

CUTS CCIER ACTIVITIES REPORT

OCTOBER-DECEMBER
2021

Implementation of RBI's Tokenisation Directive in Consumer Interest

CUTS International organised a webinar on "Implementation of RBI's Tokenisation Directive in Consumer Interest" on December 17, 2021. Speaking at the webinar, Aruna Sharma, Former Member, RBI

Digitisation Committee, voiced her support for RBI's move to permit Card on File Tokenisation (CoFT). In the same breath, she also cautioned against the stringent deadline of December 31, 2021, i.e., less than four months given for operationalising it.

Saurabh Garg, Chief Executive Officer, Unique Identification Authority of India (UIDAI) cited Aadhaar as a successful example of tokenisation. He highlighted its ability to process more than five to six crore daily transactions. He further emphasised the need for a balance between ease, security, and quality of service to ensure consumer welfare in its true sense.



The webinar was moderated by Amol Kulkarni, Director (Research), CUTS International. Other notable speakers in the webinar included Vijay Chugh, Former Head, Department of Payment and Settlement

Systems, RBI; Srikanth Lakshmanan, Founder, Cashless Consumer; Gowree Gokhale, Partner, Nishith Desai Associate; Mandar Kagade, Founder and Principal, Black Dot Public Policy Advisors and Asheeta Regidi, Associate Director, Policy, Cashfree Payments.

They recommended the RBI to set up an appropriate consumer grievance resolution forum to digital payments, undertake consumer awareness and education programmes, and avoid setting hard deadlines, especially without adequate stakeholder consultation.

<https://cuts-ccier.org/implementation-of-rbis-tokenisation-directive-in-consumer-interest/>

Fostering an Inclusive E-commerce Ecosystem in India

For the past several years, e-commerce in India has grown at a breakneck speed, which got further accelerated during the COVID-19 pandemic lockdowns. However, the pandemic has had an unprecedented socio-economic adverse impact globally, including in India. It has questioned our growth models and forced us to revisit our claims of inclusivity and development.

The pandemic has exposed the vast chasm between the connected and the unconnected. Therefore, digital innovations, including e-commerce, will increase inequality rather than advance equity without digital inclusivity.

Against this backdrop, CUTS International had undertaken a project to explore the means

and ways of fostering an equitable and inclusive e-commerce ecosystem in India. Accordingly, the existing e-commerce ecosystem and the policy/regulatory landscape were examined following a multistakeholder process.

A white paper was prepared, highlighting the current e-commerce ecosystem, priority elements and components that must be made inclusive and

providing an actionable framework of recommendations to foster the same.

A webinar on "Fostering Inclusive E-Commerce Ecosystem in India" was organised on December 15, 2021, to release this white paper, followed by panel discussions.

<https://cuts-ccier.org/cuts-webinar-on-fostering-an-inclusive-e-commerce-ecosystem-in-india/>



Competition Policy for an Inclusive and Resilient Economy

CUTS International and CUTS Institute for Regulation & Competition (CIRC) organised a webinar on “Competition Policy for an Inclusive and Resilient Economy” on December 06, 2021, to celebrate World Competition Day 2021.

Every year on 5th December, World Competition Day is observed to commemorate the adoption of the first and the only multilateral rules on the competition by the United Nations – the UN Set of Multilaterally Agreed on Equitable Principles and Rules for the Control of Restrictive Business Practice.

The webinar was divided into two sessions. Beena Saraswathy, Assistant Professor, Institute for Studies in Industrial Development, New Delhi; Jason Aproschie, Principal Economist, Competition Commission of South Africa; Inonge Mulozi, Senior Research Analyst, Zambia Competition and Consumer Protection Commission; Amir Karalic, President, Competition Council of Bosnia and Herzegovina; Serdar Dalkir, President and CEO, Competition & Regulation Economies Testimony

and Consulting, LLC (CRETC) and Vijaya Iswara, CEO, Deep Sea Logistics, Inc. presented their papers.

David Ong’olo, Former Chairman, Competition Authority of Kenya; S. Chakravarthy, Former Member, Monopolies and Restrictive Trade Practices (MRTP) Commission; Valerie Mueller, Principal Economist for Competition, European Bank for Reconstruction & Development and Derek Ritzmann, Director, Economics Partners were discussants.

