language Models (LLMs) tailored specifically understand and interpret to Indian languages and cultural nuances, intending of facilitating the socio-economic transformation and self-reliance of technology to citizens which thus improves accessibility.⁷ AI's

⁵ Department of Justice. (2023). *E-Courts Mission Mode Project Phase III Sanction and Objectives*. (2023). In Department of Justice. <https://pib.gov.in/PressReleasePage.aspx?PRID=1956920>

⁶ India's digital revolution: transforming infrastructure, governance, and public services. (n.d.). <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2082144>

⁷ Cabinet Approves Over Rs 10,300 Crore for IndiaAI Mission, will Empower AI Startups and Expand Compute Infrastructure Access. (n.d.). <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2012375>

influence is evident in service sectors by improving customer experiences in finance and healthcare, as well as the public infrastructure through automation, customer service and speedy actions.

The **National Data and Analytics Platform (NDAP)** is the central to the data-driven governance, which integrates the extensive administrative datasets across India. This platform also serves as the foundation for a **predictive policy modelling**. AI also analyses the diverse data streams such as the sensor and video and motion feeds to pre-emptively manage crowd density, forecasting the movements and actions, and address potential congestion in the DPI accessories. This allows the proactive actions and emergency preparedness simulations indicted by Artificial Intelligence. Such predictive analytics transforms resource allocation, the identification of trends and anomalies which go unnoticed by traditional systems, leading to the optimization of public resource distribution across various sectors, starting from law enforcement to sanitation across the Indian territory.

ETHICAL COMPLEXITIES OF DPI

a) Privacy and Data Surveillance

(i) Massive Data Footprint : DPIs like Aadhaar and the Account Aggregator such as the NBFC's involve in the collection and processing of the vast amounts of personal and sensitive biometric and financial data, creating a potential **"Honeypot"** for cyberattacks and unauthorised surveillance by cybercriminals (insider or a foreign adversary) .

(ii) Government Surveillance: The centralisation and interoperability of the DPI components could well facilitate the excessive **government surveillance** and unnecessary tracking of citizens, potentially chilling and condemning the right of free expression and assembly, particularly due to exceptions for state agencies in data protection laws.

(iii) Erosion of Consent: The sheer scale and the necessity of using the DPI for such essential services (like welfare schemes, financial services, healthcare) which necessitates the consent of the individual to proceed on can lead to **coerced consent** or the lack of meaningful choice for citizens, undermining the principle of "free" consent. This due to the lack of proper literacy of consent and the extent or validity of it , especially to vulnerable people of the society, where the government have no liability of fault if the data is being violated or so, thus making it a major ethical complexity to the automation of governance.

b) Exclusion and Equity: Despite the goal of inclusion and equality, making access to essential services mandatory through DPI can further exclude the individuals who lack digital literacy, and people with unreliable internet connectivity, or the necessary devices, disproportionately affecting rural, elderly, and vulnerable populations of the nation thus challenging the term "accessibility" which is one of the major vision of the DPI. The usage of AI in Automated Decision-Making systems poses threats to the constitutional commitments of the country on equality and social justice, as algorithms can perpetuate available biases which are present in training data, thus affecting vulnerable populations. Algorithmic biases, which is the use of data from DPI for algorithmic decision-making (e.g., in credit scoring or social benefit eligibility) risks associating and modifying socio-economic and systemic biases, leading to discrimination and denial of rights embedded in the constitution.

c) Data Security and Accountability

(i) Data Breaches and Identity Fraud: Foundational ID systems like Aadhaar makes them a prime target to cyber-attacks. Multiple reported instances of **data leaks and breaches** expose citizens to identity theft and financial fraud on a massive scale.

(ii) Lack of Agency and Control: While the DPI promotes data sharing, there are still concerns about whether the individuals truly have the tools, capacity and literacy to exercise their **right to control** and manage their data effectively.

LEGAL COMPLEXITIES OF DIGITAL REFORM

The protection of fundamental rights, particularly of the privacy and data security under Art. 21 of the Indian Constitution, is challenged in this context of a seamless digital ecosystem and automated governance and Digital Public Infrastructure initiation in India. The SC of India has established that the right to privacy as fundamental under Art. 21 in several legal precedents notably in the case of **Justice K.S. Puttaswamy (Retd.) and Anr. vs Union of India and Ors.**⁸ The extensive data collection done through systems like Aadhaar, raises serious concerns about unauthorized access and potential misuse also laid guidelines on the collection of data and the liability of the state on protecting the data and privacy of the individual.

IMPORTANCE OF LEGAL PREPAREDNESS IN GOVERNANCE AUTOMATION

This transition redefines the role of government administrators' from reactive to pre-emptive policy makers which makes the nation future ready. Although this shift enhances efficiency, it also risks amplifying the systemic biases and factual inaccuracies which is being embedded in historical data and AI models.

