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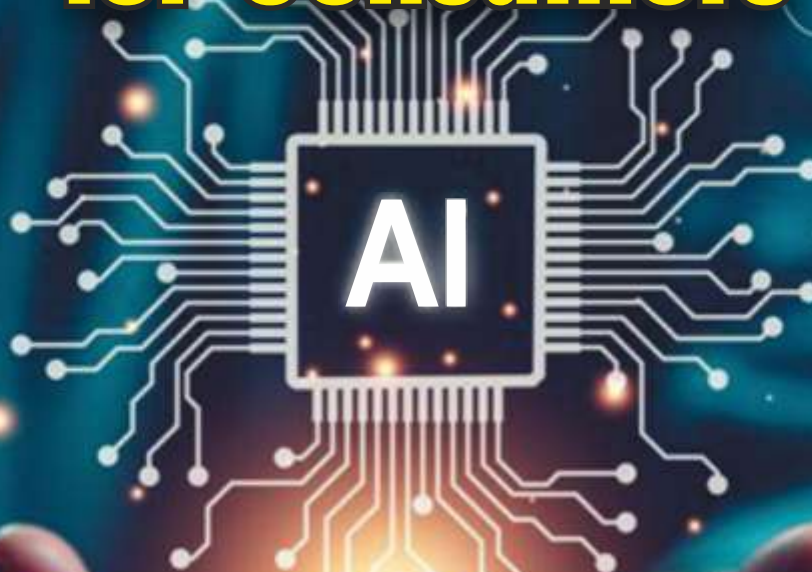
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WORLD CONSUMER RIGHTS DAY

15th March, 2024

Fair and Responsible AI for Consumers



INTERVIEW¹



ASHWINI VAISHNAV
Minister of Electronics &
Information Technology

OUT OF THE BOX
Unveiling the Shadows
Surrounding GenAI

THE LAST MILE
Will You Lose
Your Job to AI?

INTERVIEW²



SANDEEP RAUT
Founder & CEO,
Going Digital

PLUS

ROUND UP • RESEARCH FEATURE • MY MARKET



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- Vivek Vardhan



VIEWPOINT

MESSAGE FROM PUBLISHER & EDITOR

Artificial Intelligence (AI) – The Heartbeat of the Digital Age!

HUMAN BEINGS ARE intelligent – we can think, learn, reason and deal with new situations. A few decades ago, we could have never imagined that machines could replicate our unique intelligence; that they will be capable of learning from experience and performing human-like tasks, that too, without human intervention!

Cut to today when artificial intelligence (AI) has become a ubiquitous part of our everyday life. It has made deep inroads into everything from our online activities and entertainment to education, transportation and healthcare. Most of the time, we are using AI even without realising it!

Unarguably, the different facets of AI are making our life and work easier and better in ways that we cannot even fathom. This game-changing technology is all about promptness, personalised experiences, quick actions, convenience and an almost seamless lifestyle.

AI is an evolving field that will be the backbone of innovation in the future. New opportunities are emerging to improve healthcare, drug safety, trade, manufacturing, agriculture, education, defence, space exploration and even consumer protection. The applications of this technology are growing by the day and we have merely scratched the surface of the limitless possibilities.

However, even as the world is going full throttle to unlock the value and tap into the efficiency of AI, we have to consider that this algorithm-based technology is



basically uncharted territory. There are numerous dimensions to AI and we need to deliberate over how we will take the potential forward in a credible and transparent manner. Drawing lines and creating a sense of responsibility are imperative so that we inadvertently don't get consumed by the very tool that we have created!

Countries across the globe are developing ways and means of regulating AI before it grows into an untameable monster. Even India is working on protecting its digital users from avoidable damages.

No doubt about it – we are 100% in favour of technology to add value to the lives of the consumers, and we do look at AI as one of the options with full precaution and safety. But as guardians of the consumers, we are keen on building trust and integrity in the AI-powered tomorrow!

Consumer Safety and Protection are paramount; we cannot negotiate with them at any cost!

Prof. Bejon Kumar Misra

Publisher & Editor

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PRAFULL D. SHETH

Editorial Board Member

AI – A NOTE OF CAUTION FOR THE FUTURE



THE PRIMARY DIFFERENCE between humans and computers has always been that we are blessed with natural intelligence, while computers merely act on our commands.

Today, we are witnessing a quantum leap in technology as artificial intelligence (AI) is literally bursting with human-like thinking and learning abilities. Smart machines are all around us, performing tasks that typically require human intelligence.

With AI increasingly shaping a gamut of products and services, the stage is ripe for bad actors to exploit the brimming potential. We are already facing instances of the evil side – bias, misinformation, violation of privacy, security threats and more. The deepfakes doing the rounds are just a small example of the quagmire that can suck us in even before we can realise what is happening. Not to mention the increasing possibility of AI replacing humans and taking away our jobs!



I am sure the early developers of AI did not fathom how big it can grow, let alone the potential for unintended use!

And, what if the AI computers become superintelligent and take over the world – aka the sci-fi movies churned by Hollywood? This may sound far-fetched today, but it cannot be denied that we need to address the issues before they spiral out of control.

At this juncture, the theme of World Consumer Rights Day 2024 could not be more timely. Consumers International – a membership organisation of 200 consumer rights groups in 100 countries, fighting for a safe, fair and sustainable marketplace - has given a loud and clear call for 'Fair and Responsible AI for Consumers'. The focus of the campaign is on championing fairness, demanding accountability and paving the way for an AI future which enables smart and empowered consumers.

Indeed, the world needs AI tools and frameworks that respect consumer rights by factoring in transparency and accountability. The fundamental principles and processes of AI should be steeped in moral and ethical dimensions. Needless to say, regulatory oversight is essential to keep the dark side in check.

Do we need a bigger wakeup call than the pioneers in the field themselves expressing concerns over the risks of AI? Last year, many leading AI experts even issued a joint statement that, *“Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks such as pandemics and nuclear war”!* ▶



13

RESEARCH FEATURE

REINING IN THE POWER OF AI WITH REGULATION



With the increasing use of AI across sectors, the world needs regulation so that the disrupting potential of the technology does not cause risks to privacy and humanity itself.



27

INTERVIEW 1



Mr. ASHWINI VAISHNAV
Minister of Electronics & Information Technology



30

INTERVIEW 2



MR. SANDEEP RAUT
FOUNDER & CEO,
GOING DIGITAL



33

MY MARKET

THE FLIP SIDE OF AI - DELVING INTO THE EMERGING CHALLENGES



38

OUT OF THE BOX

UNVEILING THE SHADOWS SURROUNDING GenAI



Generative AI is making waves, and for good reason at that! You can save time and effort, multiply productivity and even get entertained while at it!



42

IN FOCUS

FAIR AND RESPONSIBLE AI FOR A BETTER TOMORROW



Artificial intelligence is captivating both industries and consumers. Everyone wants to jump onto the AI bandwagon and cash in on the hype.



52

HORIZON

THE RESHAPING OF HEALTHCARE WITH AI



AI is transforming the healthcare landscape in every domain - from diagnostics and medical treatment to patient experience.

NARENDRA MODI
HONOURABLE PRIME MINISTER OF INDIA

“Artificial intelligence is a tribute to human intellectual power, the power to think enabled humans to make tools and technologies. Today, these tools and technologies have also acquired the power to learn and think. In this, one key technology is AI. The teamwork of AI with humans can do wonders for our planet.”



ROUNDUP

AI will analyse the complaints filed in the Consumer Commissions and generate a summary of the cases



Using AI to Reduce Pendency of Consumer Cases

AS THE SCOPE of artificial intelligence (AI) increases rapidly, the Ministry of Consumer Affairs, Government of India is actively exploring the potential of AI to reduce the pendency of consumer complaints in the National, State and District Consumer Commissions while also bringing efficiency and effectiveness in the consumer redressal mechanisms.

A statement by the Ministry stated that AI will analyse the complaints filed in the

Consumer Commissions and generate a summary of the cases. Many more actions will be done through AI in resolving the complaints.

The National Consumer Dispute Redressal Commission (NCDRC) has taken some proactive steps to streamline the processes using advanced technology like e-Daakhil. This has helped resolve complaints faster than ever before. In August 2023, the Ministry proudly announced that the NCDRC

DATA BRIEFING

The Uttar Pradesh government is planning to build India's first AI city in Lucknow to house and promote the AI ecosystem.



had successfully resolved 854 cases in the month making it the highest disposal rate in the year. It also stated, "In furtherance of keeping the same momentum of disposal of cases, the Department has made filing of cases through e-Daakhil in consumer commissions compulsory and soon going to launch the feature of VC (video conference) on e-Daakhil."

Following are some ways in which AI can help the consumer commissions save time and resources:

- Understand and assess the specific attributes of a complaint by examining datasets.
- Identify complaints that can be resolved swiftly and those that may require more time.
- Offer legal recommendations tailored to a particular complaint.

- Oversee the status of data security and safeguard the necessary data for individual complaints.
- Record the entire hearing process, thus enhancing transparency within the judicial system.

It should be noted that the Supreme Court of India has been using an AI tool since 2021 to process information and make it available to the judges for decisions. SUVAS (Supreme Court Vidhik Anuvaad Software) is another AI tool which translates legal papers from English into vernacular languages and vice versa. However, the AI does not replace the lawyers or even participate in the decision-making process.

We hope that the authorities continue to deploy such efficient AI tools to safeguard consumer rights even as it fast tracks the judicial system to ensure prompt redressal of grievances. ▶

Zomato To Provide Bluetooth-Enabled Helmets To Delivery Partners



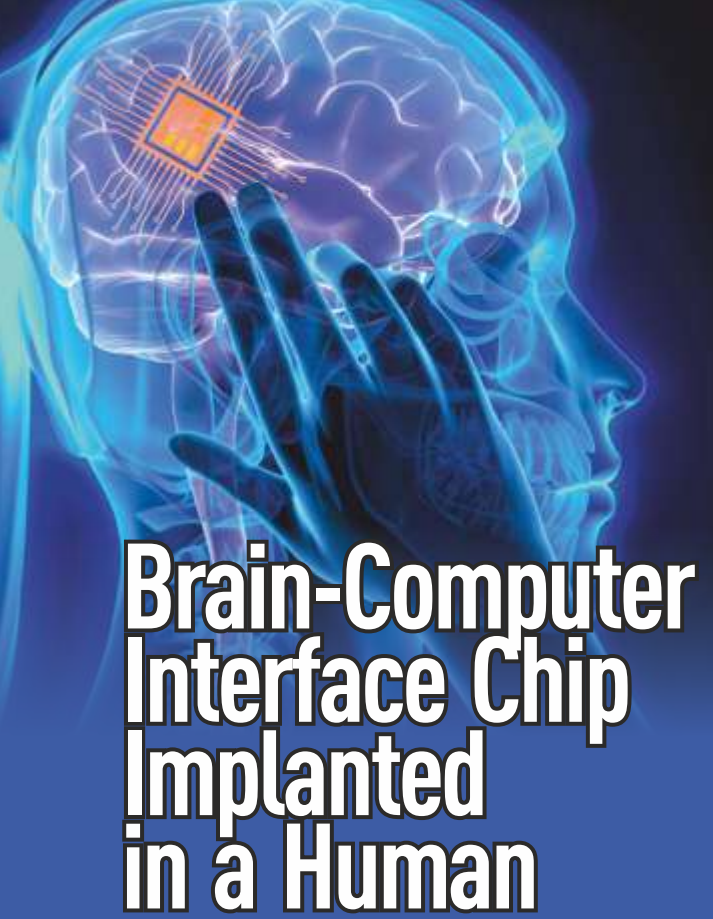
Rakesh Ranjan
CEO, Zomato

FOOD DELIVERY GIANT Zomato has announced that it will distribute safety helmets with Bluetooth to its 300,000+ delivery partners across India as part of its efforts focused on partner safety and welfare. The helmets, which are loaded with an AI-powered hybrid system, pack advanced functionalities like helmet wear detection, chin-strap lock status monitoring and preset conditional constraints for non-compliance.

To activate the helmet, delivery partners must power it on, link it to the application and wear it securely. Advanced sensor technology embedded within the helmet will determine the presence of a human head and confirm the chin strap's secure fastening. This innovative setup ensures adherence to safety protocols and enhances operational efficiency for delivery personnel.

CEO Rakesh Ranjan stated that distributing Bluetooth helmets responds to ground risks riders undertake daily while enabling emergency contactability. ▶





Brain-Computer Interface Chip Implanted in a Human

NEURALINK CORP., THE neurotechnology company founded by Elon Musk, implanted its brain-computer interface into a human's skull for the first time in January this year. The company used a robot to surgically place the implant in a region of the brain that controls the intention to move. It was reported that the initial results showed 'promising neuron spike detection' - a reference to the electrical activity of the brain cells.

Named Telepathy, this implant will test how well the device works on people with quadriplegia because of a spinal cord injury or amyotrophic lateral sclerosis (ALS). The idea is to intercept the brain's neural signals to move limbs then re-transmit those signals elsewhere in the body so that the patient can control their limbs again.



ELON MUSK tweeted, "It enables control of your phone or computer, and through them almost any device, just by thinking. Initial users will be those who have lost the use of their limbs. Imagine if Stephen Hawking could communicate faster than a speed typist or auctioneer. That is the goal."

Brain-machine interface is in the limited trials phase and it will still take years for an actual digital mind meld with AI. ▶



IT Ministry Seeks Ideas To Build Responsible AI

AT THE END of December 2023, the union Ministry of Electronics and Information Technology (MeitY) invited proposals from academic institutions and research and development organisations to build indigenous tools and frameworks that promote the just and ethical development and deployment of artificial intelligence.

A list of responsible AI themes, like machine unlearning, synthetic data generation, algorithmic fairness tools, bias mitigating strategies, ethical AI practices, privacy enhancing strategies, explainable AI (XAI) frameworks, algorithmic auditing tools and governance testing frameworks have been published on the ministry's website. The emphasis is on addressing data gaps, alleviating privacy concerns and promoting fair and inclusive representation.

Interested organisations can explore the themes - in collaboration with other partners - to build AI tools and frameworks across different sectors. For instance, one of the tools can be around machine unlearning to rectify 'inaccuracies, biases and outdated information that can inadvertently become ingrained in machine learning models'.

The proposal document stated, "By facilitating the removal of undesirable learned behaviours, machine unlearning algorithms contribute to the development of more accurate, reliable and fair AI systems across diverse domains".

Government-run institutions, including Indian Institute of Technology (IIT), National Institute of Technology (NIT), Indian Institutes of Information Technology (IIIT), along with R&D and private academic organisations possessing pre-existing lab infrastructure, workstations, servers and dedicated staff, are eligible to apply. However, they should justify completing the project within the next two years and align it with the overarching objective of promoting fair and ethical AI utilisation.

It should be noted that till now the government had merely paid lip service to incorporating AI for governance in different sectors, without specifically outlining a plan to address the areas of concern. Now the ministry is geared up to provide grant-in-aid support to at least 10 such research projects under the National Program on

Artificial Intelligence (NPAI) and IndiaAI programmes to promote ethical practices in deployment of AI. ▶

Nora Fatehi & Vigil Aunty Fight Deepfakes and Frauds in Bank Campaign



IF SOMETHING SEEMS too good to be true, it probably isn't! To highlight this and remind people of the harsh reality of growing digital deception and cybercrimes, HDFC Bank spearheaded a powerful campaign to 'Scam to Save' with a unique 'EOSS: End of Scam Sale!' as part of their 'What the Fraud' series.

The mission: To warn people of the insidious ways fraudsters prey on gullible consumers with unbelievable discounts during end-of-season sales. HDFC Bank's anti-fraud influencer Vigil Aunty was morphed into Bollywood actress, Nora Fatehi to offer a nearly '100% off' end-of-season sale for a glamorous, but 'unheard' fashion brand called 'Lululemon'.

However, when excited and intrigued shoppers clicked on the fake

promotion and landed on the 'website page', they were in for a surprising twist - a carefully orchestrated pop-up video featured Nora Fatehi showing

I am happy to see this initiative of HDFC Bank. In my opinion, this will help in disseminating public awareness about deepfakes and rising negative use cases of AI apart from curbing cyber financial frauds.

– MAYANK JAIN
 Scientist-E/Director, Digital Economy Division, Ministry of Electronics & Information Technology, Govt of India

how the team pulled it off and the red flags that people missed so easily. They were SCAMMED - Sorry, SAVED from being scammed!

Indeed, HDFC Bank replicated the tactics of fraudsters by creating a fake brand from scratch – that sounded very much like the genuine apparel brand 'Lululemon' - and even an Instagram page for it. The targeted ads were a deepfake of Nora Fatehi's face and voice on Vigil Aunty (with consent) with a striking level of authenticity.

Nora Fatehi first expressed her shock on Instagram, disowning the photos and videos promoting a fictitious brand online. A few days later she revealed the charade as a reality check of how easy it is to be scammed and to be more vigilant when shopping online. ▶

World Consumer Rights Day has been celebrated on 15th March since the year 1983. The landmark date honours the rousing speech made by U.S. President John F. Kennedy to the U.S. Congress way back in 1962 when he coined the four fundamental consumer rights - right to safety, right to be informed, right to choose and right to be heard.

Consumers, Beware

Empowering Consumers to Ace the Safe AI Game

What was once confined to the realms of science fiction has become an integral part of our daily life today. As AI shapes and redefines our future, we need to keep our guard up even as we enjoy the varied benefits that are rolling our way!



MINDS AND MACHINES are converging, one algorithm after another, to make computers (and other gadgets) act and respond almost as if they are human. This artificial intelligence (AI) has infused almost every aspect of our society, in ways we could only fantasise about a few years ago!

Indeed, a complete digital transformation of our lives is underway. Look around you – everything from the facial recognition feature on your smartphone, health sensors on your smartwatch and virtual assistants like Siri, Alexa and Cortana that respond to your voice commands to booking the closest cab on Ola or Uber and navigating the best route through Google Maps is powered by AI. Again, everything from your online shopping and travel reservations to managing financial affairs online is AI-enabled.

You may not even realise that the web search engine results, recommendation systems and even social media

feeds – be it on Google Search, YouTube, Amazon, Netflix, Facebook or Instagram – are throwing up specially curated (and engaging) content by way of complex algorithms that minutely analyse how you behave on the said platform! Even the online advertisements on various mobile apps are specifically targeted based on AI-tracking of your individual preferences.

What's more, when you chat with the 'customer service agent' of a bank, telecom service provider, insurance company or food delivery platform, it may not be an actual person, but a chatbot with an AI-integrated system that is replying to your text queries, by mimicking human conversation in sophisticated and specific ways.

AI is the driving force behind awe-inducing innovations like self-driving cars, strategic gaming systems, robots and more. Speech recognition tools can automatically convert spoken speech into written text; translation tools can

The Organization for Economic Co-operation and Development (OECD) had defined AI as 'a machine-based system that is designed to operate with varying levels of autonomy, and which can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments'.

translate written or spoken words from one language into another and image recognition technology can identify and categorise various aspects of an image.

In fact, AI has made inroads into almost every profession and industry – entertainment, financial services, telecommunications and transportation to manufacturing, agriculture, education, medical diagnosis and predicting judicial decisions to energy storage, military logistics, space exploration, foreign policy and other aspects of public administration.

The Hidden Value

This is just the beginning of the AI era and exciting new deployments are waiting to unfold. The world is at a tipping point - poised to get even better as AI delivers numerous benefits to the society, even as it improves our lives.

Almost any sector or industry can use AI to connect with customers, identify patterns or solve problems. The self-learning capacity and predictive analysis capabilities of AI makes it more reliable and accurate than humans in many situations. Therefore, it reduces the potential for human error and increases precision.

The automation of mechanical tasks and routine processes - like data collection, data entry, email responses, software testing, invoice generation, packaging, etc. that would otherwise be performed manually - can lessen the workload, reduce costs and free up staff to focus on more strategic work. This will improve speed, efficiency, productivity and profitability. Enhanced accessibility is another prime benefit.

AI can process big data, crunch numbers, extract the relevant information, gather valuable insights and perform other excessively complex tasks at a much faster pace. This facilitates quick decision making. Unlike humans, the AI tools will not get tired and can be available 24/7. They can work in risky situations too, thus overcoming human restrictions.

Then there is predictive modelling that mines data to forecast specific outcomes with high degrees of granularity and data analytics that can find patterns and relationships in data.

That's not all. It is intelligent machines and advanced technologies that can safeguard our information and prevent/fight cyberattacks by swiftly analysing millions of data sets, autonomously scanning networks and tracking down different types of cyber threats.

“AI refers to the ability of machines to perform cognitive tasks like thinking, perceiving, learning, problem solving and decision making.”

– NITI Aayog, Government of India



AI can trigger an increase in productivity and economic change similar to what was seen during the industrial revolution.

