PR08 / Shaping the Operationalization of the DPDP Act: Economic and Performance Impacts of India's Data Mandates

Topic : Practice

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GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

The DPDP Act is a major public policy reform in the Global South. This research aims to provide evidence-based inputs during the 18-month DPDP implementation period and help policymakers reduce friction and support innovation. First, the study focuses on the economic cost, and measures the direct and indirect costs incurred by startups and SMEs. It involves checking the compliance cost, infrastructure cost, legal cost, and operational burden. Second, it assesses the impact on the operations, analyze how the mandates have affected their performances, particularly by evaluating the latency, system efficiency, rate of processing time, and innovation capacity. Third, it evaluates the correlation between mandate stringency with the business performance, and check how the mandates have led to the market expansion, funding access, user growth, and competitiveness. Finally, synthesize these findings to provide a practical evidence-backed suggestion and align the DPDP implementation with the existing sectoral rules. It focuses on reducing the compliance friction and protect the space for innovation, growth and ensure a strong but balanced data protection.

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Title:

Shaping the Operationalization of the DPDP Act: Economic and Performance Impacts of India’s Data Mandates.

Abstract:

This research examines the economic and operational impacts of India’s past sectoral data mandates such as the RBI’s 2018 FinTech directive and HealthTech guidelines under DISHA and ABDM on startups and small and medium enterprises (SMEs). Using these mandates as a natural policy experiment, the study analyzes compliance costs, performance effects, and innovation outcomes between 2020 and 2024. The findings aim to inform the phased implementation of the Digital Personal Data Protection (DPDP) Act, 2023, during its critical 18-month rollout window. By linking real-world evidence to policy design, the research seeks to help balance strong data protection with the need to foster innovation, reduce regulatory friction, and support inclusive growth in India’s digital economy.