Dhanendra Kumar, Former Chairman, Competition Commission of India (CCI) and Geeta Gouri, Former Member, CCI, chaired Session 1 and Session 2, respectively.

Arvind Mayaram, Former Finance Secretary of India and Chairman, CIRC, delivered welcome remarks while Pradeep S Mehta, Secretary General, CUTS International, gave a vote of thanks.

<https://cuts-ccier.org/cuts-circ-webinar-on-competition-policy-for-an-inclusive-and-resilient-economy/>



Improving India’s Competitiveness for Inclusive Economic Growth

“Sustained growth is key to India’s future, for which growth in manufacturing and exports is critical. To this end, states will need to become champions of reforms and reduce the cost of logistics and power”, said Amitabh Kant, Chief Executive Officer, NITI Aayog. He addressed the participants at a webinar on

“Improving India’s Competitiveness for Inclusive Growth,” co-organised by CUTS International and Institute for Studies in Industrial Development (ISID) on November 25, 2021.

He also launched a White Paper prepared by CUTS on this issue through a series of extensive consultations with experts and stakeholders in the recent past. This webinar discussed the implementation challenges of its recommendations and the way forward.

K Keshava Rao, MP, Rajya Sabha, and Chairman, Standing Committee on Industry, highlighted the need to address widening inequalities and ensure equitable growth. He pointed out that the gains from competitiveness need to be accompanied by inclusion, for which investment in health and education is crucial.

Other panellists included Deep Kapuria, Chairman, The Hi-Tech Group and Co-Chair, CII National Committee on International Trade Policy; Rajiv B Lall, Professional Research Fellow, Singapore Management University; Rajat Kathuria, Dean, School of Humanities & Social Sciences; Shiv Nadar University; Mythili Bhusnurmath, Consulting Editor, the Economic Times; Bornali Bhandari, Senior Fellow, National Council of Applied Economic Research (NCAER); Nagesh Kumar, Director, Institute for Studies in Industrial Development (ISID) and Pradeep S Mehta, Secretary General, CUTS International.

<https://cuts-ccier.org/cuts-webinar-on-improving-indias-competitiveness-for-inclusive-economic-growth/>



7th CUTS-CIRC Biennial Conference on Competition, Regulation and Development

CUTS International and CIRC jointly organised the 7th Biennial Conference on Competition, Regulation & Development on 16-17 November 2021 on “Building Blocks for an Inclusive and Resilient Economy”. This theme aimed to discuss a development paradigm that would result in a resilient and inclusive economy.

In its six sessions, this two-day event dealt with the following issues in the given context: Diminishing Multilateralism; Growing Market Power and Concentration; Equitable Access to COVID-19 Healthcare Solutions; E-commerce; Jobs and Income Opportunities. The last session presented the contours of the recovery path as the way forward.

The event was organised in partnership with Organisation for Economic Cooperation Development (OECD), Paris; European University Institute (EUI), Florence; and Overseas Development Institute (ODI), London.

<https://cuts-ccier.org/7th-cuts-circ-biennial-conference-on-competition-regulation-and-development/>

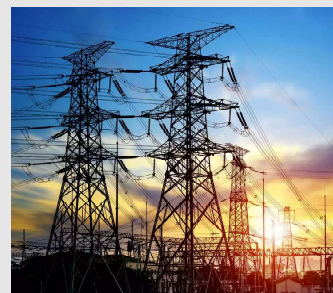


Enabling Just Transition in India's Power Generation Sector

A shift from fossil-based power generation to renewables is bound to have significant socio-economic consequences for the ecosystem. People's livelihood depends on the thermal power generation value chain. Similarly, the expedited process of installing renewable capacity through solar-based, wind-based, or other non-conventional energy-based power plants will impact several allied stakeholders. For instance, it will impact the community living on and around the land utilised to construct such renewable energy projects by affecting their habitat and livelihood.

In this context, CUTS International has been undertaking a state-wide study of assessing the readiness of Rajasthan and West Bengal for this transition and organised a seed community meeting at Jaipur on November 12, 2021. The objective of this meeting was to bring together perspectives of stakeholders directly or indirectly impacted by this transition. These included representatives and communities from conventional and renewable power generation, coal mining industry, mine-dependent communities, academia, CSOs and government to assess renewable energy transition's social, environmental, and economic impacts in power generation sectors.