– GITA GOPINATH
former Managing Director, IMF

Safe Use

AI is here to stay and the onus is on us to unlock the value while getting a handle on how to use it in a safe manner. Indeed, even as the hype around AI takes off, the inherent risks of inaccurate and biased results, wrong predictions due to manipulation, misrepresentations and data theft cannot be overlooked. Malicious elements are lurking everywhere, waiting to misuse the tools for fraud, identity theft and more.

Following are some useful tips to maximise safety while using AI tools:

- **Choose carefully** – Not all AI apps are safe. Fake apps can trick you into downloading them only to install malware and harvest your personal data. Stick to reputed and verified apps and even extensions on your phone or browsers. Also, keep them updated with the latest security patches.
- **Don't share personal information** – As far as possible, try to avoid sharing personal identifying information (like name, phone number, address, email, etc.) or even uploading sensitive and confidential data with AI tools. If needed, anonymise the information or understand how the platform handles personal data before sharing.
- **Doublecheck** – AI-generated data may sound plausible, yet be inaccurate, biased, outdated or even harmful. Always make sure that you review and validate all the written, audio or visual content obtained from AI sources. Check the facts and consider different perspectives instead of relying solely on AI. While at it, share anything you receive thoughtfully, as it could be fake.
- **Exercise caution** – Above all, stay alert and be cautious at all times. Understand the privacy settings of what you are using. Monitor your AI tools for suspicious activity. Report any inappropriate content.

All said and done, vigilance is the best weapon in this age of all-pervasive AI! ▶

REINING IN THE POWER OF AI WITH REGULATION

With the increasing use of AI across sectors, the world needs regulation so that the disrupting potential of the technology does not cause risks to privacy and humanity itself. Many countries are developing AI regulations that promote safety and fair use while still encouraging innovation.

There is a growing need to write the rules for AI. It has to be regulated globally, just like any other emerging technology!



WITH AN UNPRECEDENTED surge in AI usage, the world is buzzing not just with the opportunities, but also with conversations about the safety of human rights in relation to AI. Indeed, regulation is necessary to both encourage AI and manage the associated risks.

The global efforts to regulate AI are gathering pace. Stanford University's 2023 AI Index shows that the annual number of AI-related laws passed in the 127 countries surveyed jumped to 37 in 2022 as opposed to just one passed in 2016. (see Figure 1) The USA led the push for regulation by passing nine laws, followed by Spain with five and the Philippines with four.

Industry leaders, experts and advocates of responsible AI, AI ethics, consumer protection and cybersecurity have repeatedly highlighted the need for controls around AI development and regulating it across nations.



ELON MUSK, Chairman of Tesla, X and co-founder of OpenAI warned long ago, "What is the best thing we can do to ensure the future is good? We could sit on the sidelines or we can encourage regulatory oversight, or we could participate with the right structure with people who care deeply about developing AI in a way that is safe and beneficial to humanity."

SAM ALTMAN, founder of ChatGPT (by OpenAI) actually went on a world tour to meet with leaders and talk about AI. He called for an international regulatory body for AI, akin to that overseeing nuclear non-proliferation.



Another call for a global regulatory framework on AI to help set guiderails for the global AI industry was issued by Brad Smith,

President at Microsoft. Nick Clegg, President of Global Affairs at Meta was also of the view that a globally-agreed framework on AI development is not only necessary, but 'much desirable'.



Billionaire tech mogul, **BILL GATES** warned the world in his podcast, "If the key is to stop the entire world from doing something dangerous, you'd almost want global government."

Even the European Commission recommended introducing a global regulatory sub-structure to regulate the legal aspects of upcoming upgrades in the field of AI.

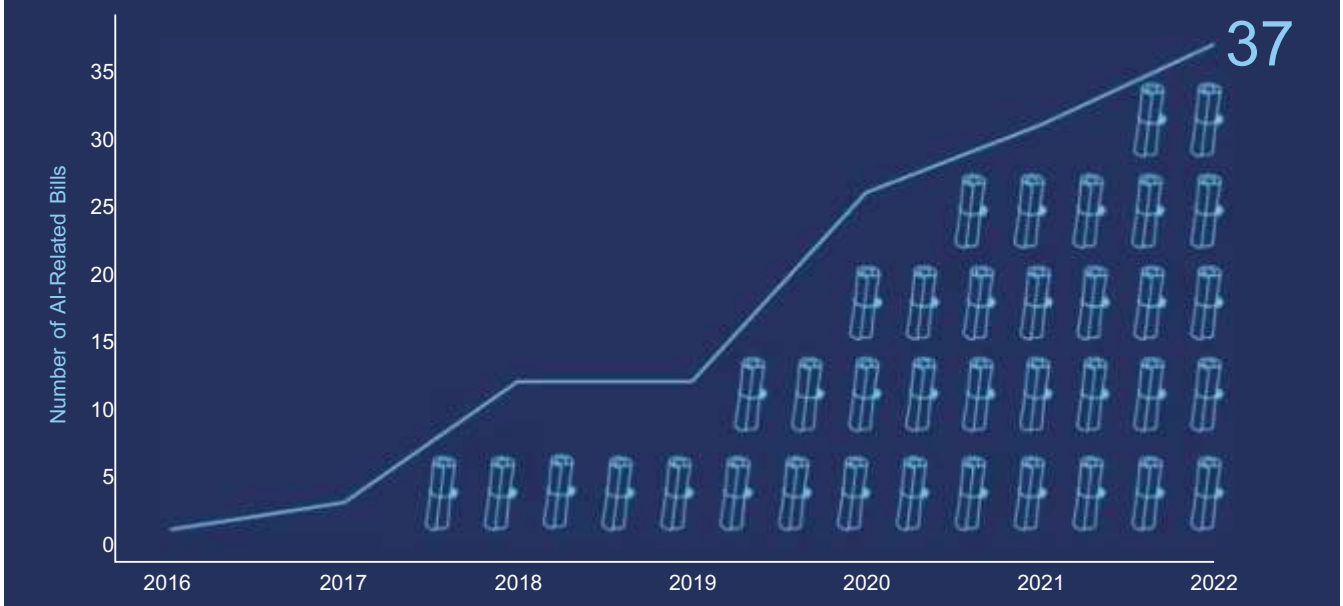
Closer home, **Prime Minister Narendra Modi's** call for a global framework on the expansion of 'ethical' AI tools aims at taking a leadership position on the evolving debate over the need for convergence amongst all countries on regulating sectors such as AI. Even the telecom regulator, TRAI recommended forming an international body for responsible AI.



The **Global Partnership on Artificial Intelligence (GPAI)** was launched in June 2020 as an international, multi-stakeholder initiative to support responsible development and use of AI in accordance with human rights and democratic values, to ensure public confidence and trust in the technology. It has a membership of 29 countries; India currently holds the chairmanship and hosted the 2023 GPAI Summit in New Delhi in December.

In 2023, the United Nations launched an advisory body - composed of technology company executives, governments officials and academics - to provide recommendations on AI governance.

FIGURE 1: Number of AI-Related Bills Passed into Law Globally



Source: AI Index, 2022 | Chart: 2023 AI Index Report



Thoughtful observers around the globe are concerned about dystopian prospects lurking in all countries, developed and developing, liberal democracies or authoritarian regimes; worries include both extreme concentration of economic power as well as intrusive surveillance and invasion of privacy by state or non-state actors. Other extreme worries pertain to existential risk, often in conjunction with 'singularity', when machines overtake humans.

– DR ANUPAM KHANNA
former Chief Economist and
Director-General Policy Outreach, NASSCOM

The G20's New Delhi Declaration stated that the group will work to ensure 'responsible AI development, deployment and use'. Even leaders from G7 pointed to the risks posed by AI technology, agreed on the need for governance and launched the 'Hiroshima Process' to discuss the issue.

Last year itself, the World Ethical Data Foundation (WEDF) (comprising 25,000 members, including global AI experts, data scientists and even staff at Meta, Google, Samsung and other tech giants) released a voluntary framework for safe development of AI products. It contains 84 questions for developers to consider at the start of an AI project.

The Regulatory Frontier

Around the world, various countries and organisations have defined principles to guide responsible management of AI for various stakeholders. Numerous white papers and guidelines have been formulated by the UK, USA and EU to eliminate algorithmic biases and other irresponsible use of AI. The recent wave of AI ethics guidelines to maintain social control over the technology has actually led to a surfeit of 'best practice' guidance at the international level. The world has adopted the OECD AI Principles, the G20 AI Principles and the World Economic Forum's AI Government Procurement Guidelines, to name a few.

However, the regulatory and policy landscape for AI is still emerging globally as the appetite for both AI innovation and regulation varies greatly between nations. Various ethical, legal and technical aspects need to be considered here.

The greatest advances in the regulation of AI have been made in the European Union, China, Brazil, Canada and Japan.

While it cannot be denied that AI should be regulated, regulators worldwide are confounded by *what* to regulate and *how* to regulate it.

European Union – The European Union (EU) has been leading regulatory activities in the AI sphere. In December 2023, it passed the world's first comprehensive AI regulation called the AI Act. It will take effect around next year and is likely to become the global standard.



The harmonised prescriptive rules for AI systems are based on the level of risk to safety, livelihood and rights. Accordingly, AI tools that pose the most potential harm to individuals and society (such as in hiring and education) need to provide regulators with proof of risk assessments, breakdowns of what data was used to train the systems and assurances that the software will not cause harm, like perpetuating racial biases. Human oversight will also be required in creating and deploying these systems. And, makers of the largest general-purpose AI systems will face transparency requirements.

Furthermore, chatbots and software that create manipulated images (like deepfakes) have to clearly inform people that what they are seeing was generated by AI. Use of facial recognition software by police and governments will also be restricted outside of certain safety and national security exemptions. Additionally, indiscriminate scraping of images from the internet to create a facial recognition database will be banned completely. The General Data Protection Regulations (GDPR) also apply to AI.



USA – The USA holds the record for tabling the highest number of AI-related bills to guide industry efforts and regulate AI. It has a combination of sector-specific

regulations and general principles – like the AI Bill of Rights - to make AI safe, fair, transparent and user-centric.

In October 2023, President Joe Biden issued an 'Executive Order on the Safe, Secure and Trustworthy Development and Use of Artificial Intelligence' addressing a variety of issues, such as equity, standards for critical infrastructure, AI-enhanced cybersecurity and effects on national security. It authorises the government agencies and departments to apply existing consumer protection laws to AI development.

Ongoing discussions on AI regulation cover the nature of the federal regulatory framework to govern and promote AI and how to update regulations in the face of rapidly changing technology. However, the country is likely to stick to a patchwork quilt of rules and may not pass a broad national AI law over the next few years. Meanwhile, regulators like the Federal Trade Commission (FTC) have responded to public concerns about the impact of generative AI, by opening expansive investigations into some AI platforms.

China – China rolled out some of the world's earliest and most detailed AI regulations governing recommendation algorithms, synthetically generated images



and chatbots, along with ethical guidelines. The Internet Information Service Algorithmic Recommendation Management Provisions came into effect in March 2022. They require providers of AI-based personalised recommendations to uphold user rights, including protecting minors from harm and allowing users to select or delete tags about their personal characteristics. In fact, the algorithms will be reviewed in advance by the state and 'should adhere to the core socialist values'. Generative AI regulation is also in the works.

Brazil - The Brazil Congress has passed the Brazilian Legal Framework for AI to further stimulate research and innovation in AI solutions aimed at ethics, culture, justice, fairness and accountability. It emphasises the avoidance of discriminatory AI solutions, plurality and respect for human rights. It puts the onus on AI providers to inform the users that they are interacting with an AI. Users have the right to an explanation about how an AI made a certain decision/recommendation and they can even contest the same.



It is clear that the global AI regulatory landscape is fragmented with wide variations in approach and lack of consensus. EU is leading the pack with a comprehensive and centralised 'risk based' tack. The USA is more decentralised and places grounded issues of fixing liability and accountability at the forefront. The UK focuses on sector-based regulations to address concerns related to fairness, explainability, data security and transparency for flagging false or damaging information while China regulates only specific aspects of AI. Other countries are also in the process of developing or refining AI regulations to prohibit uses of AI that pose unacceptable risks.

In addition to regulation, AI-developing and AI-deploying organisations need to take responsibility for creating and using trustworthy AI to mitigate the risks.

Looming Vacuum

Industry-leading consulting firm, Deloitte analysed over 1,600 AI policy initiatives - ranging from regulations to national strategies to research grants - from 69 countries and the EU. The research revealed some surprising results. Most of the countries are following a similar path in addressing AI – they seem to be using a common set of policies as a starting point.

It also came to light that many countries may be overlooking some of the most important tools - only 11% were focused on regulating AI-adjacent issues like data privacy, cybersecurity, intellectual property and so on. Even when the search was limited to only regulations, 60% were focused directly on AI and only 40% on AI-adjacent issues. (Figure 2)



Canada – The country has come up with the Digital Charter Implementation Bill with three Acts (privacy protection, data protection, and AI and data) as a holistic package of legislation for trust and privacy. It has also published guidelines on AI ethics and responsible AI development.

United Kingdom – The UK released a series of policy papers with proposals for regulating the use of AI and is favouring developing a 'pro-innovation' and 'context-specific' AI regulatory regime as opposed to a distinct cross-sector regulator. It has defined five guiding principles for AI - safety, transparency, fairness, accountability and contestability.

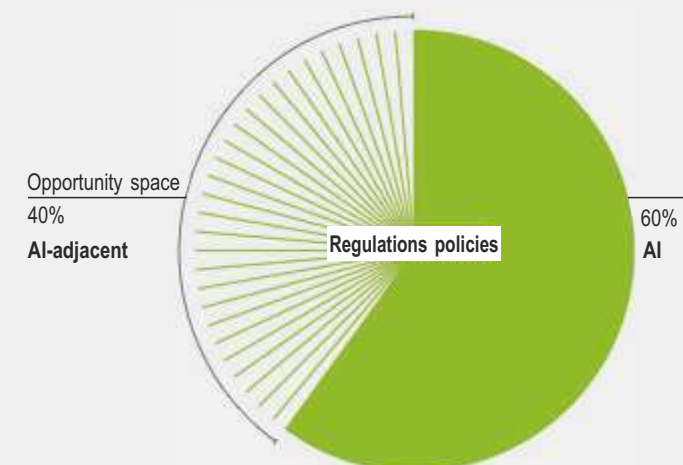


In November 2023, UK hosted a global AI Safety Summit of global tech business leaders and heads of State to 'agree on safety measures to evaluate and monitor the most significant risks from AI'. This resulted in the Bletchley Declaration where all the participating 28 countries pledged cooperation on AI safety.



Japan – It has a softer hands-off approach to AI regulation. The focus is on safety and ethical considerations in AI applications and AI ethical guidelines have been established for this purpose.

FIGURE 2: Current policies lay a good foundation for shaping AI, but also show where there are opportunities to do more



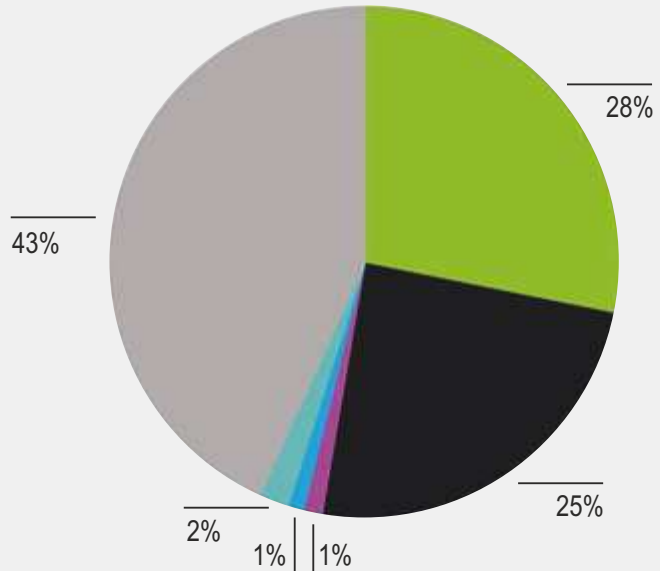
Source: Deloitte analysis of OECD.AI Policy Observatory data.

FIGURE 3: Despite being powerful tools, outcome-based and risk-weighted regulations are rare in the AI debate

Global AI policy instruments by Deloitte’s future of regulation (FoR) principles

- Adaptive ● Collaborative ● Regulatory sandbox ● Outcome based ● Risk-weighted
- More than one FoR principles ● Not following FoR principle

- 1 Adaptive regulation**
Shift from “regulate and forget” to a responsive, iterative approach
- 2 Regulatory sandboxes**
Prototype and test new approaches by creating sandboxes and accelerators
- 3 Outcome-based regulation**
Focus on results and performance rather than form
- 4 Risk-weighted regulation**
Shift from one-size-fits-all regulation to a data-driven, segmented approach
- 5 Collaborative regulation**
Align regulation nationally and internationally by engaging a broader set of players across the ecosystem



Source: Deloitte analysis of OECD.AI Policy Observatory data.

Outcome-based, risk-weighted regulations can be a powerful tool for regulators, but they are often overlooked. Only about 1% of regulations in the data set were either outcome-based or risk-weighted, and none were both (Figure 3).

Summing Up

With the growing need for exclusive AI regulation to ensure fair and responsible usage, governments are scrambling even as AI technology advances rapidly. However, the proliferation of AI is growing way faster than the rules and laws being framed. In fact, a major hurdle for regulation is that AI is evolving so fast that unanticipated issues keep arising. For instance, the initial draft EU bill paid little attention to generative AI until ChatGPT burst on the scene!

Indeed, the field of AI is so dynamic that the laws need to keep evolving as well. Right now, it encompasses various legislative spheres related to data protection, intellectual property rights, competition, product liability and more. Further, as AI spreads its wings across operations, it will necessitate modifications in regulations for sectors like healthcare, telecommunications, banking, financial markets, logistics, infrastructure, manufacturing, government procurement, etc. ▶



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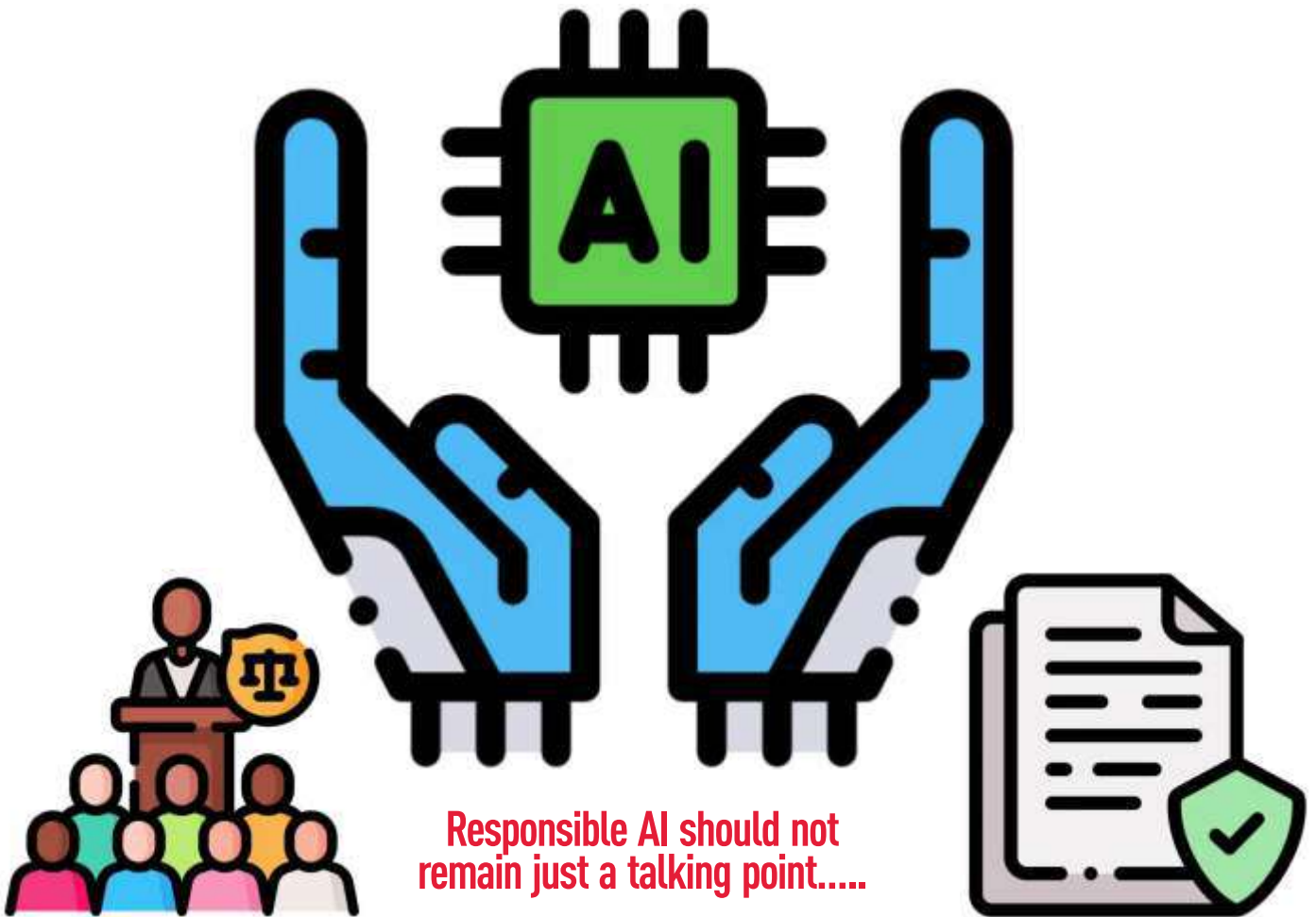
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Responsible AI at a Crossroads

The risks and failures of AI systems are more palpable and numerous than ever. However, when done right, responsible AI will not just reduce risks, it will also improve the performance of AI systems, thus fostering trust and adoption. Various surveys are being conducted to evaluate the adoption of responsible AI principles across organisations.



