

CUTS CCIER ACTIVITIES REPORT

APRIL-JUNE
2021

Discussing the Information Technology Rules from the Lens of Consumer Welfare & EoDB

CUTS International organised a webinar on 'Discussing the Information Technology (Intermediary Guidelines) Rules, 2021 from the Lens of Consumer Welfare & EoDB' on May 06, 2021.

Speaking in the webinar, Amar Patnaik, Member of Parliament, and Member, Joint Parliamentary Committee on the Personal Data Protection Bill 2019 (PDPB), stated that the PDPB once passed, would be the overarching law for personal data protection, and the rules should be consistent with it. He also emphasised the need to build state capacity for effective implementation of the rules and the PDPB.

Rakesh Maheshwari, Group Coordinator and Head – Cyber Law, Ministry of Electronics & Information Technology (MeitY), presented a holistic view of the rules. He clarified that rules have a clear objective to curb the spread of problematic unlawful information on intermediary platforms, such as revenge porn and related content, to ensure the safety of people, particularly women and children. He further asserted that the government has no intention to force intermediaries to break end-to-end encryption through the rules.



The rules are likely to reduce the EoDB for intermediaries, issues pertaining to which were highlighted by Ashish Aggarwal, Vice President – Public Policy, NASSCOM. These pertained to low thresholds for significant social media intermediaries, lack of clarity on classification of intermediaries and standard operating procedure. He called for more time for compliance, proactive engagement between stakeholders, and adopting a case-by-case or customised approach for regulation.

The session was moderated by Amol Kulkarni, Director-Research, CUTS International and other speakers included Daniel Castro, Vice President, Information Technology & Innovation Foundation; Gurshabad Grover, Senior Researcher, Centre for Internet Society; Jhalak Kakkar, Programme Manager, Centre for Communication Governance, and Srinivas Kodali, Independent Researcher.

<https://cuts-ccier.org/webinar-on-discussing-the-information-technology-intermediary-guidelines-rules-2021/>

Exploring Energy Transition in Rajasthan

To discuss the emerging trends and energy transition of Rajasthan, a webinar was jointly hosted by CUTS International and Climate Trends on June 25, 2021.

“Rajasthan is emerging as a leader in the renewable energy sector and the need of the hour is to think constructively to move forward and capitalise on the huge potential of renewable energy the state,” said Rohit Gupta, Managing Director, Rajasthan Urja Vikas Nigam Limited while delivering the keynote address.

He further said that there is a need to think of constructive ways to go forward and capitalise on the huge potential of renewable energy while addressing some of the crucial concerns of livelihoods, ecology and techno-economic well-being of the power sector.

The webinar was moderated by Aarti Khosla, Director, Climate Trends brought a wide spectrum of relevant issues on the intersection of climate change, energy sector, economy, society and ecology.

While addressing Rajasthan’s bright prospects of clean energy generation, Amol Kulkarni, Director-Research, CUTS International, highlighted some critical issues, including sustainable



financing, inclusive outcomes, social costs, environmental footprint and cost-economics of the power utilities.

Kartikeya Singh, Director, Programmes, Stichting SED Fund; Simran Grover, CEO, Bask Research Foundation; Swati Dsouza, Research Lead – Climate Action, National Foundation for India; Amit Kumar, Senior Director, Social Transformation, The Energy and Resources Institute and Sarthak Shukla, Assistant Policy Analyst, CUTS international were the other distinguished experts who expressed their views on the topic.

<https://cuts-ccier.org/cuts-climate-trends-webinar-on-exploring-energy-transition-in-rajasthan/>



Advocacy

CUTS Comments on CERC’s Draft Order on Mechanism for Compensation on account of change in law for compliance with Revised Emission Standards notified by MoEF&CC in respect of competitively bid thermal generating stations

To normalise the change in law and address such petitions in the future, the Central Electricity Regulatory Commission (CERC) earlier came out with a staff paper consultation on compensation mechanism for installation of ECS and asked for comments and suggestions. After incorporating the comments, it has taken *suo-motu* cognizance of the issue and prepared a final draft asking for suggestions before notifying it.

