



Growing Digital Economy *Need & Importance of Optimal Regulations*



L-R: Arvind Mayaram, Ram Sewak Sharma,
Pradeep S Mehta and Ajay Kumar

CUTS Institute for Regulation & Competition (CIRC) and CUTS organised the conference entitled, 'Future of Digital Economy: Need & Importance of Optimal Regulations' at New Delhi on August 11, 2017, which marked the India launch of 'Regional Inclusive Growth' Project (Diginomics-I). The project covers three countries, namely India, Vietnam and Philippines and aims to strengthen digital economy in these countries, by suggesting evidence-backed policy reforms.

The conference was attended by Pradeep S Mehta, Secretary General, CUTS; Ram Sewak Sharma, Chairman, Telecom Regulatory Authority of India; Ajay Kumar, Additional Secretary, Ministry of Electronics and Information Technology; and Arvind Mayaram, Former Finance Secretary, Government of India as speakers, along with a diverse set of stakeholders as participants.

The discussions revolved around highlighting advantages brought forth by the digital economy, along with the infrastructural and regulatory challenges, it faces. Consumer concerns regarding cyber security, data and privacy protection were also deliberated. Emphasis was laid on spreading awareness amongst consumers about benefits of digital economy.

It was suggested that regulators need to be better capacitated and would need to think out of the box, to devise an optimal regulatory/policy framework.

In Vietnam

CIRC and CUTS in cooperation with the Vietnam Chamber of Commerce and Industry (VCCI)

organised the conference entitled, 'Digital Economy: Potential Benefits, Challenges & Implications of Regulations' at Ho Chi Minh City on August 30, 2017, which marked the Vietnam launch of Diginomics-I project. Pradeep S Mehta and Vo Tan Thanh, Vice President, VCCI, made opening remarks and emphasised on the need for all countries to grow digitally.

The focal point of the conference was to deliberate optimisation of the digital economy framework in Vietnam. Digital economy brings huge benefits to consumers (*with product choice, affordability and accessibility*), businesses (*via enhanced market access, opportunities and efficiency*) and governments (*through efficient public participation and service delivery*).

Digital economy also brings with it, a new array of challenges, such as complexity of regulating, threat to existing businesses and jobs, concerns with respect to privacy and data protection, lack of accountability, cybersecurity, etc. Thus, an optimal regulatory framework, which could help unleash digital economy potential, reap accruing benefits, and address challenges, is highly essential.

This gave rise to the workshop's two thematic panels and their ensuing discussions. While one discoursed on existing and prospective benefits of digital economy and more importantly, the impact on consumers, the other conferred on optimally regulating the new age business, which are disruptive and have risen because of advances in Information and Communication Technology.

The conference was marked by participation of renowned speakers from the region, representing businesses, academia, think-tank, civil society and policymakers. It also witnessed extensive participation from Vietnam, representing diverse stakeholder groups.



Participants at an event entitled, 'Digital Economy: Potential Benefits, Challenges & Implications of Regulations' at Ho Chi Minh City on August 30, 2017

Consumer Broadband Labels for Greater Transparency

National Centre for Human Settlement and Environment (NCHSE) and CUTS organised a Focused Group Discussion (FGD) on Consumer Broadband Labels at Bhopal on August 25, 2017. The objective of this FGD was to obtain feedback on the draft label designs prepared by IIT Delhi and CUTS, from consumers, civil society, service providers and the regulator. It also featured deliberation on the roadmap for adoption of broadband labels, which may enable consumers to make an informed decision on selection of broadband services.



Dignitaries at the Focused Group Discussion at Bhopal on August 25, 2017

Pradip Nandi, Director General, NCHSE welcomed participants and informed them about the objective of the project and role of CUTS and NCHSE in the project implementation.

Rohit Singh, Policy Analyst, CUTS presented the animated documentary to participants. The documentary was followed by a presentation, both of which highlighted common issues, which consumers face while using their broadband services. The presentation ended raising few pertinent questions on adoption of consumer broadband labels and also requesting feedback on draft label designs.

Rakesh Tiwari, Deputy Adviser, TRAI Bhopal Regional Office, appreciated the concept of labelling and said that it would help consumers. He also suggested that the TRAI

MySpeed app is also envisaged in the same direction, however, it would need more data from consumers to make it robust. He urged participants to use the app more to make it more effective, as it is based on crowd sourcing.

The FGD was attended by broadband service providers, viz. Reliance Communications Limited, Idea Cellular Limited and Airtel, consumers and consumer groups which included students, academicians, technocrats, representatives of CBOs and staff of CUTS and NCHSE.

