

Workshop on Trends in consumer protection regulatory Instruments to enable digital transformation

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Consumer Centric Digital Regulation -An Indian Perspective

Speaker: Dr Archana G.Gulati,

Strategic Adviser, Independent Expert, Professor of Practice, Digital & Competition Policy & Law
archanagg14@gmail.com



Outline

- Why do we Need Consumer Centric Regulation/Interventions?
- Digital Transformation & Consumer Trust
- Consumer Centric Solutions from India
- Way Forward

Why Consumer Centric?

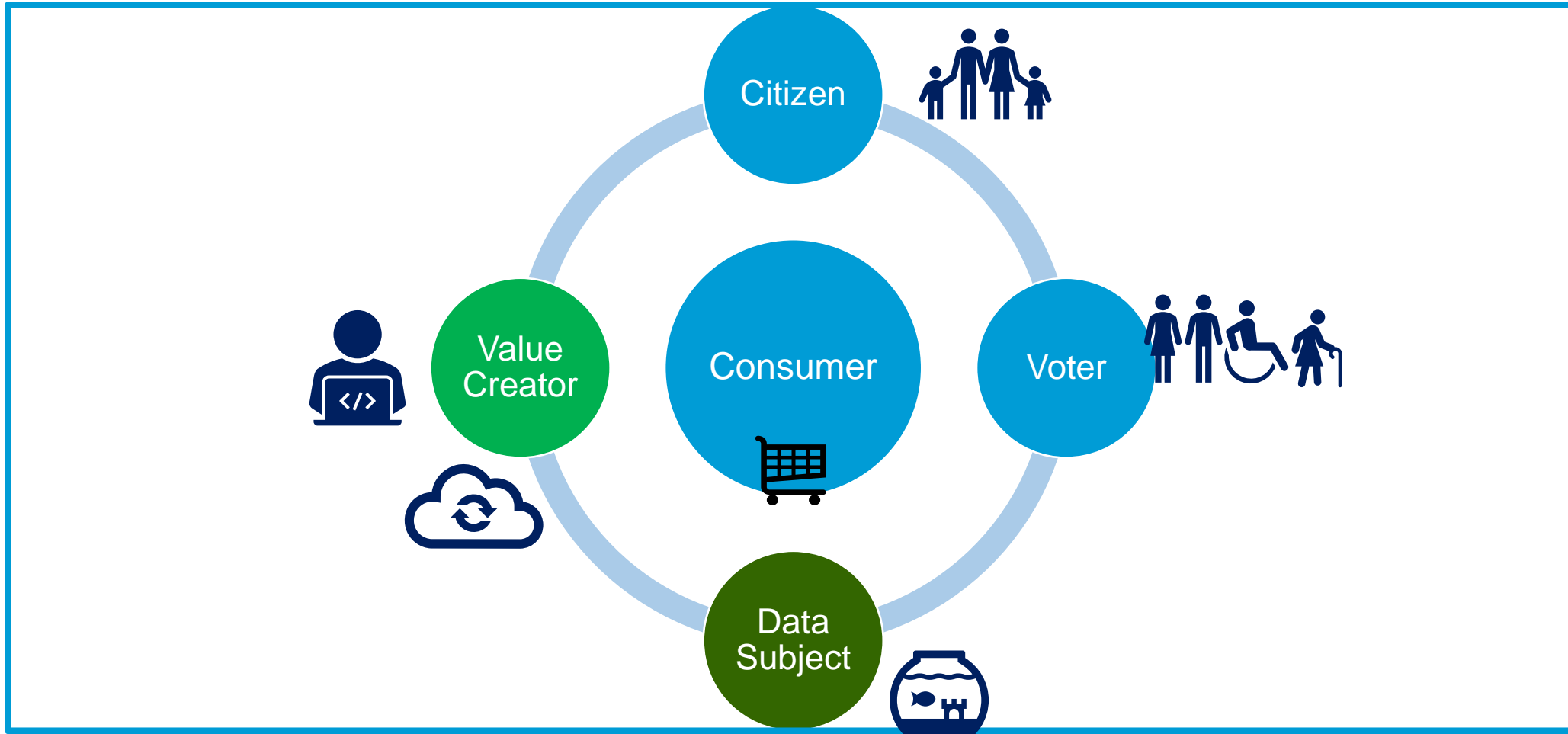
Who is the Consumer ?