This is a welcome step from the regulator to pre-empt the petitions that may come from several thermal power plants raising many issues.

CUTS submitted its comments and suggestions on the draft on some issues that it believes are necessary for a fair tariff compensation mechanism for all stakeholders and consumers.

<https://cuts-ccier.org/pdf/comments-on-sec-63-tpp-compensation-mechanism.pdf>



Draft National Electricity Policy 2021

With series of reforms in the pipeline for the electricity sector, the Union Government has decided to revise the National Electricity Policy 2005. It has issued a draft for the same and asked for suggestions and comments from the stakeholders. It has been more than 16 years since the revision of the policy.

Though there are bits and pieces of sectoral changes reflected with government schemes and various regulations, the overall policy shift was long overdue regarding dynamic changes in the country.

With rapid changes in technology, global thrust on climate change such as 'net zero' concept, the UN's effort on Sustainable Development Goals (SDGs), India needs a comprehensive electricity policy that is futuristic and adaptive to technological challenges and address the aspiration of a new generation. CUTS placed its observations majorly from the consumer standpoint.

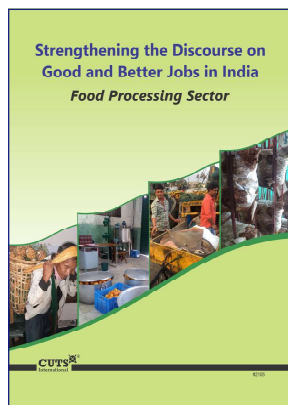
<https://cuts-ccier.org/pdf/comments-on-ministry-of-powers-draft-national-electricity-policy.pdf>



Publications

Research Report

Strengthening the Discourse on Good and Better Jobs in India – Food Processing Sector



This Research Report provides examples and case studies to drive home the recommendations for addressing challenges obstructing the prospects of good and better jobs. These recommendations entail conceptual corrections around metrics of employment intensity, sectoral growth and productivity of manufacturing. It also includes innovative regulatory tools for addressing the concerns of quality of jobs by linking incentives of enterprises to their performance on measures related to the quality of jobs.

This report brings to fore the status of the indicators of Good & Better Jobs in select sectors of the Food Processing Industry, across five states, namely; Andhra Pradesh, Assam, Meghalaya, Punjab and West Bengal.

<https://cuts-ccier.org/pdf/report-food-processing-sector-in-india.pdf>

Briefs

Ensuring Consumer Welfare & Ease of Doing Business through the Intermediary Guidelines

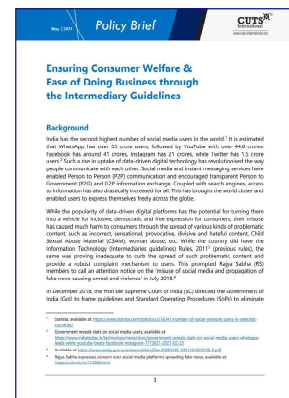
The Government of India recently notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT rules), by exercising its powers under Section 87 of the Information Technology Act (IT Act), which replace the previous rules of 2011. Significant changes have been made in the previous rules of 2011 and the proposed rules of 2018.

While it is vital to fix accountability in case of misuse of digital platforms, it is to be noted that safe harbour has been provided to intermediaries in instances of problematic content being posted on their platforms, subject to specific due diligence requirements being met, since intermediaries are not the creators of content being posted on their platforms.

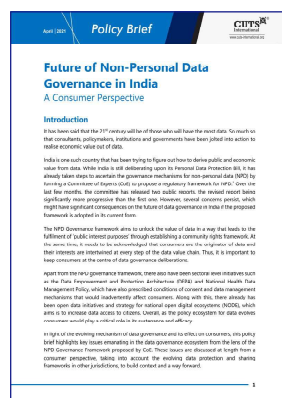
Accordingly, the rules need to be proportional and must consider consumer welfare and ease of doing business for intermediaries. In this light, it has been argued that notified rules of 2021, in pursuit of their valid regulatory objectives, risk doing more harm than good due to various lacunas prevalent in the rules.