Responsible AI should not remain just a talking point.....

THE USE OF artificial intelligence (AI) is booming - integrating the technology into any field can yield a number of advantages. And as the capacity of AI to complement human tasks or even replace human labour increases, almost every organisation is incorporating it into some offerings or processes.

A 2022 McKinsey survey showed that AI adoption had more than doubled over the past five years, and investment in AI is increasing apace.

And this was even before the advent of disrupting generative AI like ChatGPT. The growing advances in AI are a gold rush moment – companies are in a fierce race to quickly tap into the value of AI. Meanwhile, there is also public pressure to effectively manage the inherent ethical, privacy and safety risks.

Some companies – like JP Morgan and Verizon - have reacted by blocking some generative AI tools from corporate systems. Some others are allowing it to develop organically under loose governance and oversight.

Nearly half of the companies polled in a recent Bloomberg survey reported that they are actively working on policies for employee chatbot use.

However, the rapid pace of AI advancements is making it harder for organisations to use AI responsibly. Responsible AI (RAI) programs are finding it extremely challenging to keep up with the emerging possibilities. This is further accelerated by the burgeoning supply of third-party AI tools that make it easier to use AI throughout the organisation on the one hand, but also expand the scope and complexity of risks that RAI programs must address on the other. To add to this, many times, managers and leaders are not even aware of what AI tools the employees are using.....

Leading consulting firm, Boston Consulting Group has been conducting global surveys of executives for the past three years to gauge how they

manage the principles of responsible AI. The most recent one was carried out in mid-2023 (in association with MIT Sloan Management Review) to learn the degree to which organisations are addressing responsible AI.

The study focused on 1240 respondents representing organisations reporting at least \$100 million in annual revenues, covering 59 industries and 87 countries. Additionally, the team completed three qualitative interviews with industry thought leaders and assembled a panel of 22 RAI thought leaders from industry, policy development and academia, who were polled multiple times on key questions.

The ensuing report titled 'Building Robust RAI Programs as Third-Party AI Tools Proliferate' confirms that a vast majority of organisations (78%) access, buy, license or otherwise use third-party AI tools (developed by another entity), including commercial APIs, pre-trained models and data – either for internal purposes or as part of an offering to customers. More than half (53%) of the organisations surveyed rely exclusively on third-party AI tools and have no internally

Vigilance is crucial for preventing mishaps. Organisations that employ seven different approaches and methods to evaluate third-party tools are more than twice as likely to uncover AI failures compared with those that use only three (51% versus 24%).

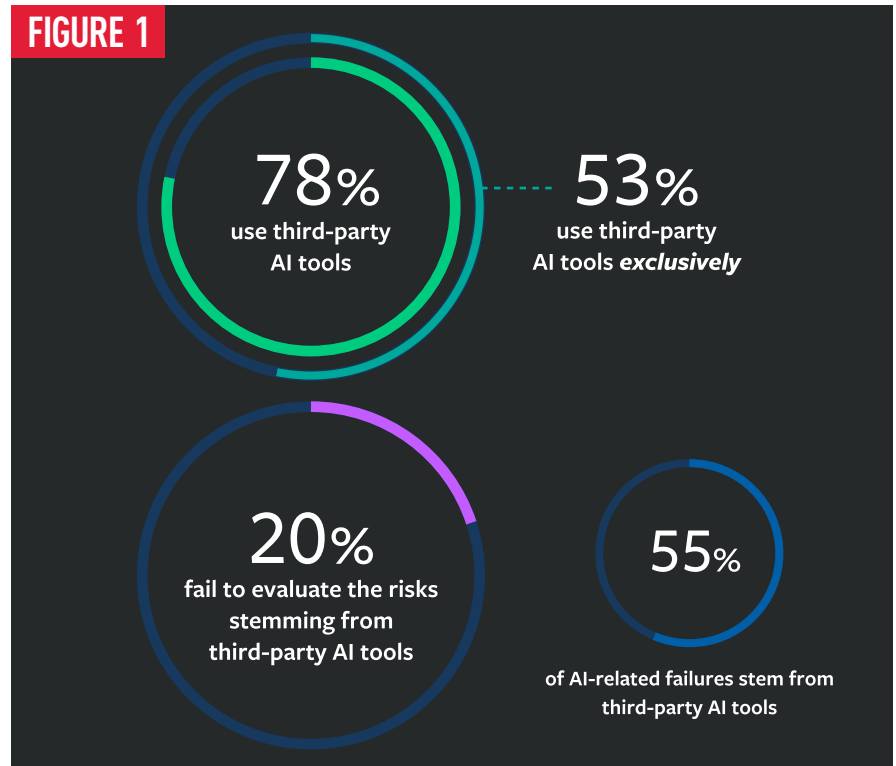
designed or developed AI technologies of their own. Moreover, over half (55%) of all AI-related failures stem from third-party AI tools. (see Figure 1)

Unfortunately, there is very less preventive oversight. 68% of the organisations perform three or fewer checks on third-party AI solutions while 20% fail to evaluate the risks at all. So, the true failure rate is likely much worse.

Here, it is highlighted that companies can rely on existing third-party risk management processes to evaluate AI vendors, but they also need AI-specific approaches like audits and red teaming. These approaches need to be dynamic and flexible, because AI is changing rapidly.

Direct CEO Involvement is the Gamechanger

The report further reveals that only about 28% of CEOs play a hands-on



role in RAI programs through hiring, target setting or product-level discussions. And, these companies report 58% more business benefits from their responsible AI activities than other companies! (see Figure 2 and 3).

What is heartening is that responsible AI maturity improved marginally from 2022 to 2023. The share of companies that are responsible AI leaders nearly doubled, from 16% to 28%. These engaged CEOs can help sustain the investment and focus that responsible AI requires. They also ensure clear lines of authority and decision rights.



To effectively address the risks associated with third-party AI tools, RAI programs should include a comprehensive set of policies and procedures, such as guidelines for ethical AI development, risk assessment frameworks, and monitoring and auditing protocols.

– OARABILE MUDONGO

Policy Specialist, African Observatory on Responsible AI

FIGURE 2 Responsible AI Is More Effective When the CEO Is Hands-On

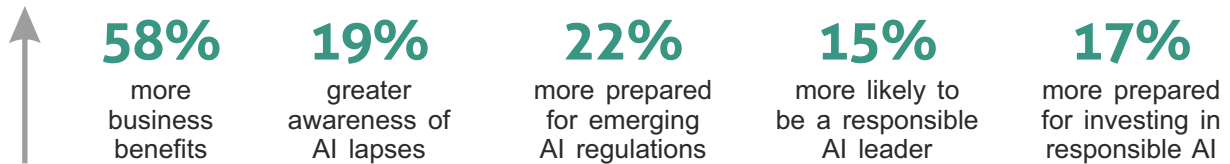


FIGURE 3

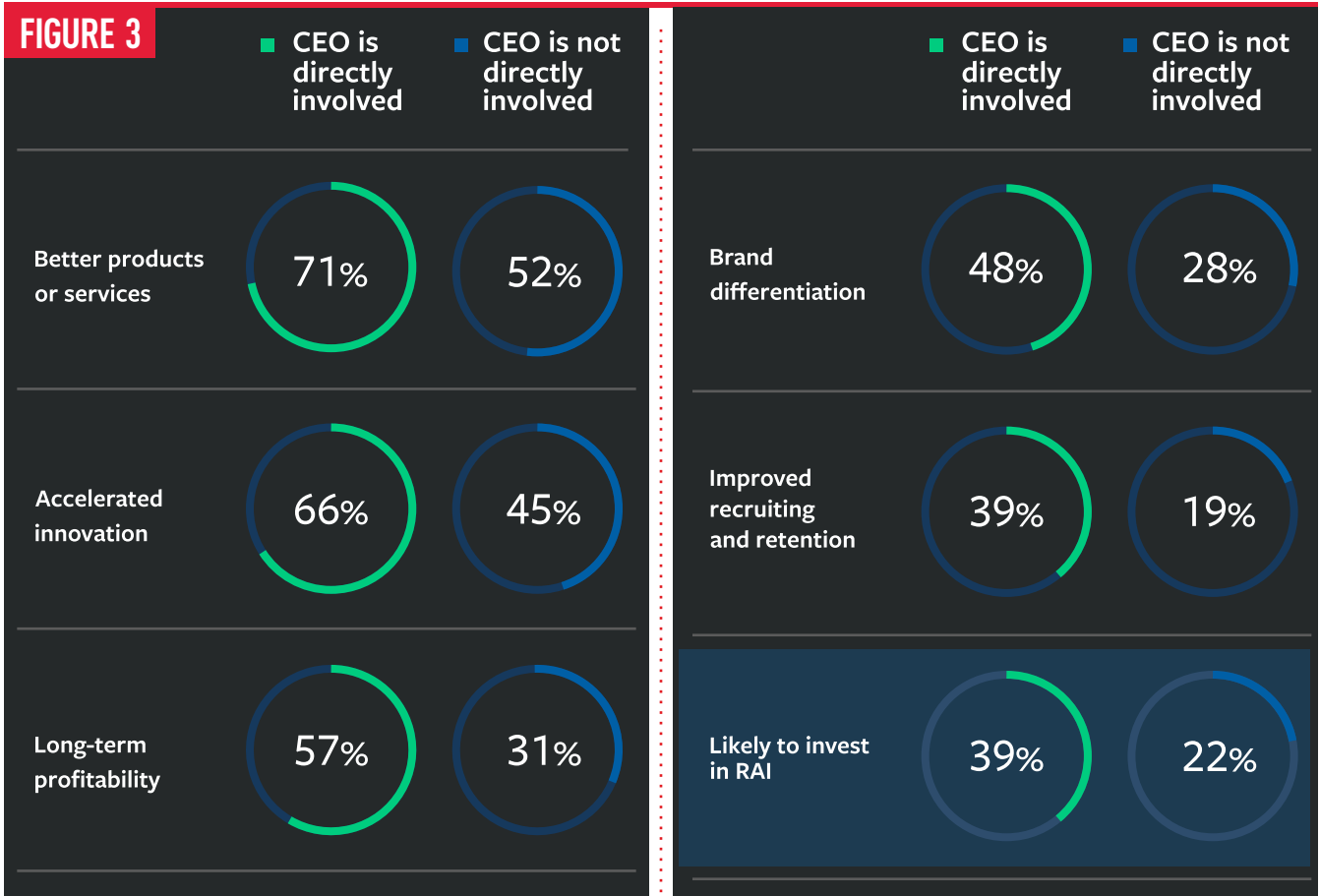
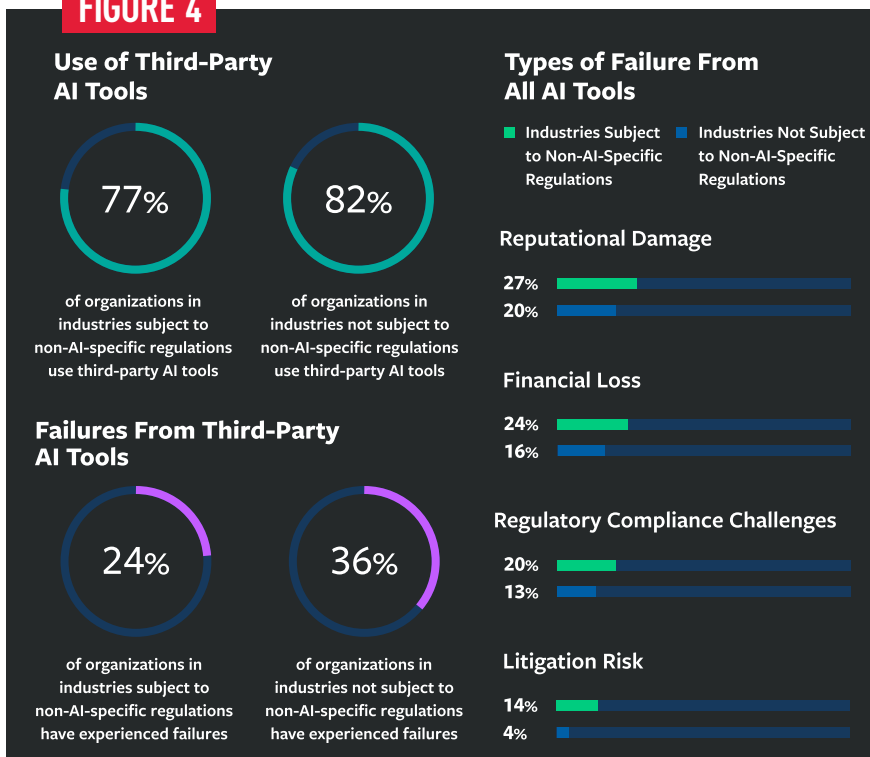


FIGURE 4



Regulations Raise the Stakes

The regulatory landscape is evolving almost as rapidly as the technology itself. Many new AI-specific regulations are taking effect, and new ones are being drafted in their wake.

In fact, a number of existing laws – including consumer protection laws, non-discrimination laws, and data protection and privacy laws - already apply to the use of AI, even though these regulations might not specifically address AI.

About half (51%) of the organisations surveyed report being subject to non-AI-specific regulations, including a high proportion of organisations in the financial services, insurance, healthcare and public sectors. Organisations subject to such regulations account for 13% more RAI leaders. They also report detecting fewer AI failures than their counterparts that are not subject to the same regulatory pressures (32% versus 38%). However, these highly regulated organisations also face significantly more impact from AI failures. (see Figure 4)

Closer Home

The National Association of Software and Service Companies (NASSCOM) conducted a survey on 'The State of



2023 was undoubtedly the year of AI and brought to the fore both opportunities and risks central to AI adoption. It also spurred discussions on the need for ethical and responsible AI and its pivotal role in solidifying brand integrity and nurturing enduring relationships with stakeholders. Insights from the survey are anticipated to catalyse the creation of stronger industrial policies and strategies aimed at ensuring compliance with RAI.

- DEBJANI GHOSH
President, NASSCOM

Responsible AI (RAI) in India' involving over 500 senior executives from large enterprises, SMEs and startups engaged in the commercial development and/or use of AI in India.

As per the early insights released by the leading industry trade association at the end of December 2023, around 60% of Indian businesses reported that they either have mature RAI practices and policies in place or have initiated formal steps towards adoption of such responsible practices. Another 30% stated that they have basic awareness of RAI imperatives without a formal strategy or framework.

Across industries, about two-thirds of businesses in sectors like banking and financial services, telecoms and media, and healthcare have adopted mature responsible AI practices, or are gearing up to do so. The study also revealed that large enterprises (with annual revenues over Rs 250 crore) are 2.3 times more likely than startups and 1.5 times more likely than small and medium-sized enterprises to report having mature RAI practices.

The crucial role leadership plays in the successful adoption of responsible AI was also highlighted with 69% of respondents suggesting that the major share of accountability for compliance with RAI policies should lie with their C-suite or board of directors.

Workforce development remains central for businesses to ensure robust RAI implementation. As per the survey findings, 89% of businesses that reported mature RAI practices and policies also reported commitments to continue investments in workforce sensitisation and training for RAI compliance. However, the study did state that lack of access to high-quality data and shortage of skilled technical and management personnel are the biggest barriers to RAI implementation in India.

In sum, responsible AI needs to be built into the fabric of the organisation. As with cyberattacks, human error contributes to many AI failures. Improving responsible AI awareness and measures require changes in operations and culture. The BCG report concludes that such changes take an average of three years to implement. So, companies need to get to work right away! ▶

Nurturing Potential vs Regulation – The Indian Perspective on AI

The Indian government is keen on promoting the rapid advancement and adoption of AI in the country. However, its position on regulating AI continues to oscillate and evolve based on international developments. Talks are ongoing about measures for ensuring that this booming technology is used in a safe and responsible manner.

India's pro-innovation stance for AI technologies needs to be balanced by regulatory measures to safeguard consumer rights

WE ARE WITNESSING the dawn of the artificial intelligence (AI) age. Minds and machines are converging to redefine what is possible. India is looking to harness AI to the maximum – the government wants to leverage the potential of emerging AI technology and deploy it across sectors like manufacturing, education, finance, healthcare and even space exploration, defence and governance. By fostering an innovation-friendly environment, India also aims to position itself as a 'global AI hub'.

A report by Accenture estimated that AI has the potential to add \$957 billion (or 15%) of current gross value to India's economy by 2035 and the AI software market will reach \$126 billion by 2025.

A recent Boston Consulting Group report stated that the successful adoption of AI could add 1.4% annually to India's GDP growth.

The AI market is in its infancy in India, but it is poised for exponential growth. The government considers AI to be a 'kinetic enabler' for the growth of the digital economy, including investments and jobs. This approach is in tune with its championing of the 'Digital India' drive.

Initially, the government tasked NITI Aayog with establishing guidelines and policies for the development and use of AI. In 2018, this apex public policy think tank released the National Strategy on Artificial Intelligence (NSAI) document focusing on increasing India's AI capabilities, reskilling workers (given the prospect of AI replacing several types of jobs) and evolving policies for accelerating the adoption of AI in the country.

In February 2021, NITI Aayog drafted the 'Principles for Responsible AI' - the first part of a 'Responsible AI #AlforAll' approach paper as a follow-up to the NSAI. It established broad principles for the design, development and deployment of AI in India – drawing on similar global initiatives, but grounded in the Indian legal and regulatory context.



I consider this document to be a critical step towards #AlforAll and hope it starts a dialogue on ensuring that the significant and transformative potential of artificial intelligence is used for the benefit of Indian citizens and humanity overall.

**– AMITABH KANT
former CEO, NITI Aayog**

The first paper serves as a roadmap for the creation of an ethical and responsible AI ecosystem across sectors. It outlined a set of seven responsible principles to ensure that AI does not cause harm:

- Safety and dependability
- Equality
- Inclusivity and non-discrimination
- Privacy and security
- Transparency
- Accountability
- Protection and reinforcement of positive human values

The second part of the approach paper was released in August 2021 to operationalise the principles derived from the ethical considerations surrounding AI

governance. It highlighted the importance of government intervention to drive responsible AI adoption in social sectors, the need for regulatory and policy interventions, inculcating a responsible attitude among private sectors toward AI, etc.

NITI Aayog launched AIRAWAT platform - AI Research, Analytics and Knowledge Assimilation – to consider all the necessary requirements for better use of AI in India.

Meanwhile, the Ministry of Electronics and Information Technology (MeitY) constituted four committees in 2018 to promote AI initiatives in India, analyse the ethical issues of AI and also bring in a policy framework for AI. It even released a strategy for the introduction, implementation and integration of AI into the mainstream.

In March 2023, the ministry introduced 'IndiaAI', (a National Program on AI) as a comprehensive initiative to cover all AI-related



research and innovations. Utilising a multi-stakeholder approach that includes the government, academia, corporates and start-ups, MeitY established a taskforce to create a roadmap for the development, structure and functioning of IndiaAI. Seven working groups have been set up with mandates like creating a data-governance framework, setting up an India data management office, identifying regulatory issues for AI, etc.

A national AI portal - INDIAai (<https://indiaai.gov.in/>) has been set up to prepare the nation for an AI future. It is the central knowledge hub on AI and focuses on creating and nurturing a unified AI ecosystem to drive excellence and leadership in India's AI journey. It has conducted a lot of research on AI and held three roundtables (featuring some of the prominent voices in

generative AI, AI policy, governance and ethics) to analyse the impact, ethical and regulatory aspects.

The financial sector regulator, Reserve Bank of India introduced a framework for a regulatory sandbox to facilitate AI testing in a way that will provide the requisite regulatory guidance to increase efficiency, manage risks and create new opportunities for consumers. Other independent regulators, like the Securities and Exchange Board of India, are acquiring capabilities to monitor and analyse social media posts to keep tabs on possible market manipulations.