<https://cuts-ccier.org/seed-community-meeting-rajasthan-enabling-just-transition-in-indias-power-generation-sector/>



Accelerating Electric Vehicle Adoption in Rajasthan

CUTS International hosted a virtual roundtable conference on 'Accelerating Electric Vehicle Adoption in Rajasthan' on October 01, 2021. The objective of this conference was to bring together diverse stakeholders in the Electric Vehicle (EV) supply ecosystem in Rajasthan from the government, industry, and academia on a common platform. The discussion aimed to develop a holistic picture of the supply-side challenges for different categories of stakeholders in the EV Ecosystem of the state and explore potential policy interventions for tackling these challenges.

The conference was attended by Rukmini Riar, Executive Director, RIICO; Rakesh Chopra, Managing Director, REIL; Rupesh K. Chawla, Deputy General Manager, REIL; S P Gupta, Chief Engineer, JVVNL; BC Datta, Vice President – Corporate Affairs, Ola Electric; Soham Kulkarni, Manufacturing and Quality Engineer, BattRE; Puneet Jain, Founder, Natural Battery Tech; Shahab Ahmad, Assistant Professor, IIT Jodhpur; Pushpendra Vishal Kaushal, Business Operations Lead, Statiq; Himanshu Saini, Manager, Magnitude Motors; Ashish Malik, Assistant Professor, Manipal University and Arun Kumar Verma, Assistant Professor, MNIT.

<https://cuts-ccier.org/cuts-roundtable-conference-on-accelerating-electric-vehicle-adoption-in-rajasthan/>





Advocacy

CUTS comments on Proposed Health Data Retention Policy Consultation Paper

Having conducted various studies and events about Data Protection (such as Consumer Impact Assessment of Data Localisation, and Understanding the Impact of Data Localisation on Digital Trade), Data Sharing, and Encryption, CUTS has observed a few critical issues in the draft architecture. Being a consumer-centric organisation, CUTS has observed a few vital issues in the consultation paper, which can impede consumer welfare, either directly or indirectly, due to suboptimal clauses.

In light of comments on Unified Health Interface (UHI) by CUTS, the current Health Data Retention Policy paper has been discussed in subsequent sections, along with a few recommendations and alternative models to address them. The proposed Health Data Retention policy seems to be based on some broad principles that expressly or implicitly appear throughout the document. Key concerns about such principles are laid out below.

<https://cuts-ccier.org/pdf/comments-on-proposed-health-data-retention-policy-consultation-paper.pdf>

CUTS comments on The Consultation Processes Undertaken by Monetary Regulatory Authorities Globally

CUTS International submitted its comments on the best practices for consumer groups' consultation undertaken by the monetary regulators globally. CUTS intended to promote extensive stakeholder engagement and avoid unintended consequences upon the consumers. The International Monetary Fund (IMF) brought out a Code of Good Practices on Transparency in Monetary and Financial Policies.

The Bank for International Settlements (BIS) supports central banks' pursuit of monetary and financial stability through international cooperation and acts as Bank of central banks. The Bank regularly arranges informal discussions among public and private sector representatives that focus on their shared interests in promoting a sound and well-functioning international financial system. The Organisation for Economic Co-operation and Development (OECD) has established a set of key principles to guide financial policymakers.

<https://cuts-ccier.org/pdf/comments-on-the-consultation-processes-undertaken-by-monetary-regulatory-authorities-globally.pdf>



Representations

- Pradeep S Mehta was one of the speakers at the State Level Programme on National Consumer Day at Yojana Bhawan, Jaipur, on December 24, 2021. He also spoke in a webinar on "Digital Payments and the Indian Media Consumer" organised by the Confederation of Indian Industry on December 22, 2021.
- Amol Kulkarni was a panellist at Public Policy Forum & LITFest: Gaming The New Frontier, a part of 77th SKOCH Summit, on December 11, 2021.
- Mehta was a panellist in Plenary 5: How Does India Watch TV? at 10th CII Big Picture Summit on November 18, 2021.
- Ujjwal Kumar was a panellist in a webinar on "Making Digital Markets Work for Consumers: Competition, Consumer Protection and Data" organised by UNCTAD on November 05, 2021.