These lacunas pertain to implementation challenges for intermediaries, thereby reducing their Ease of Doing Business (EoDB), and risks to consumer welfare on privacy, data protection, access to information, etc. These have been discussed in the paper.

<https://cuts-ccier.org/pdf/policy-brief-intermediary-guidelines.pdf>



Future of Non-Personal Data Governance in India: A Consumer Perspective



This Policy Brief explores a range of issues from a consumer perspective concerning the Non-Personal Data Governance (NPD) Framework by the Committee of Experts released last year, along with other data initiatives and proposed policies. It sheds light on key challenges such as the nebulous framing of intended beneficiaries, privacy concerns; untested 'data trustees' model; weak framing of community and consumer-related harms; and insufficient engagement of regulators.

To address these challenges, the brief presents a comparative jurisdictional analysis to assess learnings from different countries that have taken different data governance approaches. Based on these learnings, the brief presents recommendations such as –"rights-based approach"; building mechanisms to facilitate granular and consumer-friendly architecture of

consent; prescribing framework for the application of anonymisation techniques; nudges towards developing innovative privacy-enhancing technologies to address collective harms; and ensuring transparency and accountability in the regulatory process.

<https://cuts-ccier.org/pdf/policy-brief-future-of-npd-governance-in-india.pdf>

Small is the New Big: Lessons in Food Processing from Meghalaya

The food processing sector in India is receiving a renewed push, with the government recently approving an INR 10,900 crore Production Linked Incentive Scheme. This move is expected to create 250,000 jobs and attract global investments over the next six years. However, there is a catch. To avail benefits of this scheme, an enterprise would require a minimum scale of operations and sales.

Thus, though the excitement amongst prominent entrepreneurs is palpable, the impact on MSMEs or household-based enterprises is negligible. Such a reaction is inevitable given that the total unincorporated enterprises in the sector are almost 62 times that of total registered enterprises, as per the latest MoFPI Annual Report.

The Briefing Paper explores how enterprises focus on high-value-low-volume growth and the challenges they are facing along the way. It also provides a three-pronged strategy for addressing these challenges and making them big with economies of scope.

<https://cuts-ccier.org/pdf/briefing-paper-small-is-the-new-big.pdf>





Representations

- Amol Kulkarni, Director-Research, was a panellist in a workshop organised by National Council of Applied Economic Research on 'Investing in Investor Education in India: Priorities for Action' on June 22, 2021. The theme of the session was '*Investor Education and Protection in the Banking Sector (Banking and Credit)*.' He was also a panellist in the session on "Gender equity: Consumer competences for digital financial services' on June 01, 2021. This session was a part of 'Financial Inclusion Global Initiative 2021.'
- Ujjwal Kumar, Policy Analyst, was a panellist in a webinar organised by Universal Postal Union (UPU) and UNCTAD on April 28, 2021, on the theme 'How e-shopper behaviours have changed in the current-COVID context?'



Advocacy through Media

The evolving ecommerce ecosystem has contributed significantly to India's consumer welfare

Economic Times, June 28, 2021

By Pradeep S. Mehta

The spirit of the consumer protection regime is to protect end-consumers and provide a layperson easy access to the legal process. But the proposed amendments — which include many elements of platform-to-business (P2B) and business-to-business (B2B) regulations — will add to the complexity and goes against the spirit of the Consumer Protection Act, 1986.

<https://cuts-ccier.org/the-evolving-ecommerce-ecosystem-has-contributed-significantly-to-indias-consumer-welfare/>

Systems thinking inevitable for a 'just' e-mobility transition in India

Times of India, June 25, 2021

By Sarthak Shukla and Snehil Singh

As we witness the unfolding of a power-packed year of climate action, all eyes are hooked towards COP26 (the 26th UN Climate Change Conference of the Parties) scheduled to be held in Glasgow in November. Seen as the last-ditch to save the world and is a welcome move since the Paris agreement, the global climate agenda has become even more nuanced and action-oriented with its focus to shift to net zero.