Further the algorithmic processing promises improved consistency, speed, and eradication or alignment of human bias, aiming to enhance service delivery effectively. However, without the clear legal framework regards to the ethical AI governance, problems arise when AI systems produce biased outcomes or fail, uninformed usage of citizens data and liability. Transparency and defined responsibility are crucial to maintain accountability in automated decisions, underscoring that effective governance isn't solely about efficiency but also the justifiability and adherence to the Constitution of India.

COMPREHENSIVE LEGAL SAFEGUARD FOR DIGITAL DATA IN INDIA

The Digital Personal Data Protection (DPDP) Act, 2023 introduces a regulatory framework for personal data processing, defining the Rights of Data Principals of citizens (right to information, right to correction and erasure, right to grievance redressal) and also states the obligations of Data Fiduciaries and Government on usage and storage. The Act amends the Right to Information (RTI) Act which prevents the disclosure of personal data upon RTI requests, prioritizing individual privacy over public information rights with regarded limitations provided so. Further, unlike the EU's General Data Protection Regulation (GDPR), the DPDP Act has not yet obligated the data fiduciaries to notify individuals about the use of their publicly available data for AI training, creating opportunities for indigenous AI advancement while increasing risks of misuse.

⁸ JUSTICE K S PUTTASWAMY (RETD.) v. UNION OF INDIA. (2017).

https://cdnbbsr.s3waas.gov.in/s3ec0490f1f4972d133619a60c30f3559e/documents/aor_notice_circular/43.pdf

The Aadhaar Act, 2016 is a legislation that governs the use and the protection of the unique identity number provided to explicitly restrict the collection of demographic and biometric information. It also prohibits its sharing except for specific, legally defined purposes mandated by law. The Information Technology Act, 2000 (and associated Rules) provides a foundation for the cybersecurity and electronic governance of the nation.

The RBI Regulatory Sandbox ensures that the data security by requiring all the necessary innovative projects to comply with Digital Personal Data Protection Act (DPDP Act, 2023), allowing the emerging technologies to be tested on mandatory compliance for such vulnerabilities in a controlled environment before market release. This mandatory compliance to such tests helps to prevent potential data breaches and financial fraud.⁹

These sector-specific regulations align coherently with progressive and regulatory approaches promoted in international forums like the G-20. This proactive strategy ensures regulatory frameworks evolve in incorporation of technological advancements, minimizing delays in the legislative process while also supporting the timely market entry for innovative solutions.

5. RECOMMENDATIONS & CONCLUSION

- (i) **Updating legal reforms in par with the rapid technological developments:** Legal reforms, such as the currently proposed Digital India Act, which are crucially needed to harmonize the digitalization of governance. Existing laws are mostly human-centric which inadequately addresses the autonomous AI systems. Thus the legislation must define AI liability, mandate transparency, and ensure digital consumer protection to bridge the gap between rapid technological evolution and legislative response.
- (ii) **Enforcing accountability and transparency along with a more inclusive digital empowerment:** Integrating the aforesaid principles of accountability, transparency, and the fiduciary duty of the state is essential for the robust digital governance. E-governance thus strengthens the fiduciary liability by enabling the real-time monitoring and auditing of public funds which could dramatically increasing transparency and reducing corruption. To reinforce this, liability for the breaches which affects the fundamental rights must be explicitly established. The inclusive digital empowerment must bridge the rural-urban gap through the skill developmental and widespread digital literacy on e-governance and data handling to the individuals of the society.
- (iii) **Mandatory Human Intervention and Oversight :** Human-in-the-Loop (HITL) framework is essential to address the AI's lack of human judgment, moral reasoning, and contextual understanding in Automated Decision-Making (ADM) systems, especially those impacting rights or liberties. HITL shifts AI from autonomous decision-maker to a governance support tool which mitigates the algorithmic bias and the unintended consequences. Human intervention, must be mandatory for high-stakes decisions. For medium-stakes tasks, human monitoring is required for data verification, whilst the low-stakes automation demands minor oversight, prioritizing contextual judgment and risk mitigation over automated efficiency.¹⁰

⁹ FinTech Department. (2024). Enabling framework for regulatory sandbox. <https://www.fidcindia.org.in/wp-content/uploads/2019/06/RBI-ENABLING-FRAMEWORK-FOR-REGULATORY-SANDBOX-28-02-24.pdf>

¹⁰ Stryker, C. (2023, December 8). <https://www.ibm.com/think/topics/human-in-the-loop>. IBM. <https://www.ibm.com/think/topics/human-in-the-loop>



Thus achieving Viksit Bharat 2047, requires to build the transformative potential of DPI and AI with robust legal and ethical safeguards and changes. Enacting the legislation on such governance to define AI liability and transparency, and gaining the public trust through accepting the liability and accountability in protection of data will facilitate a more futuristic pathway to the digital driven administrative reforms in India

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