The central government has undertaken various other developmental initiatives involving AI - for skilling and capacity-building, focusing on healthcare sector, defence and defence products, agriculture and international cooperation - to foster economic growth and improve lives.

Along with this, there are ongoing reviews of rules and roundtable discussions revolving around AI and the roles of intermediaries that employ AI in their ecosystems for various purposes.

The Bureau of Indian Standards (BIS) established a committee on AI that has proposed three draft Indian standards related to AI, corresponding to International Standards. It has also developed a new one related to Guidance on Risk Management.

In the 2023–24 union budget, the Finance Minister called for 'Making AI in India' and 'Making AI work for India' along with announcing that three 'Centres of Excellence' for research on AI will be set up in premier educational institutions.

Therefore, India is fostering an impressive AI growth trajectory for itself that encourages innovation while also seeking to mitigate the risks.

Legislative Limbo

The government is definitely batting for development and adoption of AI, but we cannot ignore the elephant in the room – the scope for mishandling of data, invasion of privacy, compromising individual rights and other misuse that can adversely impact the interests of consumers. Regulation remains crucial here.

Despite all the talk around the responsible deployment of AI systems, there is a conspicuous lack of robust AI governance in India. Currently, there is no specific law, statutory rules and regulations or even government-issued guidelines to regulate AI. Amidst the reigning legal vacuum, the MeitY is the executive agency which oversees strategies relating to AI and implements the AI mission while NITI Aayog provides planning and support to the same.

In April last year, Mr. Ashwini Vaishnaw (Union Minister for Electronics and Information Technology) had categorically stated that the government did not plan to

introduce a specific law to govern the growth of AI in the country. This hands-off approach stems from the drive to create an enabling environment which could possibly catapult India to global leadership in AI-related tech. However, the Minister did acknowledge that there are ethical concerns and risks around AI and the government is making efforts to standardise responsible AI and even promoting adoption of best practices.



There was an about-face two months later with the government announcing its intent to regulate AI to safeguard digital citizens.

Mr. Rajeve Chandrashekhar (Union Minister of State for Electronics and Information Technology) clarified that the government will regulate AI - through the proposed Digital India Act - to protect digital

users from harm. Since then, the ministry is espousing a light-touch 'risk-based, user-harm' approach.

The draft Digital India Act 2023 proposes to establish a future-ready legal framework for the digital ecosystem, addressing a wide array of issues such as cybercrime, data protection, online safety, artificial intelligence, etc. This omnibus legislation also envisages the creation of a new government agency responsible for overseeing the digital domain.

As of now, certain provisions of the Information Technology Act 2000 are applicable to AI-related activities. While AI is also governed by laws related to privacy, intellectual property and cybersecurity, they fail to address the unique challenges and complexities posed by AI technologies. The recently passed Digital Personal Data Protection Act 2023 gives consumers the right to

The existing laws are not really adequate given the fact that they were never sort of designed keeping in mind these emerging technologies.



– SHEHNAZ AHMED
Fintech Lead, Vidhi Centre for Legal Policy

inquire about the data collected from them as well as how it is processed and stored. However, it is still riddled with shortcomings, especially for addressing AI technologies.

In January, the central government announced that it will introduce amendments to its platform governance laws to regulate generative AI and AI companies. The new provisions may mandate platforms to train their AI language algorithms to be bias-free; consultations may be held to scope out additional parameters as well. Prior to this, the union IT ministry also announced that platforms generating biased content would lose their safe harbour protections under Indian law (safe harbour protects platforms from being held liable for the third-party content they host provided they comply with local regulations).

Alas, India's AI regulatory landscape continues to be fragmented, with various ministries and committees

A dedicated regulatory body remains essential to maintain meticulous oversight on AI technologies.

addressing different aspects. This is leading to patchy oversight and limited enforcement of AI-related regulations.

There is a need for a more centralised and cohesive approach, but the central government is taking a cautious stance as it is worried that stringent regulations can stifle the growth and integration of AI into society, given the vast array of applications and socio-economic benefits.

In this scenario, it is suggested that the government should prioritise identifying of specific negative consequences of AI. These can then be addressed either through the existing agencies or by developing targeted

regulations to ameliorate the harm. For instance, we need stricter legislative safeguards to protect data, which is crucial for AI development. Furthermore, the sectoral regulators need to develop requisite AI governance frameworks, particularly for high-risk AI systems within their domain. A cohesive cross-sectoral framework is required to avoid overlap and conflicts over jurisdiction.

Advocates also opined that the government can opt for market mechanisms - like principles-based accreditation - as a means of self-regulation for the burgeoning industry.

On the contrary, certain experts have noted that given the dramatic progressions in technology, even the most comprehensive law can quickly become outdated!

The legal personality of AI is not defined; how can we ascertain what laws, norms and obligations will be applicable here?

The Last Word

The challenge for the country is to develop a regulatory and compliance framework that protects consumers against any adverse effects from the use of AI, but without unduly restricting its development. In sum, we need laws that can keep pace with the technological advancements. ▶



Image produced by Generative AI. The prompt we used was: "Create an image of an elephant riding on top of a bus."

INTERVIEW¹



Mr. ASHWINI VAISHNAW

Minister of Electronics & Information Technology

He earned a Master's in Technology from IIT Kanpur and MBA from Wharton and has served as an IAS officer as well. This bureaucrat-turned-politician has been tasked with some of India's most defining missions. He brings a combination of skills in technology, finance and its application to benefit the weakest sections of society. He has been awarded the President's Silver Medal and also a Commendation by National Human Rights Commission.

We have collated an interview based on various statements and discussions made by him on different public platforms.

Q What are your views on the explosive growth of AI dimensions in the recent years?

There are two aspects to this new technology - there will be transitions in the industry based on the new technology and productivity gains will be realised for sure. AI can play a very positive role in solving several complex challenges like climate change, drug discovery, disease detection and agriculture.

There will be negatives aspects of AI - like every other technology when it comes. AI has the potential to address global issues and improve lives across the world, but also presents challenges as it is not amenable to geographical boundaries. This is a disruptive technology and it raises questions on how should society respond to such developments. What we need to do is see how we can harness the positive aspects and how we can save our society, the country and the economy from the negatives.

India is committed to democratisation of technology and the use of technology for inclusive growth.

Q What are your thoughts on the need for regulation for AI?

Today, the regulation of AI is a very important topic that is being discussed everywhere in practically every forum. There are global concerns about copyright, identity theft, deepfakes and racial bias. We are part of the global thinking process on AI.

Q Are you confident that a multilateral global framework can emerge on AI given the extreme approaches of USA, European Union and China?

It will have to be a global and multilateral framework as this technology does not have any borders. We chaired the Global Partnership on Artificial Intelligence (GPAI) Summit in 2023. This is a global body of 28 member countries. The summit was a significant moment for international collaboration on this new technology. A very good level of understanding – almost consensus – is emerging across a large number of countries. Our Digital Personal Data Protection (DPDP) Act is being appreciated by the entire world as an excellent template where both innovation and regulation has been balanced. So, why can't we find the right balance between innovation and regulation in AI as well? We can and we will do it!

Q What is the potential of misinformation and deepfakes on the Indian electoral process as we will be hitting the elections season soon? Do you think AI poses risks to our democracy and societal fabric?

Almost every country in the world is concerned about the impact AI has on democracy, on the purity of democratic processes and on the integrity of the election system. Even for India, the impact of AI on the upcoming elections is a pressing concern.

A common theme is emerging that the AI platforms have to take responsibility. We have asked the



technology companies for two things. First that there are so many technologies available that can be used to detect deepfakes and to figure out when things are going wrong. They are not foolproof, but they are helpful. We had a conference of some of the best IT brains in Delhi and the tech platforms. It brought out a straight point that it's very much possible to find out which are deepfakes. Secondly, you can do an identity check when someone is uploading something. There has to be a responsibility even on the person who is uploading something. It cannot be that you can go to a square and shout anything you want. It's a civilized world.

Q What is the role of technology companies and how can AI platforms be made accountable for their tools?

We have had workshops with the tech platforms and people from the industry and they are taking responsibility. Our sense is that the tech companies and social media platforms have to move much faster and put much more resources than they are doing right now. They need to deploy technology in good numbers and frequency to detect misuse like deepfakes.

The time has come that the platforms should start taking responsibility for what they are publishing, the way the print and newspaper sector involved similar structures back in their evolving period. Why is there a delay if the technology already exists for such checks? We have to do it today! The social media platforms have to play a bigger role and we are kind of continuously pushing them.

Q The top global companies in the tech space are stating that the government is trying to put the onus on them for things which are beyond their control.



There are "concerns around IPR, copyright, bias of algorithm" when it comes to platforms, such as ChatGPT, which use 'Generative AI' tools to give human-like responses within seconds.



How can they be blamed for trouble generated by using an AI tool?

Let's go back in time to the 1990s when the internet was evolving and was being used by a very small percentage of people. Then there came a time when the internet became accessible to common citizens and it exploded exponentially. Today, we have so many manifestations of the internet including social media platforms. It was this manifestation of the internet that gave rise to the concept of Safe Harbour.

I also want to ask a question - are the platforms purely platforms today? Don't they have any moderation policy to moderate thousands of technologies that are being used today. So, in any case platforms are doing an editorial work under their policies; then why don't they take full responsibility for the content?

Q What is the government doing to secure society from AI threats?

Currently we are working within the framework of the existing regulation. Multiple things are being done within the IT Act Rules where there are provisions to prevent misuse of AI. But, I think that time has come when we need a new legal framework which will put a significant amount of responsibility onto the platforms, either by using technology or by having processes through which things like deepfakes and misinformation can be prevented.

We had started the process of drafting the new Digital India Bill and, of course, it requires lot more consultation and work with the industry and other stakeholders. We will be doing that. Hopefully, after the new government is formed, we should come out with a full-fledged new digital regulation.

Q How does the government plan to crack down on manipulative deepfakes? Can we expect a separate set of regulations? Or, do you believe the existing IT rules will be sufficient to crack down on such content?

We are open to every possible solution because this poses a big threat to democracy and our social institutions. I am glad that all platforms have responded in a mature and responsible manner. They are fully willing to cooperate. From our side, we will consider whether new regulations or rules are necessary, or if adjustments within the existing rules are the right solution. Together, we will explore the best course of action.

Q How do you plan to look at AI regulation going forward? There is also a fear that regulatory capture could end up stifling innovation. So, where does India stand in the way it will go about?

We were very successful in creating a balance between innovation and regulation in our privacy bill. In the case of AI, there are multiple threats. This is significantly more complex compared to privacy regulation, because AI can be a major threat to humanity itself.

Today, some of the deepfakes and misinformation which is created using AI can actually create huge disturbances in society, our social institutions and institutions like marriage. Society must take some action, and that's where we'll have to work together, all of us, the platforms, the society, the regulators, the government – all of us will have to work together and find a solution. I think we should be able to find that solution! ▶



Mr. SANDEEP RAUT

is a leading global digital transformation thought leader and influencer who advises organisations on how to set an attainable vision and digital strategy. He also assists businesses in reshaping their digital transformation culture. With over 35 years of experience in IT strategy, consulting and delivery, Sandeep has built the BI, Big Data, Analytics and Digital Transformation practices from the ground up.

Founder & CEO at Going Digital, he is also on the advisory board of various MBA schools. As a digital strategist, he has been ranked in the Top 10 Global Digital Transformation Influencers that Will Change Your World by Enterprise Management 360°. He was ranked #8 in Top 20 Global Thought Leaders on Digital Transformation Technologies by Thinkers360.

Q What are your views on the explosive growth of AI in the recent years?

The rapid advancement of AI in recent times is really exciting. Initially, AI technologies were limited to some movies or science fiction, but now they are deeply ingrained in our everyday lives.

The exponential rise in data availability is one of the main forces behind this growth. The amount of data generated per second is enormous due to the growth of digital platforms and connected gadgets. Data is the lifeblood of AI algorithms, and an abundance of data has enabled the creation of ever more complex AI models. Training and deploying complicated AI models at scale has been made feasible by advances in faster computer power and unlimited storage with cloud infrastructure.

Q What are your thoughts on the need for regulation for AI?

Many industry leaders have raised concerns about AI going into the wrong hands, as machines can learn whatever is used for training them. As we have seen in several movies where machines take over humans, there is always a fear that it will become a reality someday. Hence, ensuring that AI is produced and applied in a way that is ethical, safe and advantageous to society is one of the main justifications for regulation.

Q Do you think AI poses risks to our democracy and societal fabric?

Yes, if it is trained with a vast amount of data which may have historical biases or inequalities. For instance, individuals' exposure to information can be shaped by AI-driven algorithms used by social media platforms and online news sources. This could result in the spread of false information, and polarisation. Concerns exist over AI's potential for use in cyberattacks, surveillance and autonomous weaponry systems, among other harmful uses.

Q Can you discuss the need for fair and responsible AI?

The possibility of bias and discrimination in AI systems is one of the main arguments in favour of fair and responsible AI. Large datasets are used to train AI algorithms; if these datasets contain skewed or missing information, the AI models may generate unfair or biased results. As they say "Garbage in, Garbage out".

There should be mechanisms in place, to hold AI developers and users accountable for the outcomes of AI systems. AI systems should respect individuals' privacy rights and comply with data protection regulations.

To establish and implement ethical frameworks, standards and regulations for the responsible use of AI, governments, industry stakeholders, researchers, civil society organisations and other relevant actors must cooperate.

Q What steps can be taken to ensure that AI models and algorithms are free from bias and discrimination?

The following actions can be performed to combat prejudice and discrimination in AI:

Collecting Varied and Representative Data: Make sure that the training data, which is used to create AI models, is impartial, representative and varied. This could entail gathering information from many populations and sources to fully capture variability and prevent the reinforcement of preexisting biases.

Preprocessing and Cleaning of the Data: To find and reduce bias sources, carefully prepare and clean the training data. Techniques like data anonymisation, de-biasing algorithms, and eliminating or fixing erroneous or biased data points may be included in this.

Detect and Mitigate Bias in AI Models: Use methods to identify and reduce bias in AI models as they are developed and deployed.

Frequent Monitoring and Auditing: Throughout the lifecycle of AI models and algorithms, keep an eye out for bias and prejudice by conducting regular monitoring and audits. To find and fix any problems, this entails examining model outputs, assessing fairness, and getting input from a variety of stakeholders.

Q What is the role of technology companies and how can AI platforms be made accountable for their tools?

Ethical Guidelines and Standards: Businesses developing AI should follow established ethical guidelines and standards, such as those provided by regulatory bodies or trade associations. These recommendations offer best practices and guiding concepts for guaranteeing moral conduct and responsibility in AI systems.



Developers can proactively address potential biases and dangers by adding ethical concepts, such as justice, transparency, responsibility and privacy, into AI design processes.



Responsible AI Governance: To supervise the creation, implementation and oversight of AI platforms, technology companies should put strong governance structures and procedures in place. To guarantee responsibility and adherence to ethical standards, this may entail creating specialised AI ethics committees, carrying out frequent audits and assessments, and designating AI ethics officers.

Accountability Mechanisms: In situations where AI systems do harm or disobey ethical standards, clearly define procedures for accountability and compensation. This could entail putting in place complaint procedures, methods for reporting prejudice or discrimination in AI systems, and feedback loops.

Q What are the challenges related to ensuring fairness and responsibility in AI?

Bias in Data: For AI systems to learn and make judgments, they need data. However, biased or insufficient training data might provide biased results. To prevent discriminatory outcomes, it is necessary to identify and mitigate biases in training data and algorithms to ensure fairness.

Interpretability and Explainability: A lot of AI algorithms, particularly intricate deep learning models, function as "black boxes" that are challenging to decipher or comprehend. This lack of openness might make it difficult to hold people accountable and to find and fix biases or mistakes in AI systems.

Legal and Regulatory Difficulties: Since the legal and regulatory environment surrounding AI is still developing, it is difficult to provide clear rules and regulations for the responsible development and application of AI. To create comprehensive and enforceable laws, legislators, industry stakeholders and civil society must work together to address regulatory and legal obstacles.

Accountability and Oversight: To guarantee that AI

developers and deployers are held accountable for the results of their AI systems, it is essential to establish explicit methods for accountability and oversight. Establishing mechanisms for redress and recourse in cases of injury or prejudice, clarifying roles and duties, and putting transparency measures into place are all necessary to achieve this.

Q Looking ahead, what do you believe are the key opportunities in advancing fair and responsible AI?

AI Design: The integration of justice, transparency and accountability into AI systems from the inception can be achieved by prioritising ethical considerations in AI design and development. Developers can proactively address potential biases and dangers by adding ethical concepts, such as justice, transparency, responsibility and privacy, into AI design processes.

Education and Training on Ethical AI: Funding ethical AI education and training initiatives offer a chance to increase knowledge, proficiency and competence in responsible AI development and use. It is possible to promote a culture of responsible AI creation and adoption by giving AI developers, practitioners and decision-makers the information, abilities and resources they need to traverse moral dilemmas and reach moral conclusions.

Transparency and Accountability Methods: Adding transparency and accountability methods to AI systems provides a chance to improve trust, accountability and supervision in AI technology. Transparency into AI decision-making processes, including data sources, algorithms and decision criteria, as well as measures for auditing, monitoring and accountability, can help to ensure that AI systems are fair, accountable and aligned with society's ideals.

AI technologies have the potential to improve public safety, government services and citizen empowerment by giving people access to digital tools and information. ▶

The Flip Side of AI – Delving into the Emerging Challenges

Artificial intelligence (AI) is revolutionising numerous aspects of our lives; it is changing the way decisions are made and tasks are done by people, organisations and governments. Even as AI tools consistently exceed human performance thresholds, several unintended consequences and risks are also coming to the fore.

THE GOVERNMENT OF Telangana is using an algorithmic system, Samagra Vedika to consolidate the data of its over 30 million residents from various government databases to create comprehensive digital profiles. This is being deployed in welfare schemes to weed out ineligible citizens and eliminate frauds.

However, it has wrongfully removed thousands of legitimate underprivileged citizens by identifying them as not worthy of welfare benefits like subsidised food. For instance, the software tagged a poor rickshaw puller as a car owner in 2021. He has passed away since then, but till today, this error is depriving his widow and other dependants of the welfare benefits they sorely need. The family of 13 resides in a cramped three-room house in an urban slum in Hyderabad, but the widow is unable to convince the authorities that they do not own a car and are indeed poor! The government officials do not trust the woman's words even though the family is listed as 'below-poverty-line' in India's census records – they prefer to believe the algorithm!

Similarly, Haryana is using another AI tool – the Family Identity Data Repository or the Parivar Pehchan Patra (PPP) database – to determine the eligibility of welfare claimants since 2020. Alas, several thousands of eligible beneficiaries have been deprived of old-age pension, pension for disabilities, widow pensions and even subsidised food as the incorrect data has wrongly declared them as employed, having sufficient income or even 'dead'. Many are shunted from one office to another, and made to file endless applications to prove that they are alive!

102-year old Duli Chand actually carried out a parody of a 'baarat' with a band and family members in Rohtak. Seated on a chariot in wedding finery, he carried a placard proclaiming "Thara Foofa Zinda Hai" (Your Uncle is Alive) on his way to meet government officials which finally made the authorities admit their mistake of marking him as 'dead'!



Aren't field visits and physical verifications of documents better for deciding people's eligibility for welfare?

Indeed, even as stories about the rapid acceleration and humungous benefits of AI technology make headlines around the world, instances of faulty data and bad decisions are also emerging by the day. The UK Post Office IT scandal that prosecuted over 700 innocent sub-postmasters and postmistresses (over almost two



decades) for stealing money because of incorrect information provided by a faulty computer software called Horizon is a case in point. Many were convicted for false accounting and theft; some were even financially ruined – for no fault of their own! Will quashing their convictions and paying compensations now overturn the injustice, let alone the trauma, inflicted on them?

Alas, the odds are stacked against humans when they are pitted against technology!

Let us take a look at some of the inherent risks of AI:

Bias and Discrimination – AI algorithms are designed by humans, and humans are inherently biased. To add to this, the algorithms will only be as good as the data used to train them. However, most systems only use limited data that defines the nature and specifications of a limited number of people with common interests. If the data is knowingly or unknowingly biased based on age, gender, caste, religion, ethnicity, location, socio-economic status, ideology or other standard, the AI will only end up perpetuating the existing societal stereotypes or may even amplify the historical human biases.

These outcomes are not only unreliable, but create room for potential discriminatory practices, leading to an unequal and divided society. It can skew decisions related to consumer preferences and market trends. It can even harm people when applied in medicine, finance, recruitment, housing or policing, sometimes simply on the basis of the name or even shopping history!

Should AI mitigate biases or magnify them?

In 2015, Google Photos mistakenly identified two African American people as 'gorillas' because they were black. The system was trained on a dataset that contained very few images of black people.



