



# DAILY MAINS NEWSLETTER

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## Mains Value Addition

### U.S. thinktank report classifies India as ‘partly free’

**Syllabus- GS2-** Important aspects of governance, transparency and accountability

#### Analysis:

- **Freedoms in India have reduced**, according to a report from a U.S. thinktank, Freedom House, resulting in India being classified as ‘**partly free**’.
- India’s score was 67, a **drop from 71/100 from last year** (reflecting 2019 data)

downgrading it from the free category last year (based on 2020 data).

- The private media are vigorous and diverse, and investigations and scrutiny of politicians do occur.
- However, **attacks on press freedom have escalated dramatically** under the current government.
- Reporting has become significantly less ambitious in recent years, **citing the use of security, defamation, sedition and contempt of court laws** to quiet critical media voices.
- Separately, revelations of **close relationships between politicians, business executives and lobbyists** on one hand and leading media personalities and owners of media outlets, on the other, have **dented public confidence in the press**.

### Field trials for Census-NPR to begin soon

**Syllabus- GS2-** Government policies and interventions for development in various sectors

#### Analysis:

- The Registrar-General of India (RGI) is preparing to conduct **field trials of the first phase of the Census and the National Population Register (NPR)** using a mobile application in all the States and Union Territories.



- The first phase involving **house listing and housing census**, along with updating the NPR, was scheduled from April 1 last year, but was postponed indefinitely due to the pandemic.
- The second phase of the Census is **population enumeration**.
- The RGI, on January 9, 2020, notified the 31 columns for which the enumerators will seek response for the house listing and housing census.

### 14 Trojans found in servers, says Minister

**Syllabus- GS3-** Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security

#### Analysis:

- Recently, Maharashtra Home Minister submitted a report prepared by the State's **cyber cell on a possible cyberattack that caused the October 12 power outage** in Mumbai and parts of Mumbai Metropolitan Region (MMR),
- Power Minister of Maharashtra recently said the **report found 14 Trojan programs** that had entered the Maharashtra State Electricity Transmission Company (MahaTransco) servers
- According to observations in the report, the **firewalls of the information technology [IT] and operational technology [OT] servers**, which are essential for power transmission, were affected by these Trojan horses.

- **Suspicious codes and software programs** that can affect the cybersecurity ecosystem at the State Load Dispatch Center [SLDC] at Kalva had found its way into the system.
- Similar **Trojan programs were part of bigger cyberattacks** in the past.

### Closure of schools due to COVID impacted 247 mn children in India: UNICEF

**Syllabus- GS2-** Important International institutions, agencies and fora, their structure, mandate

#### Analysis:

- As many as **1.5 million schools remained shut during 2020** due to the pandemic and lockdowns, **impacting 247 million children** enrolled in elementary and secondary schools in India, according to data released by UNICEF.
- **Online education is not an option for all** as only one in four children has access to digital devices and Internet connectivity.
- Pre-Covid, only a quarter of households (24 per cent) in India had access to the Internet and there is a **large rural-urban and gender divide**.
- It raised concerns on a **higher dropout rate** in schools' once classes recommence.

## Mains Analysis

### The distress sale of national assets is unwise.

**Why in News:** - The government's intent to offload public sector units and banks will only result in the long-term loss of public wealth

**Syllabus:** - GS-3: Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment. Government Budgeting.

#### Twin Disasters: -

- **Demonetization and hastily implemented flawed Goods and Services Tax (GST)** Together, these twin disasters robbed millions of their livelihoods and plunged the Indian economy into a prolonged slump that predates the COVID-19 pandemic.
- **A badly designed and hastily implemented flawed Goods and Services Tax (GST)** and the COVID-19 pandemic, further devastating vast numbers of medium and small enterprises, as well as the vast informal sector of the economy.
- For overcome this Indian economic situation the government of India, intent to **offload (by selling or passing it on to someone else) public sector units (PSU), Banks and Non-Banking Financial Company (NBFC)** will only result in the long-term loss of public wealth.

#### PSU privatization:

- **A historically, low international oil prices** presented the government an opportunity to

encourage a consumption-led revival by passing on these benefits to the people, instead of seizing the opportunity.