- **You , I, our families, citizens,** patients, children, the aged and,
- The **voter**, the politician, the bureaucrat, the **industrialist**, the **start-up**, the teacher, the student
- Those who **cannot** or **will not** connect
- Those who **should not** connect unless we can protect them?

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Digital Consumer



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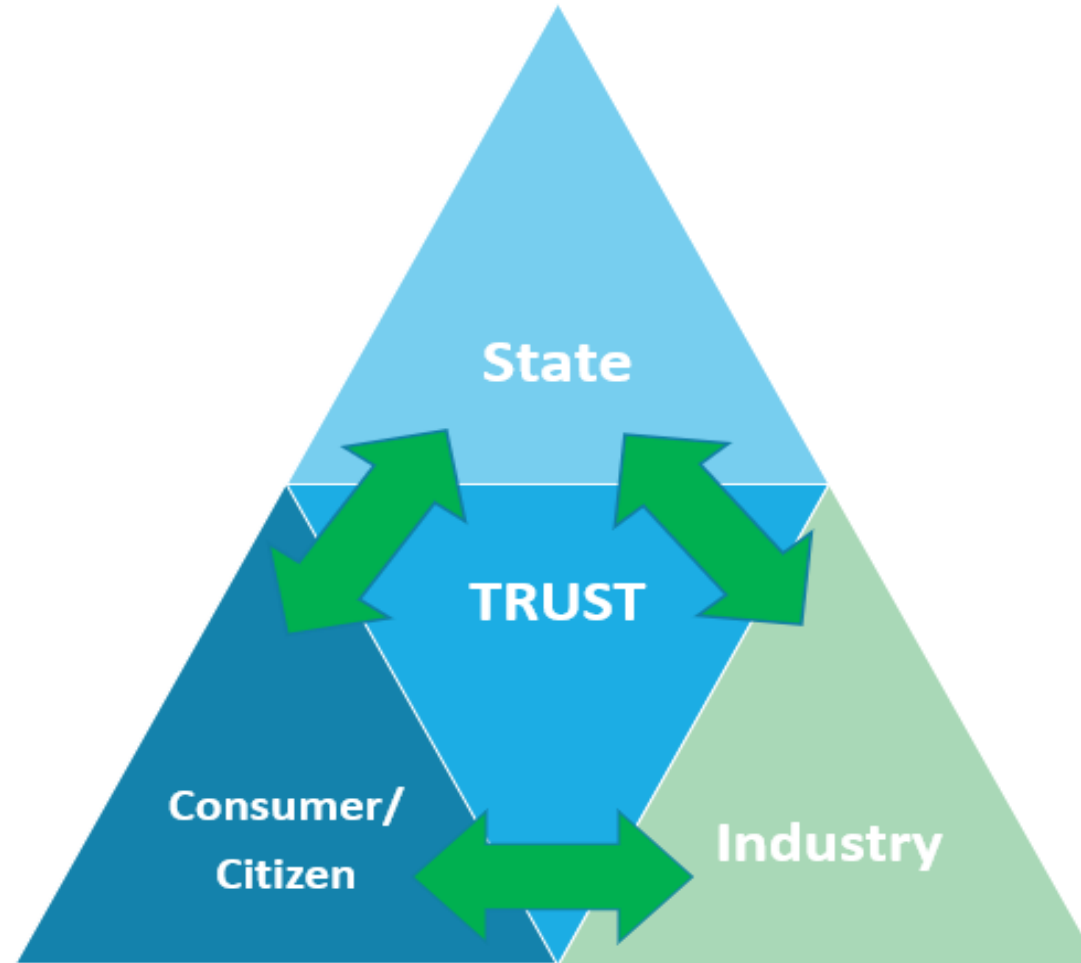
ITU-D Study Group 1 Rapporteur Group Meetings (8 - 19 May 2023)