The problem was 'fixed' by preventing the system from labelling anything as a 'gorilla'. Till date, Google Photos cannot identify a gorilla!

POTENTIAL HARMS FROM ALGORITHMIC DECISION-MAKING

| INDIVIDUAL HARMS | | A L | COLLECTIVE SOCIAL HARMS |
|------------------------------|------------------|-----|-------------------------|
| ILLEGAL DISCRIMINATION | UNFAIR PRACTICES | | |
| HIRING | | | LOSS OF OPPORTUNITY |
| EMPLOYMENT | | | |
| INSURANCE & SOCIAL BENEFITS | | | |
| HOUSING | | | |
| EDUCATION | | | |
| CREDIT | | | ECONOMIC LOSS |
| DIFFERENTIAL PRICES OF GOODS | | | |
| LOSS OF LIBERTY | | | SOCIAL STIGMATIZATION |
| INCREASED SURVEILLANCE | | | |
| STEREOTYPE REINFORCEMENT | | | |
| DIGNATORY HARMS | | | |

Chart Contents Courtesy of Megan Smith, Former CTO of the United States

Misinformation – AI delivers information with such confidence that it becomes almost impossible to separate truth from fiction. In fact, it is becoming apparent that AI can use language to convince people to believe/do anything, even to the extent of taking harmful actions.

The persuasive element is making people blindly rely on AI's medical advice, emotional support and even raw information to make decisions. Social media platforms are 'customising' feeds to show conspiracy theories and streaming platforms are 'recommending' partisan content to increase user engagement, thus convincing the audience that it is true.

Moreover, AI tools can be exploited by bad actors (criminals, rogue states, ideological extremists or simply special interest groups) to create massive amounts of distorted information for false propaganda campaigns littered with fake news, comments, videos, accounts or other spammy content. The intention is to manipulate public opinion or even undermine social trust. This malicious use can influence voting behaviour, undermine trust in governments, compromise reputations of people/institutions, create social discord and even endanger national security. The 2016 US elections is a classic example. AI pioneer Hinton even stated that, "authoritarian leaders can use AI



to manipulate their electorates on a large scale".

Will the integrity of information will be lost forever?

Privacy and Security – Most AI algorithms need access to massive datasets for training and validation before they can make predictions. And where is this data coming from? It is generated from millions of users around the globe, including you and me. But is your consent always taken before using your online activities, geo-location, financial data, pictures or even personal information to train AI? And what if the data is misused or even gets leaked?

What about the data that is scraped from the internet without any regard for copyright issues? The

original articles, photographs, paintings, music and other creative works can be manipulated or even reproduced by AI. Intellectually property rights go for a toss here.

To add to this, AI digital assistants, smart home technologies and even our smartphones are constantly watching us and listening to us. Widespread surveillance with face and/or voice recognition software is killing the last semblance of privacy.

The security and privacy risks have amplified as hackers and others malicious actors are actually



Amazon recorded millions of private conversations to build its speech recognition algorithms. Temporary workers listened to and even transcribed some of them. This kind of persistent surveillance is a gross violation of the right to privacy.

In 2023, leading authors like John Grisham and Jonathan Franzen sued AI companies for using their work to train generative AI.

harnessing AI to develop more advanced cyberattacks, bypass security measures and exploit vulnerabilities in systems.

Lack of Transparency – As AI systems become more advanced, they are also becoming more opaque. They can make complex and even momentous decisions, but we cannot decipher the rationale they use. Even the designers themselves cannot explain the underlying logic of how the machines reach their decisions. This kind of autonomy is undermining the accountability for biased and unsafe decisions.

Assigning liability is a huge challenge in case of AI-related accidents, errors or other harm. Who should be held culpable – the developer or the user? For instance, who will be blamed in case of technology like self-driving cars, especially when the decision-making process is uninterpretable?

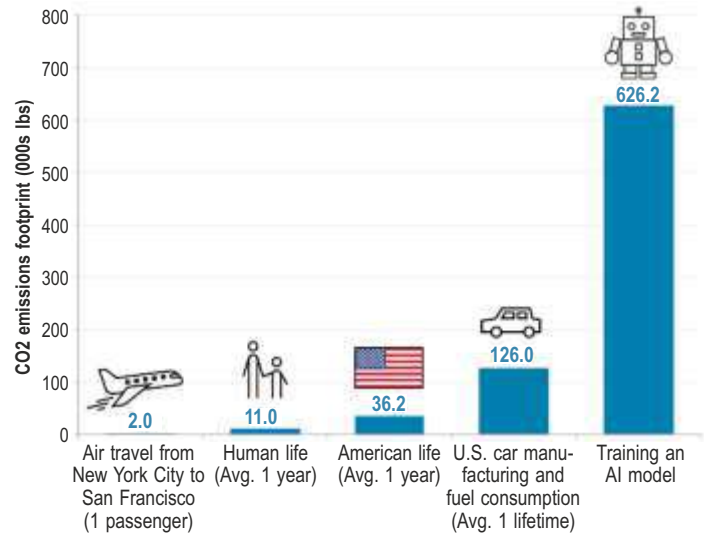
Don't the people who have been harmed even have a right to an explanation?

Alas, the gaps in ownership make it difficult to regulate the wrongdoings. Moreover, how can we assign ownership when AI assets generate their own outcomes?

Death of Competition – The AI environment is high-stakes and calls for huge investments. It is primarily dominated by tech giants that have vast resources to leverage AI. They can work aggressively to eliminate the smaller businesses that are trying to compete with them in the local markets. This disproportionate concentration of power will exacerbate the technological disparities and economic inequalities even as it limits diversity in AI applications.

Environmental Impact – Climate change and energy crisis are already a major global issue. AI processing units, robots and servers guzzle huge amounts of electric power, thus increasing the carbon footprint manifold.

Will this kind of AI be sustainable?



Source: Forbes (based on 2019 data)

More Concerns – What if we become over-dependent on AI assistance? What if the tendency to assign mundane tasks of daily life makes us too lazy for our own good? Will we be able to preserve our cognitive abilities like creativity, critical thinking and human intuition? It can wipe away discipline and self-development too.

Moreover, increasing reliance on AI interactions can diminish our empathy, social skills and human connections. And, what about the negative societal impacts as moral and ethical values have no place in decision-making and other aspects of AI?

Arms Race – Autonomous weapons powered by AI are a dangerous reality. They are programmed to locate, select and engage human targets without human supervision and can become weapons of mass destruction. Additionally, there is the scope of error which can kill innocent people. And what if they fall into the wrong hands?

What if nations race to develop AI weapons, akin to the nuclear arms race of the last century? This can



Models like ChatGPT use energy that can power 33,000 US households, with just one inquiry being 10 to 100 times more power hungry than one email.

escalate tensions between countries and ignite armed conflicts.

Uncontrollable AI – There is mounting concern that the self-learning capabilities of AI will make it so 'intelligent' and 'self-aware' that it will become sentient and act beyond the control of human beings. It can develop a 'mind of its own' and start taking actions independently that are harmful to humans. This can have catastrophic consequences, even to the extent of wiping out human existence!

Indeed, instances of AI tools learning unexpected behaviours from the data they analyse and making decisions with unforeseen consequences have already become an unanticipated problem. What if they can write their own code one day that is unaligned with human values and priorities? This may sound like wild speculation today, but undoing these repercussions will be virtually impossible tomorrow!

Global Voices

Leading stakeholders around the world are warning people about the risks of AI. Some have even expressed concerns about the existential risk from AI.

Hailed as the 'Godfather of AI', **GEOFFREY HINTON** actually left his position at Google to talk about the dangers of AI. Known for his foundational work on machine learning and neural network algorithms, he even stated that a part of him actually regrets his life's work. He doesn't mince words about the impending apocalypse, "These things could get more intelligent than



"With AI we're summoning the demon!"
– **Elon Musk**

us and could decide to take over, and we need to worry now about how we prevent that happening."

In March 2023, over a 1000 tech leaders, researchers and other pundits working in and around AI signed an open letter warning that AI technologies present 'profound risks to society and humanity'. Published by the Future of Life Institute, it urged AI labs to pause large AI experiments for six months so that they could better understand the dangers behind the technology. The letter said, "Powerful AI systems should be developed only once we are confident that their

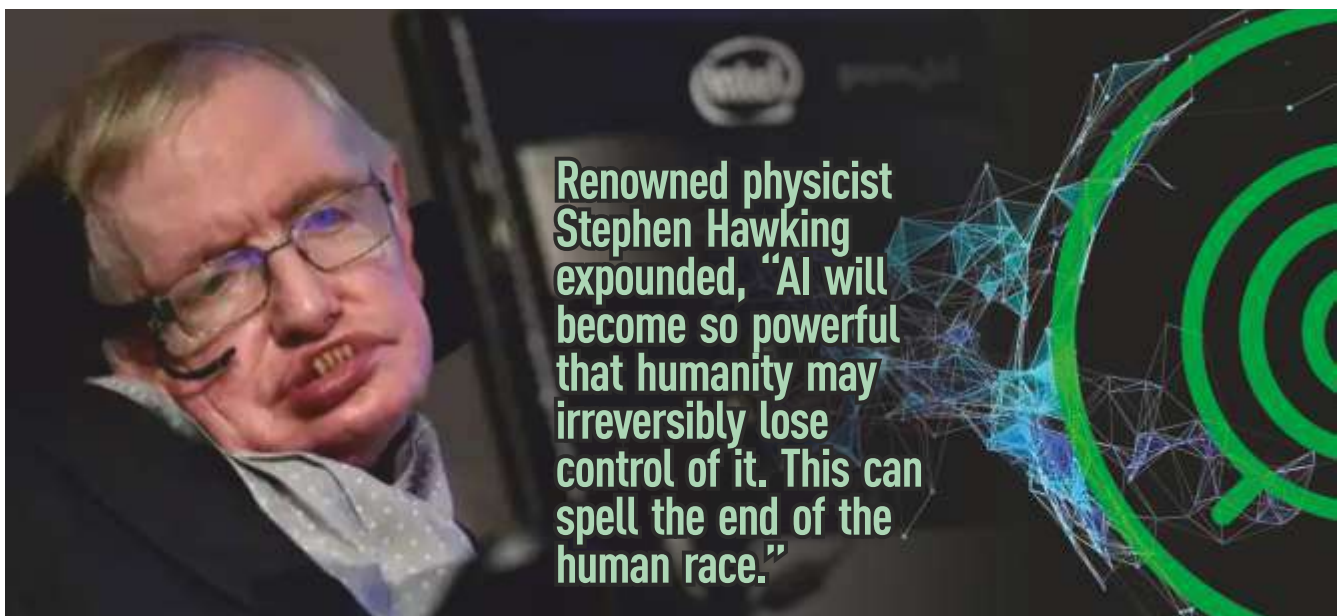
effects will be positive and their risks will be manageable". The letter now has over 27,000 signatures.

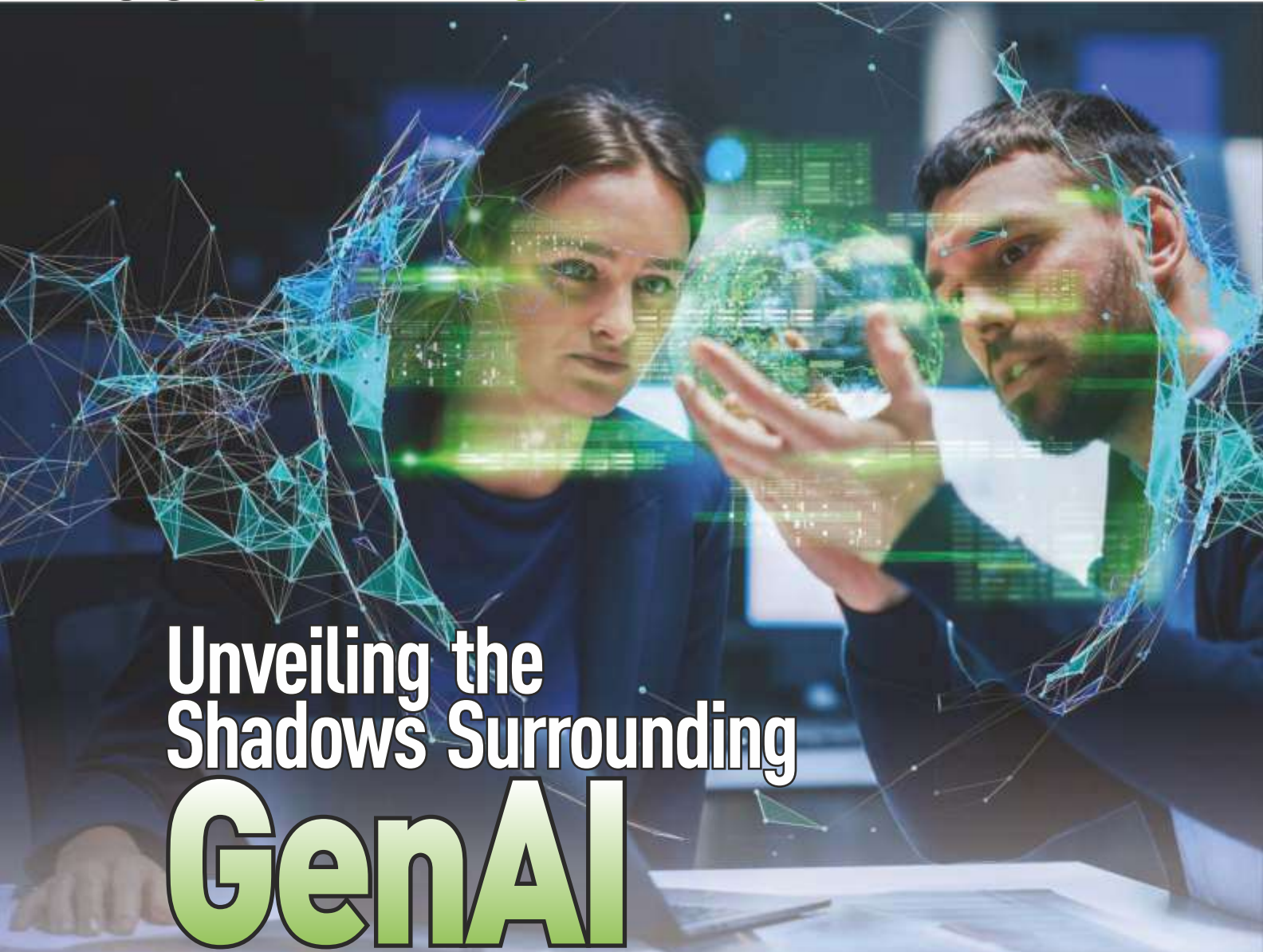


DR. YOSHUA BENGIO is perhaps the most important person to have signed the letter – he spent the past four decades developing the technology that drives systems like GPT-4 and was the joint recipient of the esteemed Turing Award in 2018. His words echo a grave warning, "Our ability to understand what could go wrong with very powerful AI systems is very weak. So, we need to be very careful."

Even at the World Economic Forum's annual meeting at Davos in January this year, heads of State, billionaires and CEOs voiced their anxieties about the burgeoning technology supercharging misinformation and deepening the economic gap between wealthy and poor nations.

In sum, not all uses of AI are savoury or built on palatable values. The world needs to look at developing safe and beneficial AI for the good of mankind! ▶





Unveiling the Shadows Surrounding GenAI

Generative AI is making waves, and for good reason at that! You can save time and effort, multiply productivity and even get entertained while at it! The prospects are teeming with excitement, but like any other technology, there are some imminent challenges as well.



GenAI isn't just a technology – it's a key part of an ecosystem where people and machines work together!

CAN YOU TELL whether the articles in this magazine were written by AI or a human being?

While we can vouch for the originality here, the fact remains that in most cases, people cannot tell the difference between human-made and AI-crafted content!

While AI has been defined by the ability of machines to replicate human intelligence, it is now going a step ahead and creating 'new' content!

Indeed, generative AI (GenAI) – a subset of machine learning that can understand natural language - uses clever algorithms to generate new data like text, images, videos, simulations, audio and more. You have to be living under a rock if you haven't noticed the advent of innovative AI tools that can imitate celebrity voices in videos, craft engaging punchlines for Instagram posts, write scientific whitepapers, get human-level scores on a GRE exam, create an entire virtual world and even indulge in humorous banter with you!

The simplest and most common application of GenAI is the chatbots that we use on various websites to ask questions and obtain information. Contrast this with the more sophisticated virtual assistants that can not only speak conversationally, but are also programmed to recognise, interpret and simulate human feelings, emotions, moods and respond accordingly.

This was before ChatGPT burst on the AI scene and left people flabbergasted by the human-seeming interactions. Indeed, OpenAI's chatbot, powered by a large language model (LLM), represents one of the biggest leaps in AI history as it is capable of conversational interactions like answering questions, providing explanations, generating text and engaging in interactive text-based conversations on virtually any subject – that too, in a user-friendly format. *The viral chatbot witnessed over a million signups within 5 days of its launch in November 2022 and gained more than 100 million users in just a few months.*

Who would want to Google for information and sift through several pages of results when ChatGPT can serve all the relevant content on a single platter?

Other generative pre-trained transformer (GPT) language models like Copilot, Bard (now Gemini), Claude and LLaMA have similar text capabilities. Then there are text-to-image AI art systems such as DALL-E, Stable Diffusion and Midjourney.

Powered with advanced capabilities, these GenAI tools can present far more powerful solutions than humans can. They are pre-trained on a large corpus of data and assimilate information from varied online sources. And, the real-world applications are mind-blowing – you can ask them to create a song, write poetry, generate an artistic picture, produce a recipe, check your email for mistakes, encapsulate a lengthy report, draft a moving speech, compose a script, construct a product design, provide pointers on how to close a deal or even generate

Gartner estimates that by 2030, a major blockbuster film will be released with 90% of the film generated by AI (from text to video), from 0% of such in 2022!

ideas for your business. The sky is literally the limit – artificial creativity being an enthralling frontier for generating 'original' music, art, images, videos, soundtracks, video games and maybe even a full-fledged movie! No wonder the entire world is caught up in the excitement....

GenAI is poised to improve performance across diverse operations – like sales and marketing, customer operations, software engineering, research and development, etc. It can even convert satellite images into maps, CT scans into realistic images, text into speech, identify faces and much more. There is potential to transform various industries like healthcare, logistics, transportation, travel, advertising, finance, fashion, retail, gaming and more. Based on human prompts, it can generate targeted marketing materials, create product descriptions, summarise texts, write blog posts, engage with customers and more. The benefits range from improved employee productivity to optimised business processes to enhanced customer experience.

What's more, while GenAI runs on code written by humans, paradoxically these very tools can be used to write new code, thus saving hours of manual efforts!

Evolving Concerns

Generative AI is truly a turning point for the world. But, with great promise come great concerns. We have already detailed the risks of bias in training data, errors and inaccuracy in the results and the ability to spread



In its 2022 Emerging Technologies and Trends Impact Radar report, the leading technological research and consulting firm, Gartner declared generative AI as one of the most disruptive and rapidly evolving technologies. It predicted that by 2025, generative AI is expected to generate 10% of all data (currently, less than 1%) and 20% of all test data for consumer-facing applications. It will also be used in 50% of drug discovery and development projects by 2025. And by 2027, a whopping 30% of manufacturers will be using it to improve their product development process.

In Nov 2023, OpenAI was accused of dehumanising Palestinians!

The New York city Department of Education has banned ChatGPT on school computers and networks.

disinformation. Like other AI models, questions are being raised over the scraping of personal data without user consent and the use of copyrighted material. How can the AI companies use photos uploaded to AI photo editors to train facial recognition software?

The stakes are higher in the case of GenAI. The accelerated potential is open to all kinds of misuse - voice-imitation software can mimic an individual's speech patterns well enough to convince a bank, workplace or friend. The scene is ripe for scams, fraud and other malicious use in digital spaces. These chatbots can be used to cheat at tests too.

Moreover, the issue is not just limited to using original materials without attribution and infringing on the copyrights of third-parties. In a role reversal, the new question is - what about the content ownership of AI-generated works? AI-made materials do not fit into the current copyright frameworks and there is ambiguity and uncertainty over the patentability of AI inventions. So, can a person ask ChatGPT to write a book and then publish it in his own name?

Furthermore, the problem is not limited to getting inaccurate responses alone. GenAI systems can not only get the facts wrong; they can also purposely fabricate false information, especially when faced with a data gap. This has been termed as 'hallucination'. How can we rely on this kind of outputs?



There are papers and research where Generative AI or ChatGPT has been mentioned as co-authors, what does this mean for original scientific work?

– PRATEEK SIBAL
Programme Specialist, Digital Innovation and Transformation, UNESCO

In 2021, a Parliamentary Standing Committee recommended the creation of a distinct category of rights for AI and related innovations, addressing their protection as intellectual property rights.