- The government continues to squeeze every family's shrinking budget through excessive **petroleum taxes and cesses**.
- In contrast, in 2019, it gave corporates a huge tax cut that did not generate increased investment and succeeded only in burning a ₹1.45-lakh crore-sized hole in India's Budget.
- The **government is using the economy's** collapse since the pandemic to rush headlong into its mission.
- It has announced its intent to become cash rich by selling the family silver, through hasty privatisation, of India's public sector undertakings (PSUs).
- **Executed carefully and strategically**, disinvestment (sale of a part of the government's shares in PSUs) can generate resources for the government, set the right incentives for their managements, and reward the investing public.

	Privatisation	Nationalisation
<b>Ownership</b>	Firm owned by private sector	Firm owned and managed by government
<b>Incentives</b>	Profit motive acts as incentive for owners and managers	Workers <i>may</i> feel motivated if they feel company belongs to them.
<b>Externalities</b>	Private firm may ignore external costs (pollution) and external benefits	Government can put social benefits above profit motive.
<b>Efficiency</b>	Incentive to introduce new technology and increase labour productivity	Nationalised firms may find it hard to sack surplus workers
<b>Knowledge</b>	Private firms employ managers with best skills.	Politicians may interfere based on political motives
<b>Natural monopolies</b>	Private monopolies, e.g. water / trains may charge high prices.	Government can set prices based on social factors.
<b>Depends on industry</b>	Worked well for BT, BA	Natural monopolies, like trains /water. Non-profit services like health care.

• The government's privatisation policy

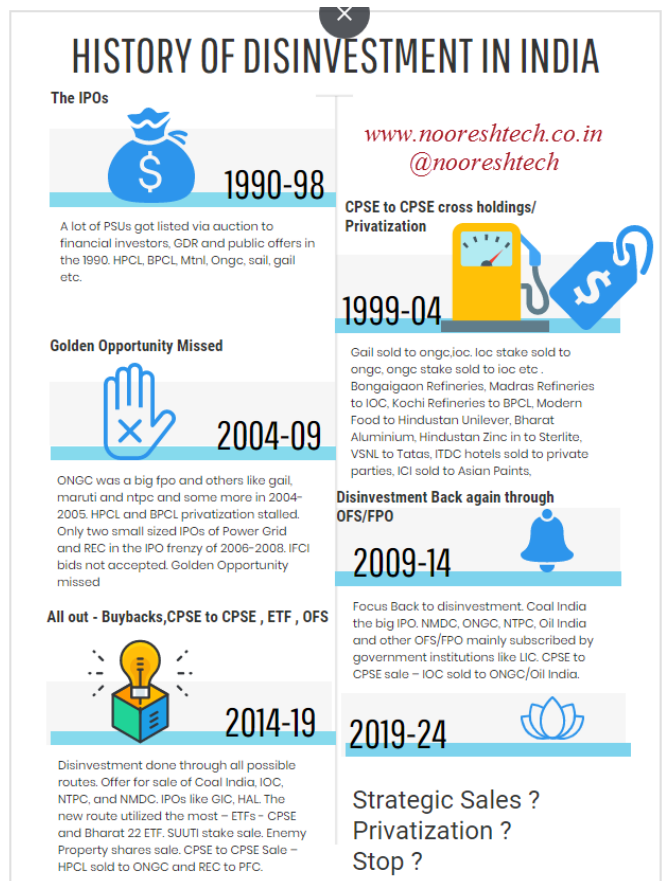
**Issues associated with the move: -**

- The government has explicitly embraced “privatisation” instead of “disinvestment.” Its choice of language signals its intent.
- **The PSU sale is being justified** by citing enhanced efficiency and the generation of funds for the government’s welfare programmes. This is a deceptive argument.
- What we are likely to **witness in reality is the privatisation** of PSU profits, and the nationalisation of private sector losses.
- In the garb of **privatisation**, valuable assets and profit-making companies will be undervalued and sold to cronies who will make a killing.
- On the other hand, defaulters with huge loan burdens will be bailed out using public funds.

**Long-term consequences: -**

- The disinvestment of part of the **government’s stake in LIC, and its proposed Initial Public Offer (IPO)**, are suggestive of clearing the decks to privatise the crown jewel of India’s insurance sector.
- Question arise, will a privatised LIC meet our crucial long-term financing needs for infrastructure projects with long gestation periods.