Publications

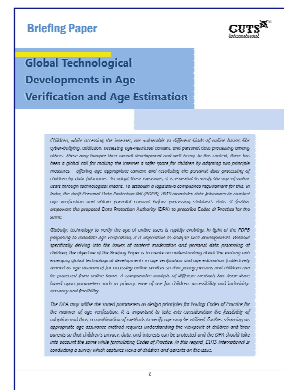
Briefing Paper

Global Technological Developments in Age Verification and Age Estimation

The Personal Data Protection Bill, 2019 (PDP Bill) mandates data fiduciaries to conduct age verification before processing children's data under Clause 16(2) of the PDP Bill. It further empowers the proposed Data Protection Authority (DPA) to prescribe Codes of Practice for the same, under Clauses 50(6)(h) and 94(2)(e) of the PDP Bill.

The objective of this Briefing Paper is to create an understanding of the existing and emerging global technological methods for age verification and age estimation of users of digital technology-enabled services, so that young users and children can be protected from online harm. It entails a comparative analysis of different methods based on various consumer-facing parameters, such as privacy, ease of use, inclusivity, among others. The analysis is likely to be helpful for the DPA in designing principles for issuing Codes of Practice for the manner of age verification.

<https://cuts-ccier.org/pdf/bp-global-technological-developments-in-age-verification-and-age-estimation.pdf>



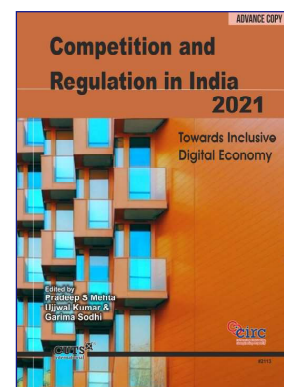
Research Report

India Competition and Regulation Report (ICRR 2021)

CUTS International and CUTS Institute for Regulation & Competition (CIRC) have published India Competition and Regulation Report (ICRR) every second year since 2007. The eighth edition of the ICRR is dedicated to the digital economy with the theme of 'Towards Inclusive Digital Economy'.

The report contains the chapters on the Contours of Competition Policy in the Digital Economy; Artificial Intelligence and Tacit Algorithmic Collusions; Emerging Concerns about the E-Commerce Ecosystem in India in the Evolving Digital Economy; Enabling Universal Access to Health and Education using Digital Means in Post-COVID India; Regulatory Challenges for Developing Countries in the Digital Space; and Evolution of Privacy Regime in India.

<https://cuts-ccier.org/icrr-2021/>





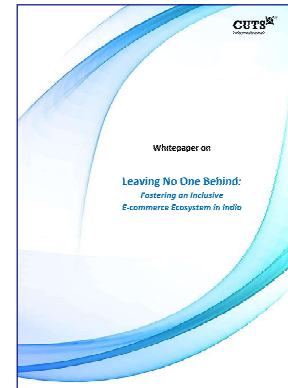
Publications

White Papers

Leaving No One Behind: Fostering an Inclusive E-commerce Ecosystem in India

CUTS International had undertaken the project to explore ways to foster an equitable and inclusive e-commerce ecosystem in India. Accordingly, the existing e-commerce ecosystem and the policy and regulatory landscape were examined in an evidence-based, decentralised, bottom-up, and inclusive manner. This white paper was prepared, highlighting the existing e-commerce ecosystem, priority elements and components that must be made inclusive and providing an actionable framework of recommendations to foster the same.

https://cuts-ccier.org/pdf/whitepaper-fostering_an_inclusive_e-commerce_ecosystem_in_india.pdf

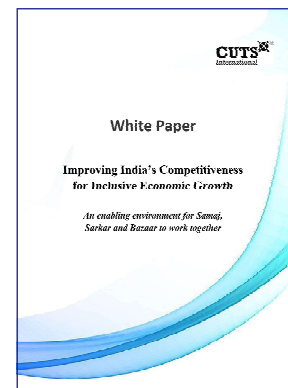


Improving India's Competitiveness for Inclusive Economic Growth: An enabling environment for Samaj, Sarkar and Bazaar to work together

India has been strengthening the entire ecosystem through rapid structural reforms to achieve Prime Minister Modi's dream of becoming a US\$5tn economy by 2025. The government is simultaneously focusing on improving the quality, productivity and efficiency of Indian products to better compete in the global market. Although the impact of COVID-19 has led the country into a state of demand depression with higher levels of unemployment, India is still in a position to achieve the required annual growth rate of 7.5 percent from exports subject to a greater degree of improved competitiveness from the industries sector.