A New York lawyer used ChatGPT for legal research and included six case citations in a brief filed with the court. When the opposing counsel could not find any of the cases, the lawyer had to admit that it was AI-derived and he did not confirm their legitimacy. Sanctions were imposed on the concerned lawyers and their law firm and they had to pay a fine of \$5,000!

In a Google Bard (now Gemini) promotional video, the chatbot incorrectly asserted that the James Webb Space Telescope captured the first images of a planet beyond the Earth's solar system.

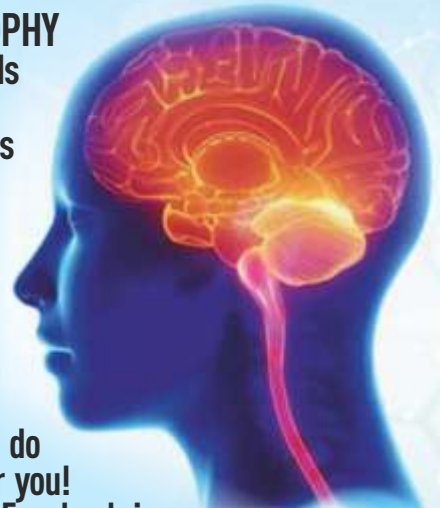
When technology can falsely accuse a law professor in USA of sexual harassment and implicate an Australian mayor in a fake bribery scandal (leading to the first lawsuit against an AI chatbot for defamation), the potential consequences are beyond our imagination!

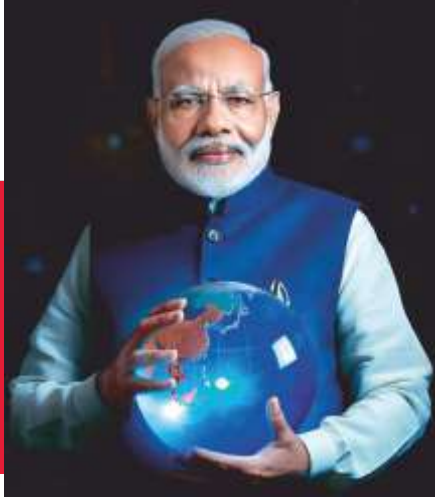
While ChatGPT is programmed to turn down commands related to inappropriate or illegal content with suitable warnings, there are ways to manipulate the system to yield such information.

BRAIN ATROPHY

is on the cards for the future generations as they will not need to use their mind to express an original thought; a trusty AI bot assistant will do everything for you!

For instance, Facebook is rolling out a new 'Write with AI' prompt that can generate captions for users based on their existing post - text or image - with some very cool suggestions!





At the G20 Summit in New Delhi in September 2023, discussions were underway on how to harness GenAI technology to benefit development, while ensuring that safeguards are built in to check misuse.

Prime Minister Narendra Modi highlighted in his inaugural statement, "We desire that AI should reach the people, and it must be safe for the society." He also stressed the need to go beyond the 'Principles on AI' adopted in 2019.

Call for Action

On this World Consumer Rights Day, Consumers International is leveraging the theme of 'Fair and Responsible AI for All' to build a campaign to explore the extent to which consumers can trust GenAI. It is focused on:

- Building public awareness and driving discussions on generative AI chatbots through a social media campaign to understand consumer experiences.
- Releasing insights which investigate risks of generative AI platforms and build a foundation for consumer trust.
- Identifying where policy interventions are needed to reduce harmful practices.

A special session on the 'Impact of ChatGPT for Consumers' was organised at Consumers International's Global Congress in Kenya last December to highlight the regulatory and policy trade-offs that must be considered as GenAI develops. It also brought key players to the

table to deliberate on how to use the undiscovered potential of AI to allow for greater consumer-business engagement.

India's apex IT trade association, NASSCOM has released a comprehensive set of guidelines for responsible generative AI with the aim to establish normative obligations for researchers, developers and users of GenAI models and applications, ensuring the responsible adoption of this ground-breaking technology.

If you are still not convinced about the dangers of generative AI, consider this: OpenAI, the developer of ChatGPT itself is urging international cooperation around inspection and regulation of GenAI. It is also collaborating with policy-makers to ensure that AI systems are developed in a trustworthy manner'.

Wrapping Up


GenAI has superpowers and there's no telling what it will do next. Get ready for a riveting future, albeit with a dose of requisite caution! ▶

ChatGPT

| ☀️ Examples | ⚡ Capabilities | ⚠️ Limitations |
|--------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|
| "Explain quantum computing in simple terms" | Remember what user said earlier in the conversation | May occasionally generate incorrect information |
| "Got any creative ideas for a 10 year old's birthday?" | Allows user to provide follow-up corrections | May occasionally produce harmful instructions or biased content |
| "How do I make an HTTP request in Javascript?" | Trained to decline inappropriate requests | Limited knowledge of world and events after 2021 |

Source: <https://vgthinks.medium.com/>

Generative AI has enormous potential for good and evil at scale. It can turbocharge global development and contribute between \$10 and \$15 trillion to the global economy by 2030, but its malicious use could cause horrific levels of death and destruction, widespread trauma and deep psychological damage on an unimaginable scale.



– ANTÓNIO GUTERRES
UN Secretary-General

"There is a dire need for a holistic and a comprehensive framework to ensure responsible usage of generative AI technology. This framework should include ethical guidelines, regulatory measures, transparency, accountability and ongoing collaboration among stakeholders. By boosting fair practices, we can nurture the technology, increase people's trust in it, protect it against potential harm, and ensure that generative AI serves humankind and society in more productive ways."

– IndiaAI's report on Impact, Opportunity and Challenges of Generative AI



Payal Agarwal
Editorial Consultant

Fair and Responsible AI for a Better Tomorrow

“Artificial intelligence is captivating both industries and consumers. Everyone wants to jump onto the AI bandwagon and cash in on the hype. However, moral and ethical considerations cannot be allowed to get lost in the shuffle. Fairness and responsibility should lead the way in AI.”

– Payal Agarwal



Nurturing a future where AI is not just powerful but fair and responsible!



“ALEXA, play JHOOME JO PATHAN”,

“Okay Google, call PAPA”,

“Hey Siri, what will the weather be like today?”

– all this is AI at work

BUSINESSES ACROSS SECTORS are racing to incorporate AI into their operations to improve efficiency, increase productivity and gain cost-savings.

According to Accenture's Reinventing Enterprise Operations 2023 report, 73% of companies are prioritising AI over all other digital investments with the immediate focus on improving operational resilience.

The AI tools can make intelligent decisions, but the question is – will it provide the best experience to the customers? For that matter, will it be safe and fair for the consumers?

Indeed, the opportunities are unprecedented, but so is the responsibility. In fact, the enormous impact of AI on consumers' lives coupled with the increasing moral and security issues is raising huge questions about the ethical use of AI. Alas, the AI systems of today are primarily defined by inconsistent practices and misuse. This kind of unfair and irresponsible use can not only harm consumers but also damage the businesses.


Accenture's 2022 Tech Vision report reveals that only 35% of global consumers trust how AI is being implemented by organisations; an overwhelming 77% think organisations must be held accountable for their misuse of AI.

Building a Fair and Responsible Digital Future

What people need is AI that they can trust. What they need is that the AI decisions should be unbiased, lawful and aligned with their values. This means that ethics should not be an afterthought; companies should 'do it right' from the start! This means that ethics should be at the forefront throughout the development, deployment and usage of AI. Only then will it be able to empower consumers, build trust, drive customer loyalty and also avoid problems in the future.

Ethical considerations in AI cover:

Fairness – The design and implementation of AI should be based on a set of principles and practices that ensure that the technology is trustworthy, ethically sound and socially responsible. This brings us to the growing concerns of AI recommendations/results/decisions



NITI Aayog's National Strategy for Artificial Intelligence (NSAI) recommended establishing clear mechanisms to ensure that the AI technology is used in a responsible manner.

Instilling trust in its functioning is a critical enabling factor for large-scale adoption in a manner that harnesses the best that the technology has to offer while protecting citizens. Need for a fine balance between protecting society (individuals and communities) without stifling research and innovation in the field was underlined.

– AMITABH KANT
Former CEO, NITI Aayog

perpetuating or exacerbating biases through discriminatory outcomes. It cannot be denied that any kind of prejudice or preconceptions in the data will lead to behaviour or decisions that unduly favour or disfavour certain people over others.

For this, the data sets used to train AI algorithms should be diverse and representative of the entire population rather than being limited to specific characteristics, be it age, gender, race, location or economic status. Bias can inadvertently creep into the training data – even through something as simple as unintentional underrepresentation of certain groups. Hence, only proven, authoritative and authenticated data from reliable sources should be included in training models. The data sampling methods should be checked meticulously and re-evaluated based on new details to eliminate any exclusionary practices or unintended outcomes. At times, an element of human oversight may also be required.

The question is – Will your AI make the same recommendations or decisions for everyone who has similar symptoms, financial circumstances or professional qualifications?

The greater the deployment of AI models that augment human decision-making, the greater the need to understand human oversight and ethics of algorithm development. Lack of bias will champion inclusivity and equality which ensures a fair experience for all users.

Transparency and Accountability - The data, algorithms and models used in AI technologies need to be transparent across processes and functions. It calls for traceability (documenting all the data and processes) and communication (clarifying that the system is AI and has specific capabilities and limitations).

There should be a system for explaining how the AI arrived at a decision or result – like why a loan application or job candidate was rejected - to bring in accountability. This kind of clarity on how an AI system works will ensure that mistakes can be fixed with corrective action and other issues can be addressed.

However, the degree to which explainability is needed will depend on the context as well as the severity of the consequences if the AI results are erroneous or otherwise inaccurate.

Responsibility - To be responsible, an AI system must be demonstrably sound, consistent, reliable and secure. Consumer privacy should be respected and their rights should be protected when developing and using AI.



At the Association for Computing Machinery's 2022 Conference on Fairness, Accountability and Transparency (ACM FAccT 2022), in Seoul, South Korea, the world's largest educational and scientific computing society presented and published findings recommending that until AI systems are demonstrated to be free of bias mistakes, they are unsafe and the use of self-learning neural networks trained on vast, unregulated sources of flawed internet data should be curtailed. Industry experts noted that this is an unsolved problem. Regulators argued that the harm is real and if the problem has no solution, the tools should not be used!

Robust data privacy and security measures should be in place. Personal, or even sensitive, data should be collected, stored and used in a safe manner without any scope for unethical use. There should be informed consent at all levels with proactive steps to prevent the use of AI for malicious purposes.

A fair and responsible AI framework can be applied to any industry or function. Be it a product or service, all the tools and techniques should build the principles of fairness, transparency, accountability, robustness and privacy into the AI systems and platforms. *Doing it correctly is the only way!*

It is clear that it is fair and responsible AI that will ensure that the technology takes individual needs and preferences into consideration. This will pave the way for natural interactions with a humanised experience, even as it enables consumers to make informed choices. Therefore, AI's potential to create a positive human impact will depend on a responsible, human-centred approach that focuses on creating value for all.

A report by Capgemini on 'Ethics in AI: A Survey of Consumer Attitudes and Behaviours' states that 62% of consumers will trust a company more if they perceive its AI interactions as ethical. Moreover, 47% of consumers will advocate for a company and purchase its products if they trust its AI to be ethical.

The onus is on the industry and the government to align AI technologies with societal values and minimise the potential risks. Indeed, the policymakers should cultivate robust regulatory frameworks that guide the responsible development and deployment of AI systems. This will encourage fair and responsible practices all around.

Global Movement

There is a global recognition of the need for ethical practices in AI development and deployment. US President Joe Biden's executive order on AI illustrates the commitment to address potential risks and protect consumer rights.

UNESCO has led the international effort to ensure that science and technology develop with strong ethical guardrails for decades. In November 2021, it crafted the first-ever global standard on AI ethics – 'Recommendation on the Ethics of Artificial Intelligence' which was adopted by all 193 Member States. It also organised the Global Forum on the Ethics of AI in December 2022 and February 2024.

The Global Partnership on Artificial Intelligence (GPAI) has constituted a working group on Responsible AI (RAI).

According to a recent report, 85% of the surveyed organisations in India had encountered ethical concerns from the use of AI.

It is grounded in a vision of AI that is human-centred, fair, equitable, inclusive and respectful of human rights and democracy. The working group is pursuing six initiatives: Responsible AI Strategy for the Environment (RAISE), Scaling Responsible AI Solutions, Towards Real Diversity and Gender Equality in AI, Responsible AI for Social Media Governance, Sandbox for Responsible AI – A Procurement Scenario, and AI-Powered Immediate Response to Pandemics.

Findings of several initiatives were presented at the recent GPAI Summit. Amir Banifatemi, GPAI Project co-lead, Scaling Responsible AI Solutions and Co-Founder and Director of AI Commons stated, “We are working with the aim to provide guidelines to AI teams and policymakers on how to address the challenges that hinder



Organisations need to create AI with trust at the centre of every AI-related effort.

– CLAIRE CHENG
Senior Director,
AI Engineering at Salesforce, a leading customer relationship management platform

the scalability of responsible AI solutions. We are also learning from teams across the world who have deployed AI solutions and want to scale in a responsible manner”.

Meanwhile, top companies around the world are taking the ethical route to ensure integrity in their AI processes. Some organisations that develop AI are ensuring fundamental principles and processes are in place that lead to fair and responsible AI. Certain companies that use AI as part of their real-world interactions are factoring ethics into their AI training processes.

For instance, Microsoft has developed a Responsible AI Standard as the cornerstone of a conscientious and trustworthy approach to AI. It is a framework for building AI systems according to six principles: fairness, reliability and safety, privacy and security, inclusiveness, transparency, and accountability. The tech giant wants to work in tune with values that diverse users and groups find important.

Alas, the absence of well-defined, comprehensive and enforceable ethical guidelines for AI development and usage in India pose a mammoth challenge. And, without fair and responsible AI, we will be unable to unlock the full potential of this transformative technology!

Can we envisage a future where AI is applied fairly and responsibly to ensure ethical interactions? ▶



On this World Consumer Rights Day, Consumers International is advocating the theme of 'Fair and Responsible AI for Consumers'.

CONSUMERS INTERNATIONAL
WORLD CONSUMER RIGHTS DAY 2024

FAIR AND RESPONSIBLE AI FOR CONSUMERS



Controlling the monster does not happen due to government regulations. It should be a collective effort. How do we teach developers to be mindful of AI ethics? The developers should be clear about the purpose of each model and share awareness to avoid misuse.

– DEEPAK VISWESWARAIAH
Vice President, Platform Engineering and Site Managing Director, Pegasus Systems



Pyush Misra
Trustee,
Consumer Online Foundation

Deepfakes Blur the Lines Between Reality and Falsehoods

“It is becoming harder to distinguish fact from fiction with deepfake images and videos creating false narratives that can damage reputations, lives and even the society.”

– *Pyush Misra*



A moving image of the Ukraine war that turned out to be completely AI-generated!

A VIDEO OF actress Rashmika Mandanna entering a lift in a bodysuit went viral on social media in November 2023, finally bringing the spectre of deepfakes into the limelight in India. While the original video was of a British Indian influencer named Zara Patel, the debate over choice of clothing is a story for another day. The 'convincing' digital manipulation sparked shock, horror and outrage among scores of netizens, politicians and actors who called for action against the perpetrators while the actress herself expressed overwhelming dismay and concern.

Despite the furore, deepfakes of Kajol, Katrina Kaif, Alia Bhatt, Sachin Tendulkar and other public figures continue to abound the internet. More recently, sexually explicit and even nude deepfakes of American singer, Taylor Swift went viral on X (formerly Twitter) for almost a day. Even though the account that posted the images was suspended, the images continue to proliferate on social media.

You too must have seen the alarming deepfakes of the arrest of Donald Trump, attack on the Pentagon and Facebook's Mark Zuckerberg bragging about having 'total control of billions of people's stolen data'. Even more unnerving was the video of Ukrainian President Zelenskyy asking his countrymen to lay down their weapons.

Closer home, a deepfake of Madhya Pradesh Congress chief Kamal Nath created turmoil as it depicted him declaring that his party 'will put a stop to the Ladli Behna

scheme' which entitles eligible women to receive financial assistance of Rs. 1000 per month. A previous video of BJP leader Manoj Tiwari showed him hurling allegations against his political opponent Arvind Kejriwal in English and Haryanvi, before the Delhi elections.

What are Deepfakes?

Deep learning technology used to create fakes is called a 'deepfake' or synthetic media. This involves generating an image, video or audio by replacing one person with another. Here, the AI tool learns the minute details of a face or voice before transposing it on to the target. While this may sound similar to the Photoshopped images of a decade ago, the sophisticated AI technology yields such a hyper-realistic transformation that we can barely make out the change. What's more, it can even create new photos and voices from scratch - public protests and war zones being prime examples, apart from non-existent identities on the internet.

This type of generative AI has an upside. It opens up interesting possibilities in gaming and filmmaking (like dubbing, computer graphics and even 'resurrecting dead actors/singers') to even training videos for corporates and doctors. Then, there are everyday applications like apps depicting us trying new clothes, spectacles hairstyles, etc. It is helpful in professional creative arts and even criminal forensics. Entertainment has taken a new turn with hilarious and astounding



The use of deepfakes is growing by 400% year on year - Mordor Intelligence research

parodies of famous people abounding the web. Nobody is harmed here.

However, the digital falsification's murkier applications can exploit people in social spheres – fabricating evidence for blackmail, creating pornographic content of celebrities or regular people, defaming women, etc. Crooks can use it to conduct frauds - tricking people into sending money, investing in fake schemes, making purchases based on 'celebrity' endorsements, financial scams and cybercrime. A frightening power is unlocked to trick whole populations, malign reputations, influence stock markets, sabotage elections and incite wars with, say, a fictional video of a hate speech or communal violence.

As the deepfake technology progresses, people are finding it difficult to be sure of what's real and what's not. It's getting harder to spot the defects, thus undermining public trust in visual content. The news media is losing its credibility – especially in the online space.

Almost anyone can make a deepfake today as the tools have become 'easier, faster, cheaper, and more accessible than ever'.



No one knows what's real and what's not. So, it really leads to a situation where you literally cannot believe your own eyes and ears; you can't rely on what, historically, we've considered to be best possible evidence...



**– MARTIN FORD
American futurist and author**

While some people may find them obviously fake, too good to be true or recognise other telltale 'morphing' signs, most of us are fooled and don't give a second thought to the possibility of digital manipulation. While there are online resources to help people identify deepfakes, how many of us bother to check with them?

Prime Minister Modi called out the dangers of deepfake technology, terming it 'one of the biggest threats facing the nation's system'.

Time for Action

India lacks specific laws to address deepfakes; civil and criminal action is imposed under the provisions of certain other legislations, and such unlawful activities are punishable with monetary fines and imprisonment.



When we implement regulation, we must consider the penalty for both the platform and the individual who uploaded or created the content.

– ASHWINI VAISHNAW

Over a year ago, the union IT ministry issued an advisory to social media platforms to take 'reasonable and practicable' measures to take down deepfakes from their platforms within 24 hours of receiving a complaint.

In November 2023, Union Minister of Information Technology, Ashwini Vaishnaw chaired a meeting with social media platforms, AI companies and industry bodies to solicit their perspectives on managing deepfake content. He acknowledged that "a new crisis is emerging" and that "a very big section of society does not have a parallel verification system" while announcing that draft regulations will be introduced that will impose accountability on both creators as well as social media intermediaries.

Facebook and X (formerly Twitter) agreed to label and watermark deepfakes and even take down manipulated media that can pose harm to users' safety. Here, it should be noted that **digital watermarks are not foolproof.**

Furthermore, Meta recently announced that it is working to detect and label AI-generated images (and eventually audio and video content) on Facebook, Instagram and Threads in a crackdown against "people and organisations that actively want to deceive people with AI-generated content". While it currently labels images generated using the Meta AI feature as 'Imagined with AI', this move will target AI-generated images



Rajeev Chandrasekhar (MoS IT) announced that an officer will be appointed to closely monitor violations and an online platform will be set up to assist aggrieved users in filing FIRs for deepfake crimes.

from external sources like Google, OpenAI, Microsoft, Adobe, Midjourney, Shutterstock, etc.

In the absence of ethical guidelines and regulatory measures or even labelling and watermarking mandates, we ourselves have to behave responsibly. Avoid jumping the gun and approach online content with scepticism. Paying attention to inconsistencies in facial expressions, eye movements, lip sync, body movements and even robotic speech patterns can be a giveaway. Anomalies in lighting, mismatched shadows or unusual backgrounds hint at inauthenticity. Further, take highly sensational, controversial or unexpected content with a pinch of salt. Ironically, AI itself can be used to detect deepfakes, like reverse image searches and detection software.

Avoid the temptation of using AI to manipulate content or portray someone in a misleading manner, even for amusement purposes.