**Impact on social justice:**



betrays its disdain for social justice. PSUs have historically played an active role in developing backward regions. Importantly, through reservations,

- **PSUs have ensured high-quality jobs for Dalits, Adivasis and Other Backward Classes.** Once PSUs are privatised or disinvested to below 50% government ownership, reservations for these historically marginalised sections will become history.

**Concerns of Banks: -**

- **The government has presided over an exponential rise in non-performing assets, or NPAs.**

- Gross NPAs under its watch between 2014-15 and 2019-20 were nearly 365% higher than in the last six years (2008-14).
- Wilful defaults have ballooned under the government.
- Unable to fix the NPA crisis, the government wants to privatise public sector banks.
- Alongside, **Reserve Bank of India is reversing its principled**, long-standing opposition to ownership of banks by industrial houses.
- Such a move will only lead to further concentration of the economy in a few hands, heighten conflict of interest and risk diversion of funds.

#### Case-by-case strategy needed:

- The **PSUs and public** sector banks are profitable institutions that aid crucial developmental outcomes.
- Others require a realignment of incentives or an infusion of capital to affect a profitable turn around.
- To derive **maximum value from** PSUs for the exchequer, the government should calibrate an appropriate strategy for each individual case.
- That requires careful, detailed hard work and a commitment to the government's role as trustee of the nation's assets.

#### Way Forward

- Government **should focus on to manage the nation's** finances, unable to inspire trust

in the private sector to boost investment, the government has turned to distress sale of our national assets.

- **“The government has no business being in business”.**
- The Government needs to be reminded that it is a government that cannot manage the country's finances that cannot generate jobs that is unable to ensure inclusive growth, that has to sell the nation's carefully built-up assets to survive that has no business being in government.

#### Question: -

**“Disinvestment Process is supposed to improve** efficiency and performances of PSU, provide better service to customers, and do away political interference.” Critically evaluate.

**Despite arbitration tug of war, mutual settlement is key.**

**Why in News: - The 2020** may have been a welcome bag of enhanced equity inflows, bold policy changes and billion-dollar milestones **for** Indian foreign direct investment (FDI) landscape.

**Syllabus: - GS-2:** Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

GS-3: Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

#### Questions: -



- **The Permanent Court of Arbitration at The Hague (PCA)** ruled against Government of India in the cases of Cairn Energy and Vodafone in the final quarter of 2020.
- This international agency decisions against India are course of concern for India.
- The decision by India to **appeal against** these awards, have served to puncture the bag of investor trust and India's promise to honour its commitments to foreign investors under bilateral investment treaties (BITs).

#### The Hague rulings:

- Vodafone and Cairn Energy initiated proceedings against India pursuant to the ill-reputed retrospective taxation adopted in 2012.
- On **September 25, 2020, the PCA** ruled that India's imposition on Vodafone of ₹27,900 crore in retrospective taxes, including interest and penalties, was in breach of the **India-Netherlands BIT**.
- **The Permanent Court of Arbitration** ordered the Government of India to reimburse legal costs to Vodafone of approximately ₹45 crore.
- There was no award on damages, India challenged this decision.
- The Permanent Court of Arbitration ordered the Government of India to pay Cairn approximately ₹9,000 crore for the 'total harm' suffered by **Cairn (UK firm)**.

#### India and PCA:

- **PCA, established** by the Convention for the Pacific Settlement of International Disputes concluded at The Hague (Netherland) in 1899 and the convention revised in second Hague Peace Conference in 1907.
- **PCA settles disputes between** member states, International organizations or private parties like territorial and maritime disputes, sovereignty, human rights, International investments and regional trade etc.
- **PCA, has Observer Status in UN, and India is member of PCA. India ratified the 1899 convention in 1950.**

#### Cairn (UK firm) versus India:

- **Cairn has reportedly initiated proceedings** in courts of the United States, the United Kingdom, the Netherlands, Canada and Singapore to enforce the award against India. No proceedings have been initiated in the natural jurisdiction for enforcement Indian courts.
- The **reasons are**, delays in Indian courts, uncertainty in Indian public policy vis-à-vis assessment of tax demands by foreign tribunals, and the **Indian judiciary's exceptional stance on** non-enforceability of treaty awards in India may have been pivotal in Cairn's decision.
- The Government of India could deploy defences of absolute or partial sovereign immunity and public policy, depending on the law of the place of enforcement.