<http://cuts-ccier.org/broadbandlabel/>

Green Growth and Energy Transformation

CUTS in collaboration with Friedrich Ebert Stiftung commenced a project entitled, 'Green Growth and Energy Transformation'. The core idea of the project is to create an implementable strategy for energy transformation at state level by engaging all concerned stakeholders into fostering a dialogue to identify common interests.

To serve this purpose, long-term multi-stakeholder working groups or the 'Seed Communities' were set up at Rajasthan, West Bengal, National and International (India-EU Cooperation) levels which identified Solar for Education as a catalytic project.

CUTS organised a Roundtable in Jaipur on July 28, 2017 called **Forum for Finance** to discuss challenges faced in channelling finance towards solarisation of schools and educational institutions in rural areas of Rajasthan which was attended by commercial banks, National Bank for Agriculture and Rural Development (NABARD), project developers, Indian Institute of Corporate Affairs (IICA), District Education Officer, Sawai Madhopur and beneficiary communities.

The key discussions of the session focussed on challenges faced by commercial banks while lending for off-grid solar solutions in rural areas, role of

NABARD in channelling rural finance, ways to channellise Corporate Social Responsibility (CSR) funds, potential in convergence of state funds under various schemes and workable models for solarisation of rural schools.

Further, CUTS organised a Roundtable called **Forum for Policy** on August 25, 2017 with representations from Bank of Baroda, Reserve Bank of India, Rajasthan Renewable Energy Corporation Ltd. (State Nodal Agency), project developers, Expert on Renewable Energy and seed community members to deliberate on improving access to energy through creation of an enabling ecosystem with appropriate policies, financing mechanisms and livelihood generation.

www.cuts-ccier.org/Grow-GET/



Participants at the Roundtable called 'Forum for Finance' at Jaipur on July 28, 2017

Evaluation of Competitiveness Among North Indian States

CUTS organised a Speaking Tour during July 24-28, 2017, wherein an American Expert, Shanthi Nataraj, Economist, RAND Corporation visited states of Rajasthan and Uttarakhand and exchanged experience from the US with Indian stakeholders on the subject of Ease of Doing Business (EoDB).

CUTS facilitated the cross-fertilisation and exchange of best practices and ideas amongst stakeholders by organising FGDs and one-on-one meetings. The initiative for cross learning holds strong significance in the current context as both India and the US have a strong push towards state competitiveness and empowering states *vis-à-vis* EoDB reforms. The interactions mainly involved understanding challenges pertaining to state competitiveness and measures to improve EoDB in states.



Participants with American Expert, Shanthi Nataraj during the Speaking Tour

The Tour was organised as part of an ongoing CUTS project entitled 'Evaluation of Competitiveness Among North Indian States', supported by American Embassy, North India Office. It was a follow up to the first Speaking Tour organised in November 2016, wherein the American expert, Albert Foer, Founder and Senior Fellow, American Antitrust Institute visited states of Punjab, Haryana and Uttar Pradesh. www.cuts-ccier.org/STATE-COMP/index.htm

Biennial Conference on Competition, Regulation & Development

CUTS and CIRC is organising 5th Biennial Competition, Regulation and Development Conference at Jaipur, on November 09-11, 2017. Through the 5th edition, this International Conference enters its 10th year and as always, it promises to bring together a unique set of expert stakeholders from across the globe.

There is a broad consensus that innovation is central to the long-run performance of an economy. From this follows a need to strengthen the foundation of the innovation ecosystem in the developing world with an objective of achieving sustainable development. Thus, this year's theme is 'Fostering Innovation for Sustainable Development – *Revisiting Intellectual Property Rights and Competition from the lens of Optimal Regulation*'.

The Conference, in particular, aims to bring research and empirical evidence on two seemingly contentious issues which are far from being settled: a) the interface between competition and intellectual property rights (IPRs); and b) the role of competition and regulation *vis-à-vis* disruptive technologies. Alongside this, the scope of collaboration, knowledge sharing and optimal resource allocation between different stakeholders, private and public will be discussed.

www.cuts-ccier.org/5th_Biennial_Conference/

Advocacy

CUTS Submission to the Ministry of Power on Issues Pertaining to Open Access

The Ministry of Power has released consultation paper on Issues pertaining to Open Access on August 24, 2017 inviting comments from interested stakeholders. In this backdrop, CUTS in partnership with CIRC submitted their comments.