<https://cuts-ccier.org/systems-thinking-inevitable-for-a-just-e-mobility-transition-in-india/>

In its mission to go green, India must focus on just transition

Moneycontrol, June 21, 2021

By Sarthak Shukla and Aparna Roy

Recently, the Union Ministry of Power released a draft National Electricity Policy 2021. The first objective of the policy refers to the transition to clean and sustainable energy generation, which aligns with the global agenda on climate ambitions and energy transition.

<https://cuts-ccier.org/in-its-mission-to-go-green-india-must-focus-on-just-transition/>

A case of misplaced notions: Worker welfare and economic growth need a changed discourse in India

The Economic Times, June 17, 2021

By Pradeep S. Mehta, Sarthak Shukla and Prashant Tak

As the nation emerges from the second wave of COVID pandemic, it faces the uncertainty of encountering a third wave or newer mutants, such as Delta+, in the making. The Prime Minister coined another mantra of "One Earth, One Health." He rightly emphasised on the "whole of society" approach to tackle the pandemic. In our view, the whole of society would include antyodaya, i.e. starting from the lowest rung.

<https://cuts-ccier.org/a-case-of-misplaced-notions-worker-welfare-and-economic-growth-need-a-changed-discourse-in-india/>

Cobra effect in Indian power sector: Unregulated growth of Regulatory Assets

ET Energy World, May 31, 2021

By Shakti Sinha and Sarthak Shukla

To address the increasing population of venomous Cobra snakes in Delhi, the then colonial government formulated a scheme that offered a bounty to be paid for every dead cobra brought to the officials. The success of this scheme was short-lived as enterprising people ingeniously started breeding and killing cobras to be presented before the administration instead of bounties.

<https://cuts-ccier.org/cobra-effect-in-indian-power-sector-unregulated-growth-of-regulatory-assets/>

Let's not deceive ourselves by blaming just the pandemic

Livemint, May 28, 2021

By Pradeep S. Mehta

It is incorrect to blame the carnage all around us on the COVID pandemic alone. Our failure to prepare for such crises despite the knowledge that they will recur is chiefly at fault. History teaches us that like death and taxes, pandemics are also certain. How well we manage them depends on our preparation. Pandemics stress-test our health infrastructure, but also our assumptions of administrative efficiencies and growth models, and the status of equality and poverty.

<https://cuts-ccier.org/lets-not-deceive-ourselves-by-blaming-just-the-pandemic/>

E-pharmacy is what the doctor ordered

The Hindu Business Line, May 10, 2021

By Pradeep S Mehta and Ujjwal Kumar

The deadly second wave of COVID-19 pandemic has not only broken India's healthcare system, there is rampant black marketing of medicines and equipment that are in demand. It is hoped the ongoing pharmaceutical market study being conducted by the Competition Commission of India (CCI) would come out with some recommendations that could rectify unfair market practices harming consumers.

<https://cuts-ccier.org/e-pharmacy-is-what-the-doctor-ordered/>

Haryana law a bad example: Populism won't create new jobs

Asian Age, April 25, 2021

By Pradeep S Mehta and Prashant Tak

Haryana is the latest addition to the growing phenomenon where Indian states formulate laws and policies to reserving jobs for locals in the private sector. Other states that have undertaken such measures, though negligible, include Andhra Pradesh, Karnataka, Madhya Pradesh and Maharashtra. Is it a race to the top or the bottom? It is certainly petty, immoral and may not achieve its objectives.

<https://cuts-ccier.org/haryana-law-a-bad-example-populism-wont-create-new-jobs/>

Let the principles of competition guide privatisation

Livemint, April 07, 2021

By Pradeep S. Mehta

In defence of her privatisation programme, Margaret Thatcher, the UK's then prime minister, said it was to reduce the state's power and enhance that of the people. Contrast to this, Finance Minister Nirmala Sitharaman, who recently said that the government was selling public sector banks for these businesses to continue. A clear and consistent articulation of the benefits that citizens can expect from the programme can help create a broader consensus for it and overcome unreasonable barriers.

<https://cuts-ccier.org/let-the-principles-of-competition-guide-privatization/>