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### The state perspective:

- In **Cairn case**, **Government** of India enforced the tax demand by a series of unilateral measures such as the seizure and sale of Cairn's shares, seizure of its dividends, and withholding of tax refund due to Cairn as a result of overpayment of capital gains tax in a separate matter.
- **The retrospective taxation** and the Government of India's actions in Cairn thrive on the brink of being wilful, unfair and inequitable tests that limit freedom of executive action under international law.

### The retrospective taxation law:

- **"retrospective"** means taking effect from a date in the past and **"tax"** refers to a new or additional levy of **tax** on a specified transaction and It allows a country to pass a **rule on taxing certain** products, items or services and deals and charge companies from a time behind the date on which the law is passed.
- The Indian government amended the **Income Tax, 1961, retrospectively**, to overturn the judgment of the Supreme Court. The amendment allowed tax authorities to retrospectively tax transactions.
- Once Parliament passed the **amendment to the Finance Act in 2012**, the onus to pay the taxes fell back on Vodafone.
- The amendment was criticised by investors globally, who said the change in law was "perverse" in nature.

### Arriving at a solution:

- **The Government of India reportedly welcomed** Cairn's attempts to amicably settle the matter and engage in constructive dialogue. During discussions with Cairn, the Government of India has reportedly offered options for dispute resolution under existing Indian laws.
- One such possible option is payment of 50% of the principal amount, and waiver of interest and penalty, under the **'Vivad se Vishwas' tax amnesty scheme**
- It is essential for foreign investors to foster synergies with India and tap into the infinite potential that the market holds. India boasts of being among **the top 12 recipients of FDI globally**.
- The increased FDI inflows in India over the years are testament to the attractive investment opportunities available for foreign investors in India.
- Therefore, **it is important for parties to foster open dialogue with** investors and explore alternatives that lead to the road of settlement.
- **It may not be conducive to weave a web of litigation entangling stakeholders and closing exit routes.**

### Way Forward:

- **It is hoped that the parties** will actively continue, in parallel, to identify mutual interests, evaluate constructive options and arrive at an acceptable solution.

- The Government of India **has fervently defended its sovereign taxation powers.**
- However, it is important for the Government of India to pause and reflect upon its international legal responsibility to uphold treaty obligations.
- India government makes **sure reciprocal and binding promises to protect** foreign investment.
- In a tug of war, sovereign powers that are legal under national laws may not hold water before sovereign commitments under international law.
- However, what it could use is a defence of **international public policy** against tax avoidance, and the sovereignty of a state to determine what transactions can or cannot be taxable.

**Question: -**

Critically evaluate the role of Permanent Court of Arbitration at The Hague (PCA) in arbitration of investment issues.

**“Climate and consciousness “**

**Why in News: -** The melting of the Himalayan glaciers that prompted the floods and landslides in **Uttarakhand** has the fingerprints of global warming.

**Syllabus: -** GS-3: Conservation, environmental pollution and degradation, environmental impact assessment & Disaster and disaster management.

- **The policymakers and the public** response to natural disasters, such as this year’s Himalayan glacier flooding that

overwhelmed Uttarakhand, or the cold snap that paralysed Texas, **narrate as “acts of God”.**

- But cause for both events was not the hand of God, but human-made global warming. Unless climate change is tagged as a primary culprit, climate action will continue to falter.



**The Effect of global warming across the world:**

- As glacier cover is replaced by water or land, the amount of light reflected decreases, aggravating warming a contributor to the sweltering heat in cities like Delhi and Hyderabad, or the epic floods in Chennai or Kerala
- The United States has already witnessed many deadly **avalanches since the beginning of 2021.** Furthermore, the extreme cold weather in Texas,
- The **double-digit negative** temperatures seen in Germany earlier this year, is connected to Arctic-peninsula warming, at a rate almost twice the global average.

**Greenhouse gas emission;**



- **India emits about 3 gigatonnes (Gt) CO<sub>2</sub>eq** of greenhouse gases each year; about two and a half tons per person, which is half the world average. The country emits 7% of global emissions.
- For India, the **third-largest carbon emitter** after China and the United States, a decisive switch is needed from highly polluting coal and petroleum to cleaner and renewable power sources.
- China has announced **carbon neutrality by 2060, Japan and South Korea by 2050**, but India is yet to announce a target. The acceleration of hazards of nature should prompt countries to advance those targets, ideally by a decade.
- **The HSBC ranks India at the top** among 67 nations in climate vulnerability (2018), Germanwatch ranks India fifth among 181 nations in terms of climate risks (2020).