It was submitted that the proposed suggestions in the paper were ambiguous than the present Open Access Regulations (OAR). The issues identified in the paper seem to be skewed more towards the issues of DISCOMs, rather than highlighting problems faced by the open access consumers. Therefore, it was recommended that the process of problem identification should be made less complex, viable, uniform and more inclusive as per international standards. It was suggested that this could be done by undertaking Regulatory Impact Assessment (Cost & Benefit Analysis) of the existing OAR.

Further, it was recommended that to promote a seamless power market, cross subsidy surcharge and other charges should be removed gradually in a phased manner. Moreover, a system should be in place so that regulators can exercise their full autonomy as quasi-judicial institution without any political interference in their work. Thus, there should be a mechanism to appoint experts to the panel rather than retired bureaucrats or government's appointee to such institutions.

CUTS comments are available at: www.cuts-ccier.org/pdf/Advocacy-CUTS_and_CIRC_submission_of_comments_to_Ministry_of_Power_on_Consultation_Paper_on_Issues_pertaining_to_Open_Access.pdf

Publications

Is there a Bright Future Ahead for India's Pharmaceutical Market?: *An Overhaul of Policies vs. a Mere Facelift*

This paper analyses the underlying discourses in India's on-going public policy reforms and debates in the pharmaceutical sector. It identifies the dominant discourse and discusses its impact on consumers in the context of India's contemporary epidemiological and demographic transition, political agenda, economic ambitions, market dynamics and legal framework.

www.cuts-ccier.org/pdf/Is_there_a_Bright_Future_Ahead_for_Indias_Pharmaceutical_Market.pdf

Impact of GST Law on Mobile Phone Manufacturing in India

The report provides an overview of current growth and value chain of mobile phone manufacturing activities in India, along with highlighting the employment status, government schemes and taxation incentives currently applied to the sector. It also assesses the impact of GST regime on the sector, along with recommendations on a financial incentive model for incentivising enhanced manufacturing in India.

<http://compip.circ.in/wp-content/uploads/2017/08/Impact-of-GST-Law-on-Mobile-Phone-Manufacturing-in-India.pdf>



Representations

Sidharth Narayan participated in an International Conference on 'Disruptive Technology & Public Service' organised by United Nations Development Programme-Global Centre for Public Service Excellence at Singapore on September 28, 2017.

Amol Kulkarni and Parveer Singh Ghuman organised and participated in a roundtable discussion on the topic: 'Optimal Access to Financial Infrastructure for Sustainable Growth of Digital Financial Services' at the Digital Citizen Summit 2017 organised by the Digital Empowerment Foundation at New Delhi on September 21-22, 2017.

Udai S Mehta participated in a regional conference entitled, 'The pathway to a socially just energy transition in Asia' organised by FES, Vietnam on September 20, 2017. He spoke on 'Energy Transition in India: Political and Social Aspects'.

Amol Kulkarni participated in a workshop entitled, 'Building Trust: A new inclusive world for the low-income bank customer' organised by Indicus Centre for Financial Inclusion at Mumbai on September 20, 2017. He also attended the National Conclave on Financial Inclusion organised by United Nations India at New Delhi on September 13, 2017.

Udai S Mehta participated in 'Trends and Way Forward in the State Electricity Sectors: An Experience Sharing Workshop' organised by Prayas, Energy Group at Pune on September 11-12, 2017.

Ujjwal Kumar participated in 'Stakeholder Consultation Meeting on Science, Technology and Innovation in Agriculture' at MNIT Institute, Jaipur on September 01, 2017.

Amol Kulkarni participated in a seminar on 'Accelerating Growth and Development in the SDG era' organised by Observer Research Foundation at New Delhi on August 30, 2017.

Amol Kulkarni participated in the 50p conference organised by HasGeek on the subject: "A new conference on building India's payments ecosystem" at Mumbai on July 08, 2017. He made a presentation on digital payments and grievance redressal: challenges from consumers' perspective.

Advocacy through Media

A fundamental right to create jobs

Live Mint, August 22, 2017

Pradeep S. Mehta

To ensure large-scale job creation, the freedom to create jobs must be on a par with other freedoms guaranteed by the Constitution.

www.cuts-ccier.org/Article-A_fundamental_right_to_create_jobs.htm

Digital Economy: An enabler or disabler?

The Asian Age, July 19, 2017

Pradeep S. Mehta and Rohit Singh

A few decades since, we have witnessed a lot of such concepts turning into reality, courtesy technology and innovation. "The pace at which people are taking to digital technology defies our stereotypes of age, education, language and income," said Prime Minister Narendra Modi.

www.cuts-ccier.org/Article-Digital_economy_An_enabler_or_disabler.htm