This White paper makes a thorough attempt to identify factors that determine the degree of competitiveness of Indian industries, promoting investment in intangible assets including skills, education and human resource development; better intra and inter-sectoral cooperation at the firm level; ensuring fair competition; and modernisation of public institutions. The paper also attempts to recognise suitable solutions and policy recommendations to turn identified challenges into opportunities for ensuring improved competition of the industry sector.

<https://cuts-ccier.org/pdf/white-paper-cuts-webinar-on-improving-indias-competitiveness-for-inclusive-economic-growth.pdf>





Advocacy through Media

Dear RBI, don't penalise consumers and merchants for non-compliance by other stakeholders

The Economic Times, November 29, 2021

By Pradeep S Mehta

Digital transactions in India have risen manifold in the past few years. The Reserve Bank of India (RBI) had done well to convert challenges thrown by demonetisation and the pandemic into opportunities for promoting digital payments. Estimates suggest that India's online retail market will reach US\$350bn by 2030 from US\$45-50bn at present, which may contribute nearly 40 percent of the US\$800bn consumer digital economy. However, a lack of timely and proper implementation of the RBI's recent circulars may derail such growth.

<https://cuts-ccier.org/dear-rbi-dont-penalise-consumers-and-merchants-for-non-compliance-by-other-stakeholders/>

Why we need to save administration from administrators

The Economic Times, November 26, 2021

By Vijay L Kelkar and Pradeep S Mehta

It took about 10 years, interventions by the Supreme Court, power ministry, and an intergovernmental committee's constitution to resolve a dispute between the Securities and Exchange Board of India (Sebi) and the Central Electricity Regulatory Commission (CERC) over jurisdiction of electricity derivatives. It was agreed that CERC would regulate all physical delivery-based forward contracts, while Sebi would regulate all financial derivatives.

<https://cuts-ccier.org/why-we-need-to-save-administration-from-administrators/>

Business as usual won't work for post-pandemic times

Livemint, November 17, 2021

By Pradeep S Mehta

The critical questions facing the world today are vaccination and an economic recovery from the devastating effects of the pandemic. Gaps on both are caught in a quagmire between the global North and South (rich vs poor) and between the West and East (US-China rivalry). What could be the way forward, especially when multilateralism is in decline and the scare of climate change looms large in the backdrop? To achieve change, we will need to look for out-of-the-box solutions. Business as usual will not work.

<https://cuts-ccier.org/business-as-usual-wont-work-for-post-pandemic-times/>

A new mantra for regulation of TV: Know your consumer

Deccan Chronicle/The Asian Age, November 10, 2021

By Pradeep S Mehta

Nobel laureates Richard Thaler and Cass Sunstein have proposed "choice architecture" as approach policymakers can adopt to design and present questions before consumers to inform their decision-making. It is a roadmap for policymakers to nudge consumers towards desirable outcomes. But our regulators are not familiar with this sound theory which can help them discharge their duties to promote both the public and consumer interest.

<https://cuts-ccier.org/pradeep-s-mehta-a-new-mantra-for-regulation-of-tv-know-your-consumer/>

A digital rupee and cryptocurrencies can (and should) co-exist

The Economic Times, October 27, 2021

By Anirudh Rastogi and Amol Kulkarni

Cryptocurrencies will not replace fiat currencies. But, ongoing innovations are forcing central banks worldwide to consider a centrally-backed version of cryptocurrencies, also known as Central Bank Digital Currencies (CBDCs), or digital Rupee in India's case. CBDCs are fiat currency in code. They can be programmed for specific use-cases and leveraged for delivery of government benefits and financial inclusion, address concerns around inclusion errors, and strengthen regulation to counter money laundering and terrorist financing.

<https://cuts-ccier.org/a-digital-rupee-and-cryptocurrencies-can-and-should-co-exist/>