- Specifically, growth targets should include timelines for switching to cleaner energy. The government needs to launch a major campaign to mobilise climate finance.
- **A big worry is** that the Uttarakhand government and the Centre have been diluting, instead of strengthening, climate safeguards for hydroelectric and road projects.

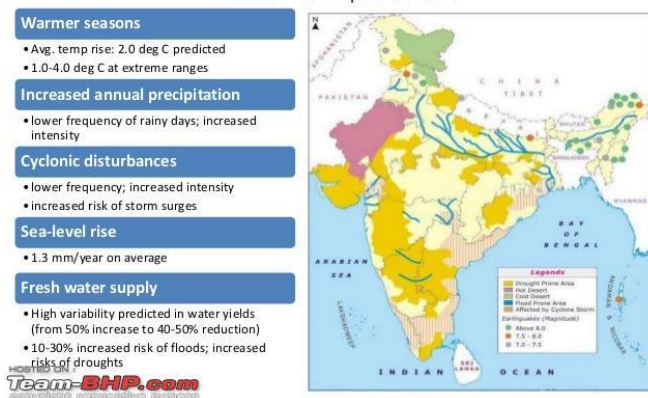
India's position in the Climate Change Performance Index, 2020

	G20 Rank	Global Rank
Overall	2	9
GHG Emissions	2	11
Renewable Energy	6	26
Energy Use	2	9
Climate policy	12	15

Source: Centre for Science and Environment, based on Jan Burck, Ursula Hagen, Niklas Höhne, Leonardo Nascimento and Christoph Bals 2019, *Climate Change Performance Index*, Germanwatch, Bonn.

## Climate change impacts in India

What the INCCA Report has found



### Budgetary allocations:

- **A vital step should** be explicitly including policies for climate mitigation in the government budget, **along with energy, roads, health and education.**

### Disaster response:

**1. The National Disaster Management Authority (NDMA)**, headed by the Prime Minister of India, is the apex body for Disaster Management in India.

**2. Setting up of NDMA and the creation of an enabling environment for institutional mechanisms at the State and District levels is mandated by the Disaster Management Act, 2005.**

### Conclusion:

- **The climate adaptation needs** to be a priority in India. India's Central and State governments must increase allocations for risk reduction, such as better defences against floods, or agricultural innovations to withstand droughts.

- The global warming is still seen as a danger that lies over the horizon.
- So, while COVID-19 triggered the mobilisation of trillions of dollars in financing, **the equally frightening climate scenario must be placed.**
- **Sustainable growth depends** on timely climate action.
- For that to happen, policymaking needs to connect the dots between carbon emissions, atmospheric warming, melting glaciers, extreme floods and storms.

**Question: -**

‘Climate Change’ is a global problem. How India will be affected by climate change? How Himalayan and coastal states of India will be affected by climate change?

**India’s migrant workers need better policies**

**Why in News:** - NITI Aayog’s well-intentioned draft report fails to address the policy distortions at the root of migrant workers’ issues that cannot be overlooked.

**Syllabus:** - GS-2: Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

**Niti Aayog’s Policy:**

- The lockdown-induced suffering of millions of migrants raised awareness regarding their magnitude, vulnerability, and role in the economy.

- It is now encouraging that the Niti Aayog,

**Migrant Labour**

**Who Are Migrant Labourers?**  
Migrant labourers are casual and unskilled workers who move about systematically from one region to another offering their services on a temporary and seasonal basis.

**Tackling Problems**

- ★ To reduce problems for migrant labourers, government has introduced One Nation One Ration Card scheme.
- ★ It is also promoting uniform labour laws across different states.
- ★ Providing better health and education facilities for families of migrant labourers.

**Benefits Of Migration**

- Address shortage of human resource in sectors such as manual labour.
- Ensure that poor people can live a life of dignity.
- Helps in cultural amalgamation.
- Remittance will be source of capital generation for parent state.

**Concerns In Migration**

- It will result in clashes between migrants and actual residents.
- Rapid urbanization and imbalance in resource allocation.
- Stress on host state to look after migrants.

