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Why European Union is shifting from being the global tech regulator to AI innovation advocate

The Indian Express had earlier reported that New Delhi is looking at a public-private partnership model to set up high capacity data centres in the country for start-ups to access.

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The Indian government is currently drawing out an AI Mission which may soon head for Cabinet approval and could have an outlay of more than Rs 10,000 crore. (Photo: Reuters)

To dissuade concerns that **Europe is overregulating artificial intelligence (AI)**, which could stifle innovation in the bloc, the European Commission has released a set of rules to enable start-ups and other businesses to access hardware – such as supercomputers and computing capacity – for them to build large- scale AI models. This follows the political agreement reached in December 2023 on the EU AI Act – the world's first comprehensive law on AI – that aims to support the development, deployment and take-up of trustworthy AI in the European Union (EU).

India has been considering a similar plan to build compute capacity for the country's start-ups to ride the AI wave. *The Indian Express* had earlier reported that New Delhi is looking at a public-private partnership model to set up high capacity data centres in the country for start-ups to access. Computing capacity, or compute, is among the most important elements of building a large AI systems, apart from algorithmic innovation and datasets. It is also one of the most difficult elements to procure for smaller businesses looking to train and build such AI systems.

What is Europe's AI innovation plan?

The European Commission has launched a package of measures to support European startups and small businesses in the development of trustworthy AI. The package includes a broad range of measures to support these start-ups and innovation, along with a proposal to provide privileged access to supercomputer AI start-ups and the broader innovation community. The plan includes:

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Acquiring, upgrading and operating AI-dedicated supercomputers to enable fast machine learning and training of large general purpose AI (GPAI) models.
 Facilitating access to the AI dedicated supercomputers, contributing to the widening of the use of AI to a large number of public and private users, including start-ups and SMEs.
 Supporting the AI startup and research ecosystem in algorithmic development, testing evaluation and validation of large-scale AI models.
 Enabling the development of a variety of emerging AI applications based on GPAI models.

How is the EU's plan similar to India's?

The Indian government is currently drawing out an AI Mission which may soon head for Cabinet approval and could have an outlay of more than Rs 10,000 crore. As part of the programme, the government wants to develop its own 'sovereign AI', build computational capacity in the country, and offer compute-as-a-service to India's startups.

The Indian Express had earlier reported the capacity building will be done both within the government and through a public-private partnership model, highlighting New Delhi's intention to reap dividends of the impending AI boom which it envisions will be a crucial economic driver.

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In total, the country is looking to build a compute capacity of anywhere between 10,000 GPUs (graphic processing units) and 30,000 GPUs under the PPP model, and an additional 1,000-2,000 GPUs through the PSU Centre for Development of Advanced Computing (C-DAC), Minister of State for Electronics and IT Rajeev Chandrasekhar had earlier told this paper.

The government is exploring various incentive structures for private companies to set up computing centres in the country – ranging from a capital expenditure subsidy model which has been employed under the semiconductor scheme, a model where companies can be incentivised depending on their operational expenses, to offering them a "usage" fee, Chandrasekhar had said.

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The government's idea is to create a digital public infrastructure (DPI) out of the GPU assembly it sets up so that startups can utilise its computational capacity for a fraction of the cost, without needing to invest in GPUs which are often the bi[...] cost centre of such operations.

Why is the EU especially enabling AI innovation?

The most visible innovation in AI so far has been led by American companies, especially OpenAI and [Google](), and newer ventures such as Perplexity and Anthropic. Europe, which has so far regulated technologies from a human-rights-first approach, was being accused by the industry of yet again regulating AI even before it has spread across the continent in a meaningful way.

The US has so far not needed to offer hardware service to businesses in the country because that is an area where a number of American companies have made formidable strides.

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For instance, according to a 2020 blog by [Microsoft](), the company had developed a supercomputer for OpenAI – the firm behind ChatGPT – which consisted of 10,000 GPUs among other things.

This also comes after the European Commission reached a deal to introduce an AI Act last year, but the legislation has drawn criticism.The legislation includes safeguards on the use of AI within the EU, including clear guardrails on its adoption by law enforcement agencies, and consumers have been empowered to launch complaints against any perceived violations. The deal includes strong restrictions on facial recognition technology, and on using AI to manipulate human behaviour, alongside provisions for tough penalties for companies breaking the rules.

Governments can only use real-time biometric surveillance in public areas only when there are serious threats involved, such as terrorist attacks.