It is clear that we are on the brink of losing the accuracy and dependability of visual content. Working together to encourage transparency and caution is what can reduce the hazards of blending reality and fiction!

While using generative AI for innocent, personal or other bonafide use is not a problem, using it to portray an individual without her consent, and then using the output (such as a photograph or a video) for commercial purposes, is unlawful.

– PRAVIN ANAND
Managing Partner at IPR law firm, Anand and Anand.

Bollywood actor, ANIL KAPOOR recently filed a case in the Delhi High Court against unauthorised AI use of his persona wherein it was ruled that using GenAI tools to depict famous personalities in fictional scenarios violated their personality rights.



THE PRESCRIPTION



Ensure that
consumer rights are
strengthened and
not undermined by AI!

Artificial Intelligence for Consumer Protection

Not only do we need to ensure that the interests of consumers are protected while using AI technologies, but AI itself can be used as a tool for consumer protection. Let us take a look at the ways in which AI can impact consumer rights in the global scenario.

ARTIFICIAL INTELLIGENCE (AI) is rapidly changing the archaic way of working and living. The emerging advancements in AI technology are generating delights and capturing the imagination. However, as AI continues to develop rapidly and literally make ingenious sci-fi scenes a living breathing reality, there is a rising distrust – and even fear – among consumers.

Indeed, AI systems can have huge ramifications affecting the life and liberty of individuals. It can have serious implications for consumer safety as well.

For instance, sophisticated algorithms and automated systems are being deployed to identify our buying patterns and shopping preferences; provide recommendations on e-commerce portals, social media and streaming platforms; answer our queries and provide personalised customer support; determine credit ratings, loan terms, bank account fees, etc. It is impacting everything from hiring to working conditions to resource allocation.

The lack of transparency over how the tools are used to shape the prices, services and other features are a growing concern. Not to mention the oft-discussed risks of bias, discrimination, manipulation and errors due to mismanaged automated systems – like wrongful accusations to missed benefits. Lack of privacy and security of personal data due to invasive AI is also quite distressing.

Moreover, using AI to fix prices, drive purchasing decisions or determine loan eligibility can turn into unfair commercial practices which undermine consumer rights. Or, the AI can have bugs or security gaps (just like other IT applications) that can unintentionally lead to harmful activities.



“Virtually every big company now has multiple AI systems and counts the deployment of AI as integral to their strategy,” said **JOSEPH FULLER**, Professor of Management Practice at Harvard Business School. He also co-leads 'Managing the Future of Work', a research project studying the development and implementation of

AI in business and the work world. It is clear to them that unease abounds on a number of fronts for consumers as we are still in the very early stages of the full capabilities of AI.

What Do We Need?

It follows that fair and responsible practices in AI are imperative for consumer protection. This can pave the way for an AI future which enables smart and empowered consumers even as it safeguards them from harm or exploitation.

AI can be used in many innovative ways to benefit consumers and uphold their rights. Such as:

- Monitor prices of essential commodities.

- Filter content by identifying and blocking harmful or inappropriate content to create safer online environments, especially for children and vulnerable sections of the population.
- Open up new and improved routes for customer engagement and service.
- Help consumers make informed choices by providing intelligent insights in areas like finance, healthcare, education, etc.
- Analyse high volume transactions to identify and inform about patterns of fraud, suspicious activities or other bad practices.
- Monitor privacy policies and send alerts when there is potential for breach, thus protecting consumers from loss or other harm.
- Empower consumers to challenge businesses.
- Provide channels to seek redressal for problems in new and more efficient ways.
- Facilitate lodging of consumer complaints, classify the complaints received and channelise them to the appropriate departments.
- Analyse complaints automatically and execute remedies directly to the consumers.



Why don't we use chatbots to provide useful information to consumers about their rights and the services available to them?

Then again, consumers have the right to information. They should be made aware when an algorithm is using their personal information to provide offers for goods and services, make a decision or report the data to third parties. The World Ethical Data Foundation even stated, “If anyone's using AI, you can't sneak it through the backdoor and pretend it was a human who created that content. It needs to be clear it was done by AI technology!”

Going ahead, striking a balance between AI-assisted decision-making and human input will become vital for preserving the cognitive abilities of consumers.

What is Happening on the Ground?

The Department of Consumer Affairs, Government of India organised a workshop on 'Artificial Intelligence (AI) and Consumers' in August 2023 to have a constructive dialogue with industry stakeholders to explore issues around safeguarding the interests of consumers while reaping the benefits of AI.

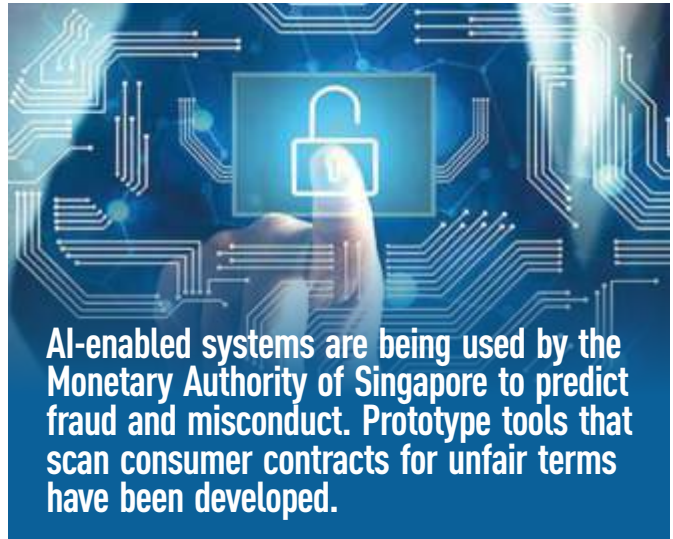


Secretary **ROHIT KUMAR SINGH** highlighted that the technology is prevalent in all domains of life and continues to become increasingly important in daily life. Therefore, it is all the more imperative to be careful about the effects of these technologies with respect to their relationships with consumers. Safety measures like

productive data management, critical evaluation, secure interaction, audit and reputable sources, and platform to voice concerns were discussed at length.

Many other organisations are working on tapping the undiscovered potential of AI to allow for greater consumer engagement!

The role of consumer advocates is to pay close attention to AI developments and steer them in the right direction in the interests of consumers. Consider - How can AI benefit consumer protection? What are the red



lines that should be drawn around AI to protect consumers?

Here we also have to deliberate on how to define responsible use of AI, especially as cultural norms evolve and social engineering approaches vary across geographies? In the event of something going wrong, how can consumers or the authorities take action? What will be the consequences of irresponsible use? ▶

Consumers International sums it up best as, "In a world where leading tech companies are racing ahead of the curve, our global consumer movement is in a unique place to serve as the 'enzyme that rebalances the digital ecosystem'. The challenges of artificial intelligence can be countered by a collective intelligence, which requires knowledge sharing and cross-sector collaboration between consumer organisations, businesses, governments and civil society. By working together, we can ensure that we create an environment where emerging technologies are built with consumer safety, privacy and security in mind. Where digital products and services are as inclusive and affordable as they are innovative."

The Reshaping of Healthcare with AI

AI is transforming the healthcare landscape in every domain - from diagnostics and medical treatment to patient experience. Immense potential is waiting to be tapped for diagnosing, treating and preventing ailments, but this should be blended with ethics and responsibility.



Need to balance the risks and rewards of AI in the healthcare spectrum in a way that it can safely co-exist with conventional practices in the real world!

THE HEALTHCARE ECOSYSTEM is no longer defined by doctors, nurses, pathologists and other healthcare providers alone. Technological interventions are making inroads into the healthcare domain, making it more effective, accessible and personalised. Indeed, deep learning, machine learning and natural language processing based AI solutions are being effectively deployed in the healthcare sector. And the pace of innovation is only accelerating.



The IndiaAI website states that the Indian healthcare AI market is expected to reach \$1.6 billion by 2025. A recent NASSCOM report stated that AI in healthcare might add \$25-\$30 billion to India's GDP by 2025.

To start with the basic functionality, AI is being used to automate routine and error-prone administrative tasks like appointments, patient intake, billing, patient reports and other documentation. This not only creates operational efficiencies, but also frees up the medical practitioners and other personnel to focus on other critical tasks and complicated challenges related to patient care.

The field of diagnostics is ripe for the picking. Many AI algorithms can rival the diagnostic abilities of expert pathologists and radiologists. They can be used for both tedious tasks (like counting the number of cells dividing in cancer tissue, analysing microscopy slides, screening large-scale samples) and advanced imaging analysis (like triaging X-rays, CT scans, MRIs). This can help detect anomalies and identify diseases in a matter of seconds, thus reducing the turnaround times.

AI-powered tools have been developed that are capable of identifying a variety of eye and skin disorders, screening for diabetes, diagnosing cardiovascular diseases, detecting breast cancer, colorectal cancer and

other cancers and even diagnosing neurological disorders with speed and accuracy.

The most wholesome benefit emerges from AI's ability to mine enormous amounts of medical data and analyse unstructured patient records (exceeding human capabilities) to yield useful information that can facilitate early detection of various complicated and life-threatening diseases. Additionally, it can review and store years of clinical data – from every medical journal and case study – bringing the requisite information at the fingertips of healthcare providers.

Predictive analysis capabilities of AI tools can identify high-risk patients, recommend the appropriate treatments, suggest the correct dosing, track patient progress and even forecast outcomes. The clinical decision-making support assists the medical practitioners in not only making quick and accurate diagnoses, but also in designing personalised health treatment plans based on the patients' genetic, lifestyle, clinical and other unique conditions. Furthermore, evidence-based AI can derive patterns from a patient's prior medical data and use that to anticipate any potential health risks.



Microsoft's AI project Hanover memorised all the relevant papers to help doctors choose from more than 800 medicines for cancer treatment. It can predict which drugs – or combination of drugs - will be most effective for a patient.

India's National Digital Health Mission (NDHM) is leveraging AI to create a comprehensive national digital health infrastructure – from digitising the healthcare records and building a health database to powering a health analytics platform.

National Digital Health Mission





Deep Patient, an AI-powered tool built by Icahn School of Medicine, Egypt, allows doctors to identify high-risk patients much before the actual disease is diagnosed. The tool analyses a patient's medical history to predict almost 80 diseases up to one year prior to onset!

Then there are virtual health assistants and chatbots to help people find medical information and enable better patient engagement. Point-of-care solutions, wearable devices and IoT-enabled health monitoring systems can constantly collect patient data (like heart rate, blood pressure and glucose levels) to track their vital signs,

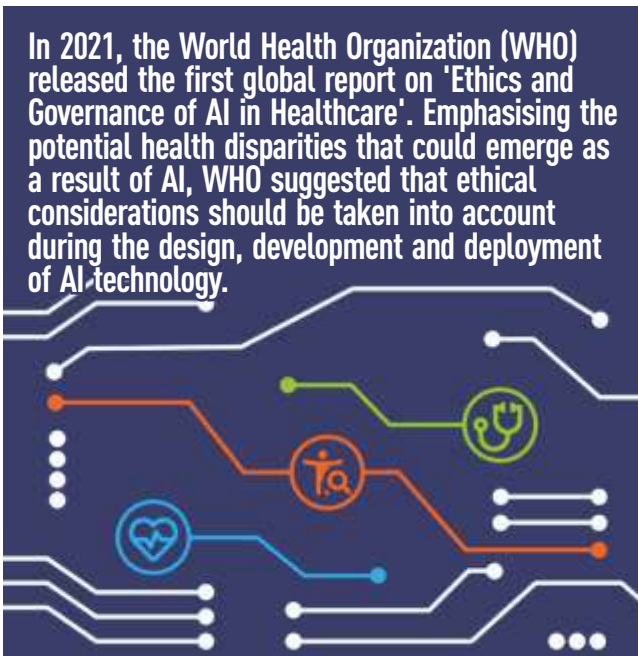
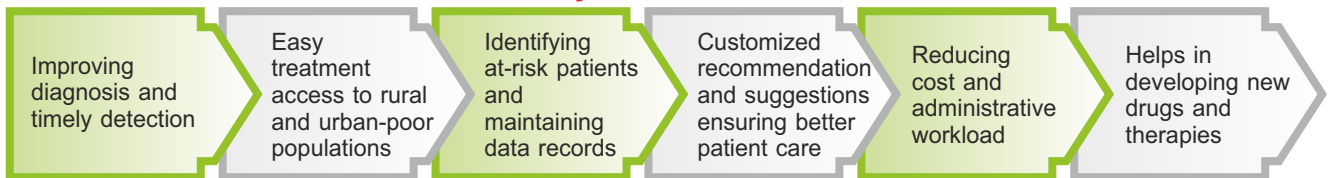
assess their health condition and provide early warnings of health issues.

Healthcare is getting reinvigorated - there are AI-powered telehealth platforms for real-time consultations from anywhere on the one hand and robotic or robot-assisted surgeries on the other. An array of AI technologies are being used in the drug designing and testing process, thus accelerating the drug discovery and drug repurposing processes as well as reducing costs.

In the future, AI has the potential to unlock new healthcare insights and can also streamline the way healthcare providers interact with healthcare data. It will not only fasten the pace of diagnosis and treatment, but

The government is also betting big on AI for improving healthcare. Government think tank, NITI Aayog is tying up with technological giants and AI startups as well as state governments for everything from developing automated disease detection systems to establishing AI centres focusing on rural healthcare. The National Centre for Disease Control (NCDC) is working on creating a program that will scan all media reports on health to create a database for the outbreak of almost 33 diseases.

AI Ecosystem In Healthcare



In 2021, the World Health Organization (WHO) released the first global report on 'Ethics and Governance of AI in Healthcare'. Emphasising the potential health disparities that could emerge as a result of AI, WHO suggested that ethical considerations should be taken into account during the design, development and deployment of AI technology.

also pave the way for low-cost solutions. Patients will be empowered with AI to take greater control of their own health and better understand their evolving needs.

AI opens possibilities of accelerated health-based responses, improved public health surveillance, more informed health policies and more. It can even help predict, fight and understand future pandemics.

A Note of Caution

The great strides in improving patient outcomes come with their own set of risks and challenges. Foremost, is the comfort level of consumers as the patient-doctor relationship will be forever changed. Neither patients nor doctors are open to accepting a machine-generated health diagnosis/treatment. Then there are the omnipresent issues of algorithmic bias, errors, data privacy and cybersecurity.

The thorniest concern in the AI healthcare equation is ethics. Malpractices throw up a quandary, not to mention the dilemma of who to blame for life-threatening mistakes - man or machine? ▶

Will You Lose Your Job to AI?

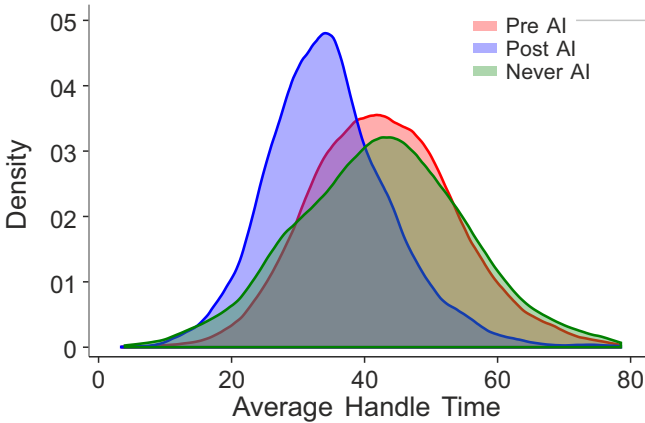
Artificial Intelligence is disrupting the social ecosystem, the economy and even jobs. More and more people are worried that AI will take away their livelihood! Consider the emerging opportunities and prepare yourself for the transition.....



The job market will face quite an upheaval as many tasks will not require human intervention in the future!

PEOPLE ARE USING AI to help with their jobs – getting things done in a quicker and even better manner. A study by Massachusetts Institute of Technology (MIT) and Stanford University assessed the performance of more than 5000 customer support agents and revealed that they were 14% more productive when using generative AI tools. (see Figure 1)

Figure 1: Productivity of workers using generative AI



However, while your new AI assistant can make you better at your work, there is also a growing risk that it can take away your job. The world is literally at a knife-edge over the fear of losing livelihoods to automation. AI-driven job displacement is the subject of many academic studies and business cases. There is also a website called 'Will Robots Take My Job' where you can input a job title and see the likelihood of it being replaced by AI.

It cannot be denied that machines can perform many tasks much more efficiently as compared to human beings. AI is already causing ground-breaking shifts in various industries by taking over majority of the repetitive, predictable and low-skill tasks. Many jobs like data collection, office support, customer service, etc. risk being eliminated in the future. (see Figure 2)

According to a report by the McKinsey Global Institute, an economic research hub, AI tools and robots can replace 30% of the global workforce by 2030! It further states that automation will displace between 400 and 800 million jobs by 2030.

Goldman Sachs' recent report suggests that generative AI alone can automate around 300 million full-time jobs worldwide.

The first IndiaAI Generative AI Roundtable concluded that approximately two-thirds of existing jobs are susceptible to various degrees of AI automation.

“I think we are seeing the most disruptive force in history; we will have something that for the first time is smarter than the smartest human...There will come a point where no job is needed.”

– Elon Musk told UK PM Rishi Sunak at the close of the AI Safety Summit



Figure 2:

Types of tasks that can be easily automated by machines

| | |
|-----------------------------|-----|
| Predictable physical work | 78% |
| Data processing | 69% |
| Data collection | 64% |
| Unpredictable physical work | 25% |
| Stakeholder interactions | 20% |
| Applying expertise | 18% |
| Managing others | 9% |

(Source: McKinsey)

Still wondering how this is possible?

Consider this: Many companies and websites are using digital assistants to engage with users, answer their queries and deliver the requested content, thus rendering the role of customer service agents obsolete. At times, you cannot even tell whether you are conversing with a human or a chatbot!

Machine learning can easily process large volumes of data, identify trends, predict outcomes and organise the findings – therefore, they can deliver industry insights faster and more efficiently than financial and market research analysts.

Similarly, it can also sort through numerous documents, gather facts for a case, write legal reports and conduct legal research without the need for paralegals or other legal assistants.

Travelers can get personalised recommendations, travel tips, virtual tours and informational videos on travel platforms, thus putting travel agents out of work.

The list goes on, including cashiers, translators, telemarketers, receptionists, drivers, graphic designers, financial advisors, fast food cooks, etc. Media jobs like advertising, technical writing, journalism and other content creation will be affected by AI. Major disruptions are likely in sectors across manufacturing, logistics, transportation, retail, accounting, transcription, food service, education, agriculture

In April 2023, it was reported that 70% of the jobs for Chinese video game illustrators had been eliminated by GenAI!

and healthcare. The irony is that AI even poses a threat to tech profiles like coders, computer programmers, software engineers, data analysts, etc.

It is clear that middle-class jobs are at risk of becoming redundant this time round. As the Economist stated, *“The worry that AI could do to white-collar jobs what steam power did to blue-collar ones during the industrial revolution is worth taking seriously!”*

AI Will Create New Jobs Too!

When asked about AI leading to massive job losses and increasing employment rates, Minister of State for Electronics and Information Technology, Mr. Rajeev Chandrasekhar pointed out, “While AI is disruptive, there is minimal threat to jobs as of now. The current state of AI development is task-oriented; it cannot reason or use logic. Most jobs require reasoning and logic, which current AI cannot perform. AI might achieve this in the next few years, but not right now.”

Such an assessment seems only partially correct. A recent study by Centre for Policy Research (one of India’s leading public policy think tanks) highlights the importance of considering job losses due to AI, especially in a labour-intensive economy like India.