**Why In News?**  
NITI Aayog has introduced a draft national policy on migrant workers.

www.studyiq.com

on the request of the Ministry of Labour and Employment, has prepared an umbrella policy document for migrant labourers, including informal sector workers.

- Niti Aayog undertook the responsibility of drafting this policy since **it required inter-sectoral and inter-ministerial coordination.**

**Provisions Draft Policy?**

1. The draft policy makes significant strides in providing a perspective on recognising the magnitude and role of migrant workers, their problems and vulnerabilities, and the role and responsibilities of various stakeholders in addressing these.

2. It states that a **sound policy must be viewed from a “human rights, property rights, economic, social development, and foreign policy lens”**.
3. It reiterates that a **rights-based and labour rights perspective** built around the core issue of dignity of labour must be a guiding principle of policy, which should lead to the **fulfilment of ILO commitments and the Sustainable Development Goals, particularly SDG 8.8 on the protection of labour rights** and providing a safe and secure working environment for all workers, particularly migrants.
4. The document states that the **migrant exodus led to an appreciation of their magnitude as well as role in the economy** (which it estimates at 10 per cent of GDP), but finds that the data has failed to capture the growth in their numbers, particularly the numbers of circular migrants.
5. It **describes the many sources of vulnerabilities of migrant labourers**, ranging from their invisibility and political and social exclusion to informal work arrangements, exploitation and denial of labour rights etc.
6. Following from this, it **identifies portability of social protection, voting rights, right to the city and health, education and housing facilities as key issues to be dealt with**.
7. It also reflects on the need for pro-poor development and provision of livelihoods in the source areas.
8. It further **proposes a governance structure with the Ministry of Labour as the nodal ministry and a dedicated unit under it** which will act as a focal point for inter-ministerial and Centre-state coordination.

#### **The Stakeholders: -**

1. Its recommendations on the above issues are addressed to various stakeholders which includes **central ministries, state and local governments, community based organisations (CBOs), employers, trade unions, and multi-lateral organisations**.
2. It further **proposes a governance structure with the Ministry of Labour as the nodal ministry and a dedicated unit under it** which will act as a focal point for inter-ministerial and Centre-state coordination.

#### **Criticism of this Policy:**

1. The National Commission for Rural Labour argued way back in 1991 that **unequal development** was the main cause of labour migration.
2. In the last three decades, disparities in development and inequalities have grown ceaselessly and the report falls short of acknowledging this.
3. The report **fails to acknowledge the root cause of the lopsided urban development strategy**.

4. Increasingly, the urban strategy has catered to the upper class marginalising the poor, particularly the migrants.
5. The report also makes a **false dichotomy between approaches which rely on cash transfers.**
6. This has led the report to brush aside the migrants' and informal workers' right to social security.
7. The National Commission for Enterprises in the Unorganised Sector (NCEUS) also recommended a **universal registration system** and issuance of smart social security cards, but its recommendations have unfortunately **remained a dead letter.**
8. The fundamental weakness of the report is its approach towards labour rights and labour policy.

### Way forward

- By putting grievance and legal redressal above regulation and enforcement on which it remains silent, the report puts the cart before the horse.
- A perusal of the new labour Codes show that they accentuate the very problems which the report itself describes.
- Further, **the codes have tilted the balance firmly in favour of capital, increasing precarity, liberalising the role of contractors, weakening the bargaining power of labour, and further weakening an already debilitated enforcement system.**

National Commission for Migrant Labours:

1. NITI Ayog has constituted a sub-group for preparation of National Action Plan for Migrant Workers.
2. The group comprises the members from various ministries of Government of India, subject experts, NGOs and Civil society organizations to prepare a tangible action plan to address the issues related to migrant workers.
3. Information was provided by Santosh Kumar Gangwar in a written reply in Rajya Sabha.
4. The act that was earlier governing the migrant workers issues was Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
5. This act was subsumed in the Occupational Safety Health and Working Conditions Code, 2020.

### Question: -

“Social security is acknowledged as a universal human right in international covenants to which India is a signatory and is given due place in the Constitution.” Discuss in the light of recent policy on migrant workers.

### Value Addition: -

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## India's new digital rules are bad news for democracy

**Why in News:** - The new rules expand the government's already considerable control over digital entities and will likely affect freedom of expression and privacy as it shuts down its internet far more frequently than any other democracy in the world.