Fact of the matter is that while many jobs - which are largely binary in nature and involve minimum subjectivity - are susceptible to being replaced by AI, technology will beget novel opportunities as well. The new roles will require complex problem-solving, critical thinking and advanced technical skills. Therefore, it can be said that AI is shifting jobs and changing the type of work that people do. (see Figure 4)

Future-Proof Your Career

As the emerging technical roles require new skills, you can get left behind if you don’t upskill yourself. There is a critical

Figure 3: The Impact of Generative AI on Labor Productivity, Employment, Wages and GDP, March 2023

| Occupations with high proportion of tasks that could be automated by Generative AI | |
|-------------------------------------------------------------------------------------|----------------------------------------------------|
| Occupation | Proportion of task that can be automated by Gen AI |
| Office and administrative support | 46% |
| Legal | 44% |
| Architecture and engineering | 37% |
| Life, physical and social science | 36% |
| Business and financial operations occupations | 35% |
| Occupations with least proportion of tasks that could be automated by Generative AI | |
| Occupation | Proportion of task that can be automated by Gen AI |
| Building and grounds cleaning and maintenance | 1% |
| Installation, maintenance and repair occupations | 4% |
| Construction and extraction occupations | 6% |
| Education, training and library occupations | 7% |
| Health-care practitioners and technical occupations | 8% |

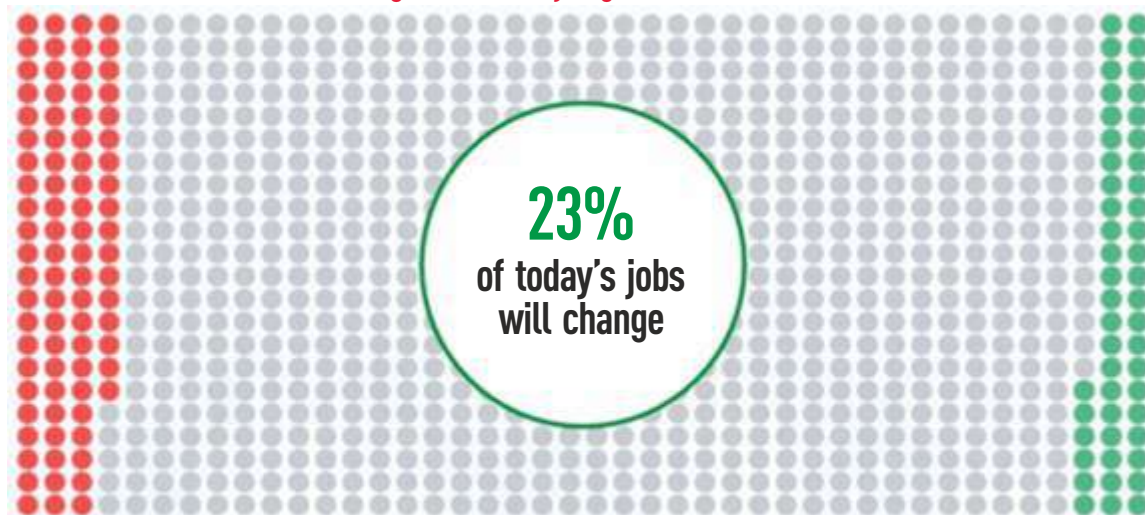
Source: Glenn Mossy, Senior AI Engineer

need to adapt and acquire new skills to remain relevant in the changing landscape. Therefore, continuous learning is the only way to stay ahead of the curve and beat AI at its own game!

Furthermore, AI cannot replicate interpersonal skills, leadership, strategic problem-solving, social perceptiveness, emotional awareness and even human creativity. Nor can these be left to technology alone. Hence, people managers, program managers, HR specialists, etc. will continue to call for the human touch.

Above all, the fact remains that it is practically impossible to replace humans with AI! ▶

Figure 4: Total job growth and loss



○ One million ● Lost jobs ● Stable jobs ● New jobs

Source: World Economic Forum, Future of Jobs Report 2023

**JAGO
GRAHAK
JAGO!**



This section features success stories of consumer activists who are relentlessly battling for consumer rights. We will highlight decisions and awards in favour of the consumers. This should motivate other youngsters to take up the cause of the consumer - not only for social benefit, but their own good too! Jai Ho Grahak!

Refusal to Replace a Damaged Saree – Errant Retailer Ordered to Pay Compensation

A WEDDING SAREE is like an heirloom – cherished for years and sometimes generations to come! Needless to say, it's an expensive purchase and the sight of the saree inspires memories; you wear it with nostalgic pride every time. but, what if, this treasured ensemble develops blemishes and can never be worn again?

Sarah Thomas of Changanassery, Kerala bought two bridal sarees for her daughter from a textile showroom in Ernakulam on 12th January, 2018 for Rs. 30,040. Alas, they were never worn as the wedding was called off. The mother was heartbroken, but she dutifully aired the heavy silk sarees for preservation.

Imagine her shock when she noticed black spots on one of them just around a year later. On complaining to the retailer, she was initially promised a replacement. However, a month later, the defective saree was returned to her after repolishing and not replaced.

Thankfully, the dejected woman did not take it lying down and filed a complaint with the Ernakulam District Consumer Disputes Redressal Commission in Kerala. She alleged that the saree's damage was due to material and manufacturing defects and accused the retailer of unfair and deceptive trade practices, along with service deficiencies, causing her severe mental agony, loss and hardship.

The textile major came up with a number of excuses:

- The saree was purchased by the complainant's daughter and since the

actual purchaser was not a party to the complaint, the petition was not maintainable.

- The saree was packed in a velvet box at the time of purchase and the customer was warned that keeping the saree in such a box could cause damage.
- The product was free from manufacturing defects and the damage was likely due to it being stored in an airtight box for an extended period.
- The complainant did not produce any evidence of manufacturing defects before the commission.



Consumer rights prevailed in the end. The commission issued a verdict in January 2024 directing the textile retailer to compensate the complainant to the tune of Rs. 75,000 for failing to replace the defective silk saree. It further stated that the issue arose from the retailer's lack of clear instructions on how to properly preserve the saree.

The ruling was that, "The absence of such guidance makes it unjust to hold the consumer responsible for any supposed non-compliance. In conclusion, the retailer's failure to provide explicit care instructions led to supporting the consumer's complaint. This situation highlights the need for clear communication between retailers and consumers to prevent misunderstandings and ensure the protection of consumer rights."

While dismissing the retailer's contentions, the commission cited a landmark decision by the Bengal State Consumer Disputes Redressal Commission wherein it was decided that sellers bear the responsibility for damage to goods unless it is proven that the purchaser caused the damage. "This shift from the traditional principle of 'caveat emptor' to 'caveat venditor' indicates a significant advancement in consumer protection laws, aligning with contemporary needs and ethical business practices!" observed the commission.

Jai Ho Grahak! ▶



Moving a Step Ahead

AVAIL 'CASHLESS' MEDICAL TREATMENT AT ANY NON-NETWORKED HOSPITAL

GOOD NEWS FOR hassled health insurance policyholders – now you can get cashless treatment at any hospital across the country, irrespective of whether it is networked or not!

In January, the General Insurance Council (GIC) - in consultation with general and health insurance companies – launched the groundbreaking 'Cashless Everywhere' initiative to extend cashless treatment at all hospitals (effective immediately). This is applicable to hospitals with 15 beds that are registered with the respective state health authorities under the Clinical Establishment Act.

Until now, policyholders could get cashless treatment only at network hospitals with whom their insurance companies had a tie-up. Despite having medical insurance, in case on non-network hospitals, they had to pay the entire amount upfront before applying for a reimbursement claim from the insurance provider. Moreover, it is often difficult for the rural and semi-rural populace to access network hospitals with the cashless facility.

In such cases, the onus of coordinating with the hospital to collect the requisite documents is on the policyholder. Moreover, most of the claims are subject to multiple query cycles which makes the process lengthy, stressful and can even lead to disputes.

The roll out of this initiative allows policyholders to get admitted to any of the over 40,000 hospitals in the country without paying an advance amount, even if the said hospital is not in the insurance company's network. This will ease the

According to the Insurance Regulatory and Development Authority of India (IRDAI) Annual Report, only around 56% of the health claims in 2022-23 were settled through the cashless facility.

out-of-pocket payment burden on the policyholders as the insurance provider will directly settle the bill on the day of discharge.

The following rules are applicable for availing treatment at non-empanelled hospitals:

- The policyholder should inform the insurance company at least 48 hours before the admission, in case of elective procedures.
- The policyholder should inform the insurance company within 48 hours of admission, in case of emergency treatment.
- The claim should be admissible as per the terms of the policy and the cashless facility should be admissible as per the operating guidelines of the insurance company.



Tapan Singhel, Chairman of the General Insurance Council and MD and CEO of Bajaj Allianz General Insurance stated, "The new initiative will encourage more customers to opt for health insurance. We also see this as a step towards reducing, and in the long run, eliminating fraud, which has been plaguing the industry in a big way and reducing trust in the system. Overall, it's a win-win for all the stakeholders." ▶

There was a sharp rise of 22% in health insurance premium numbers in 2022-23 while the number of lives covered under individual health insurance policies grew only by 2.5%. This sharp variance indicates that insurance companies are growing their business by collecting more premiums from the same policyholders.

The Delhi High Court dismissed a plea seeking inclusion of ayurveda, yoga, and naturopathy in Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PM-JAY), the national health insurance scheme, as the petitioner failed to appear before the court.

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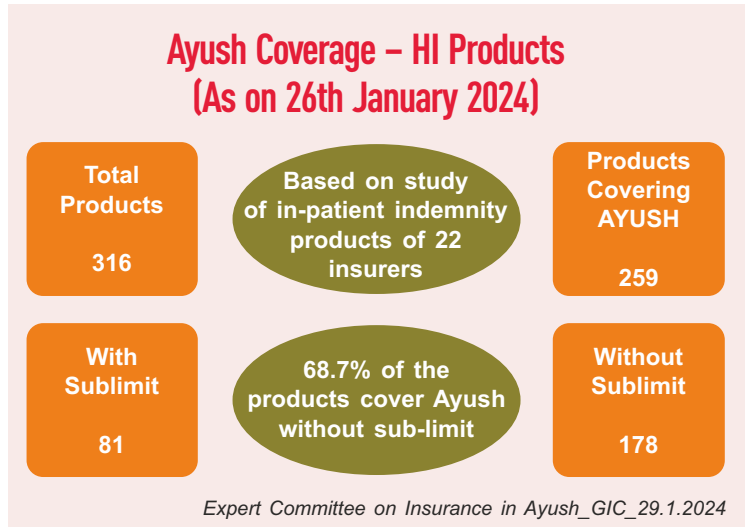
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Historic Moment for Ayush Insurance

THE CORE GROUP of Experts on Insurance in Ayush Sector – led by Prof Bejon Misra - made an impressive presentation in the General Insurance Council meeting at the end of January. Thereafter, the Council agreed to work on Ayush insurance in a more focused manner to increase health insurance penetration in India.

It is noteworthy that while the number of reported Ayush hospitalisation claims were 7006 in 2022-23, they had crossed 10,800 between April-December 2023 itself. Even the amount paid under Ayush insurance claims rose from Rs. 13.82 crore in 2022-23 to Rs. 75.82 crore between April-December 2023.

The Core Group made a number of noteworthy recommendations and also called on the GI Council to facilitate them in writing a White Paper reflecting the past and present status of Ayush insurance coverage along with highlighting the existing challenges and opportunities. ▶



MAJOR BREAKTHROUGH: Following the dogged insistence of the Core Group of Experts, the IRDAI issued a circular directing all general and health insurers to integrate Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homeopathy (Ayush) treatments on par with conventional medical approaches in their health insurance policies - both existing and new (from 1st April, 2024).

The guidelines further mandate the inclusion of quality standards and procedures for enrolling Ayush hospitals/daycare centres as network providers for cashless treatments.

The IRDAI stated, "In recent times, Ayush treatments have garnered increased popularity and have become an established branch of medicine. Considering the growing demand for Ayush treatments, there is a need to consider these treatments at par with other treatments."

Finally, policyholders will be empowered with the choice to adopt Ayush treatments of their preference!

Obtuse Angle
by
BP Acharya



Webinar on 'Insurance is a Safety Net: Not an Expense'

OUR DECEMBER EDITION was a starting point for creating awareness about the need for insurance in all walks of life. We followed up on this by organising a national webinar - in association with RJS Positive Media - on 28th January, Sunday at 11 am. It was conducted in both online and physical mode (at New Delhi).

The webinar was well-attended by notable national and international personalities like Dr. Ramaiah Muthyala, Dr. P Rama Rao, Mr. Ishaq Khan, Dr. Smarita Mohanty, Mr. AK Merchant, Ms. Neeru Jain, Mr. Rakshit Tiwari, Mr. Ashok Kumar Vidyarthi, Ms. Pranjali Shrivastav, Mr. PCP Mahapatra, Mr. Satender Suman and more.

RJS Positive Media organises regular webinars every Sunday morning on topical themes. They have conducted around 175 webinars till date.

Our editor and publisher, Prof. Bejon Misra chaired the session with his usual aplomb. While rendering the welcome address, Ms. Bina Jain stressed on the importance of insurance and introduced the dignitaries to the attendees.

Mr. Rajiv Vasudevan (Founder & MD, Apollo AyurVIAD Hospital) - was the keynote speaker on the panel. He was present at the physical venue along with Prof Misra, Mr. Surjit Singh Kohli, Mr. Dhananjay Kumar and other eminent dignitaries.

Mr. Rajiv is a prominent representative of the Ayush sector and a strong proponent of Ayurveda. During his talk, he stressed that people should not think of insurance as an expense or an investment, but consider it a protection for a rainy day.

He clarified the prevailing misconceptions regarding illness and good health by explaining the lifecycle of a disease which develops slowly and will be present in the body years before it is diagnosed. Moreover, we

are focused on merely treating the symptoms and not the root cause of any disease.

Mr. Rajiv opined that non-communicable diseases are the major contributor to diseases today. And we ourselves are responsible for it; not the environment or anything else. He stressed on integrative care where modern medicine and Ayurveda can work together to treat a patient. He informed the audience that taking health insurance with Ayush cover will yield ten times returns in the future. There are 220 accredited hospitals and 90 NABH clinics related to Ayurveda where cashless benefits can be availed.

He further exhorted everyone to buy insurance when they are young as not only is the premium low, but they can stay healthy and be less susceptible to diseases later. The total premium paid will be less and they can also avail cumulative no-claim benefits which will increase the coverage limits in the later years.

The attendees were truly riveted by the information and raised interesting perspectives. Dr. Ramaiah voiced his worry that people living in villages have no clue about insurance - what is covered and how to get a policy. Despite Ayushman Bharat and other public insurance schemes, a major segment of the population is still not covered by insurance. While awareness is slowly increasing, he stressed that we need to do a lot more to spread awareness in the rural areas.

Mr. Surjit Singh shed light on how ignoring the telltale signs of diseases can cause them to progress uninhibited in the body and that the importance of eating local foods based on the area and weather conditions is

crucial for maintaining good health.

Mr. Dhananjay was of the view that people may think that they don't need insurance today, but they regret when the need arises. He said that the webinar changed his perception and he will encourage others also to take insurance on time to live an easy life.

Prof Bejon Misra said that he was calling for using the Consumer Welfare Fund for the benefit of the consumers before every budget. This money belongs to the people and can be used to provide insurance cover to the 40 crore odd Indians who somehow slip through the cracks and don't get insurance under any scheme. They are forced to sell their assets during medical emergencies and many even slip below the poverty line due to the out-of-pocket health expenses. He highlighted the misuse of public insurance schemes and called for a separate regulator for this purpose.

The webinar ended on a high note with a call to action for increasing insurance penetration. ▶



letters to the



editor

(January issue: Be a wise Consumer: INSURANCE is Your Safety Net, Not an Expense)

We are truly humbled by the praise and acknowledgment that is flowing in from varied sources. Please feel free to send in your comments, views or feedback on The Aware Consumer magazine at bejonmisra@theawareconsumer.in – we will publish your opinions and implement your feedback while ensuring that your voice is heard on the right platforms.



The Aware Consumer magazine is generally a very informative magazine to which consumers look forward to every month. However, the edition on insurance would have benefitted if it had included articles on the 'consumer-unfriendly' nature of the insurance industry. Most importantly, the consumers need to be educated on the basics of various insurance policies, the benefits of each and the limitations to those benefits.

I have worked as a life insurance agent for HDFC Life and cleared the IRDAI examination as well. However, I could not sell a single endowment policy as my conscience did not permit me to mislead the customers. In my opinion, only a term or ULIP policy makes sense in the life insurance space, that too, not for the older population. Therefore, the consumers should be made aware that insuring your life is a protection not for you, but only for your family and to expect returns from life insurance policies is to shortchange oneself.

Life insurance companies cannot give high returns on their policies because they can invest their funds only in secured securities – these give returns that are around 6% or even lower. How can they be expected to give better returns to the consumers? Even in the case of ULIPs, the benefits under Section 10 can be availed only when the sum assured is ten times the annual premium. For older people, this is just not possible, and agents advise that the policy be taken in the name of the children.

There are some good term insurance schemes with riders for critical illness and accident coverage. However, there is nothing that will actually protect people from a job loss during an economic downturn. But who will tell this to the consumers? And will they buy insurance if they know the truth? Moreover, there is no insurance plan in which the returns peak in case of a mishap during middle age when children are young, and the family has a whole life ahead and tapers off after the age of 50 or 60 by which the insured has already made alternative arrangements for the future.

Moreover, consumers are being misled that it is good to buy insurance at a young age as the premiums will be lower. This is applicable only for life and not health insurance. Health premiums will increase with your age to the extent that they may become unaffordable in your golden years – a stage when you will need the coverage the most!

Take my Mediclaim policy for instance. The premium was just Rs. 4000 when I started it over 3 decades ago. Till 4 years back, I was paying a premium of Rs. 38,000 for a family policy including me and my wife. Suddenly, the insurance provider discontinued the said policy and replaced it with a new one where I must shell out Rs. 75,000 (double the amount). They added a few inconsequential features to justify the increased premium and refused to revert me to the old policy, saying it was no longer available. I am aged 72 years and can neither afford the premium nor forego the coverage!

Another issue is of limiting the claim amount to the amount agreed between the insurance company and the network hospitals. However, nobody tells the consumer the fine print. For all packages, these insurance companies have agreements with network hospitals limiting the payment to a much lower amount. The hospitals and insurance companies are in collusion. Well, I would presume that if the hospital has agreed to the amount, the surgery cost should not be more!

I would also like to mention that I suffer from a neurological disorder due to which most of the insurance providers used to disqualify my application. I relentlessly escalated the issue up to the IRDAI arguing that how can my eyes, heart and bones be denied coverage due to this condition. Finally, the insurance regulator ruled that apart from 16 permanent exclusions, all other diseases must be covered by insurance providers. I ask how many consumers can spare the time and effort for such a dedicated pursuit?

Insurance companies and banks work on similar principles. *You will get a loan only if you are well-off to not need one and you will get an insurance policy only if you are healthy enough to not need one!*

– **Alok Kapoor**, Faridabad, Haryana • alexcoop@gmail.com



Hearty congratulations to the publisher for bringing out such an excellent magazine with thematic title & topics for awareness building about insurance. I have minutely gone through the magazine and found very relevant topics and aspects of health insurance discussed and analysed in it. The magazine is replete with critically important dimensions of insurance coverage including policy interventions, strategic implementation issues, regulatory aspects and strides taken in India for financing healthcare through insurance providers for availing conventional medical and/or Ayush treatment by the beneficiaries.

In the emerging spectrum of disease-afflicted population, insurance coverage for healthcare is not only important from the perspective of third-party financing but also to curtail the out-of-pocket expenditure. Fortunately, with the consistent policy support for healthcare insurance, its outreach and coverage is gradually expanding in the country with both public and private insurance companies and various schemes.

– **Dr. Dinesh Chandra Katoch**, New Delhi
dckatoch@rediffmail.com



I would like to highlight the Group Medical Cover schemes of insurance companies. Once the employee retires or leaves, he is left in a lurch. He has no medical cover. At the point of retirement, the employee can't take the requisite medical insurance cover as premiums are exorbitant. Please shed light on this issue in the future.

– **Ashok Madan**, Delhi
akmadan.idma@gmail.com



I am glad to go through the January 2024 issue of 'The Aware Consumer' magazine dedicated to all types of insurance. It deals with everything pertaining to health insurance including that for traditional healthcare system. It lauds the unparalleled initiatives of our Honourable Prime Minister and Health Minister in implementing the much needed scheme 'Insurance for All by 2047'. Above all, messages from experts like IRDAI's Chairman Shri. Debasish Panda Ji and Shri. B. P. Acharya Ji are excellent and very useful.

I would like to take this opportunity to congratulate and appreciate the efforts of the 'Team Aware Consumer' headed by stalwarts like Dr. P. D. Seth Ji and Prof. Bijon Mishra Ji, to educate the consumers in all fields, especially on Health Insurance, in its January issue. I laud the magazine for being an eye-opener to the consumers at large. It's a good service may it continue for ever.

– **Dr. N. Murugesan**, Former Director,
Central Drugs Testing Laboratory, Chennai
drnmurugesan@gmail.com



Watch out for the next issue in April dedicated to Improving Quality of Education in India!

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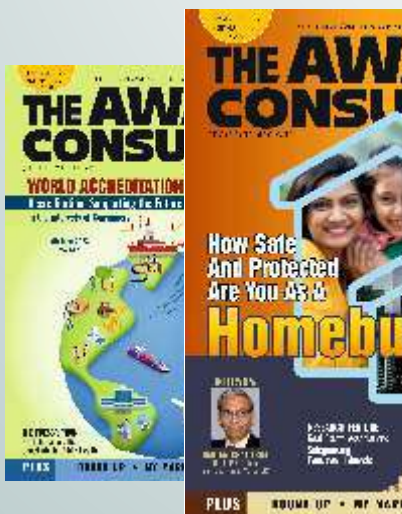
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