**Syllabus:** - GS-2: Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

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- India's broadband speed is now among the slowest in the world and internet penetration is below 50 per cent, with a stark digital divide becoming clearer in a world forced online by COVID-19.
- Also, technical infrastructure is not the only limitation.
- Problems also come from the government's incessant wielding of internet-shutdown powers to constrict and damage internet freedom.

### Burning Cases Of Shutdowns In The Country:

1. The data compiled by the Software Freedom Law Center (SFLC), compiled that internet shutdowns have jumped from three in 2012 to 132 in 2020.
2. Since 2016, every year India has resorted to internet shutdowns more than any other country worldwide, for two official reasons — **public safety and public order.**
3. In 2017, the government amended the **Indian Telegraph Act of 1885** to specify that the law now allowed “**the temporary suspension of telecom services**”.
4. In 2019, internet shutdowns were used to complicate communication among protesters against the Citizenship Amendment Bill — even though their demonstrations were legal and peaceful.
5. In January, access was restricted seven times on the main sites of the ongoing farmers' protests.
6. In the aftermath of the abrogation of Article 370 on August 5, 2019, the government suspended internet access in Jammu and Kashmir.
7. While some connections were restored, social media and high speed internet were not, for security reasons - Limited 2G connectivity to a few “whitelisted” websites was restored on January 25, 2020, and 4G was restored as late as February 5.
8. **This lack of connectivity has had devastating effects on the economy, health and education, especially during the COVID-19 lockdown.**
9. The Supreme Court's ruling that the “freedom of internet access is a fundamental right” did not make the rounds around the country.



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## New Guidelines: -

1. On February 25, the government issued a notification outlining a new set of rules intended to regulate digital firms, including social-media platforms and streaming companies.
2. Among other actions,
  - **these rules require firms to preserve user data for six months** (double the previous requirement);
  - **comply with government orders to trace the origin of social media content** (including on broad grounds like “public order”);
  - **respond within 15 days to any person complaining against content hosted by the provider and allow users to “voluntarily” verify their accounts**, introducing worries about companies making such verification de facto mandatory.
3. Indeed, this requires firms to offer a voluntary service for users to “verify” their accounts (like Twitter does with the blue-tick).
4. This provision also exists in Section 28(3) of the Personal Data Protection Bill as tabled in December 2019.
5. As with Aadhaar, although beginning as a voluntary mechanism, social-media firms may make it increasingly necessary for viewers, opening the door to increasing control over user behaviour.
6. The new rules also stipulate that OTT and digital-news outfits **must register details of their company and accounts with the government**, sparking concerns about press freedom.
7. The rules also introduce a criminal penalty, noting that failing to comply can result in prosecution under the IT Act and the Indian Penal Code, and empower the Ministry of Information and Broadcasting to immediately block content if it is deemed that “no delay is acceptable”.

## Criticisms:

1. The Internet Freedom Foundation, a digital-rights non-profit, has lambasted the new regulations as being “**anti-democratic and unconstitutional**”.
2. They characterise the expansion of the IT Act’s scope to include news media and OTT platforms as being an executive amendment of a parliamentary act, and thus impermissible under the Constitution.
3. They also criticise a new ethics code that firms must abide by, particularly a clause warning firms to “**exercise due caution and discretion**” when featuring issues related to race or religion, an overly broad rule that can encourage self-censorship.
4. The rules also outline the creation of a three-tiered “self-regulating” grievance-redressal system for firms to ensure adherence to the ethics code.
5. **The system is overseen entirely by officials of a wide range of government**

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**ministries, effectively granting judicial powers to the executive.**

6. These rules, by ramping up the liability of digital firms for the content that they host or produce, will likely have a **severe impact on free expression and privacy (ARTICLE 19), contributing to the rapidly shrinking space for dissent in India today.**
7. **Frequent shutdowns** ruin livelihoods and put the lives of medical patients at risk by making the communication of critical health data impossible.

### **Way Forward**

- The country needs to **invest in connectivity.** As the number of internet users continues to swell, the value creation offered by the digital-services industry promises a huge economic windfall, because **a more connected population is more empowered and has greater access to knowledge, skills and commerce.** As such, wide internet access can be a major boost for a country's standard of living.

### **Question: -**

**India's freedom of expression has declined severely and consistently for three straight years,** pointing to internet shutdowns alongside the digital targeting of government critics and the promotion of disinformation by political leaders. Explain.