Consumer Centric Policymaking in the Digital Age

- **Equity**
- **Ethics**
- **Transparency**
- **Accountability**
- **Redress**
- **Competition**
- **Privacy and Data protection**
- **Cybersecurity**

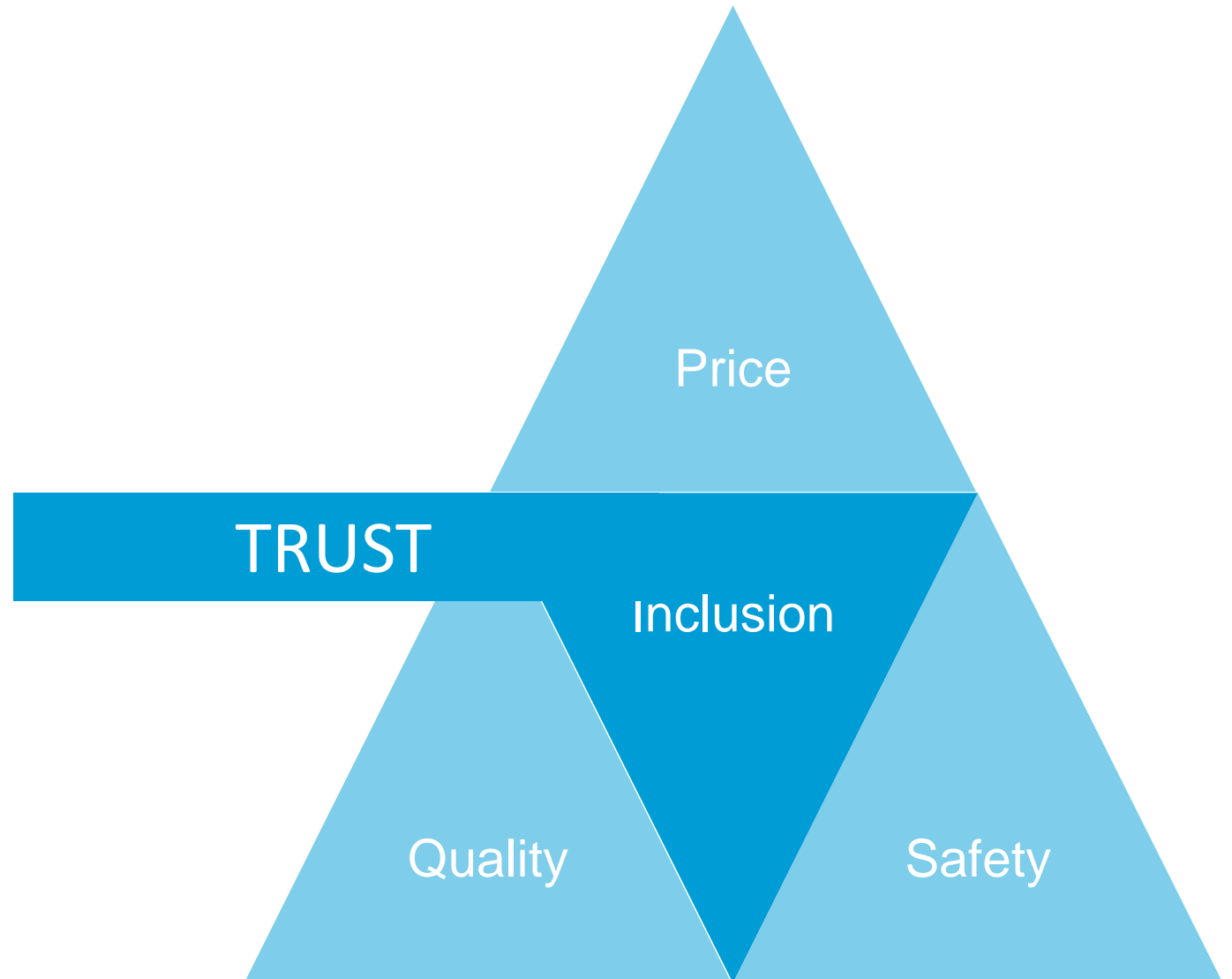


Digital Transformation & Trust

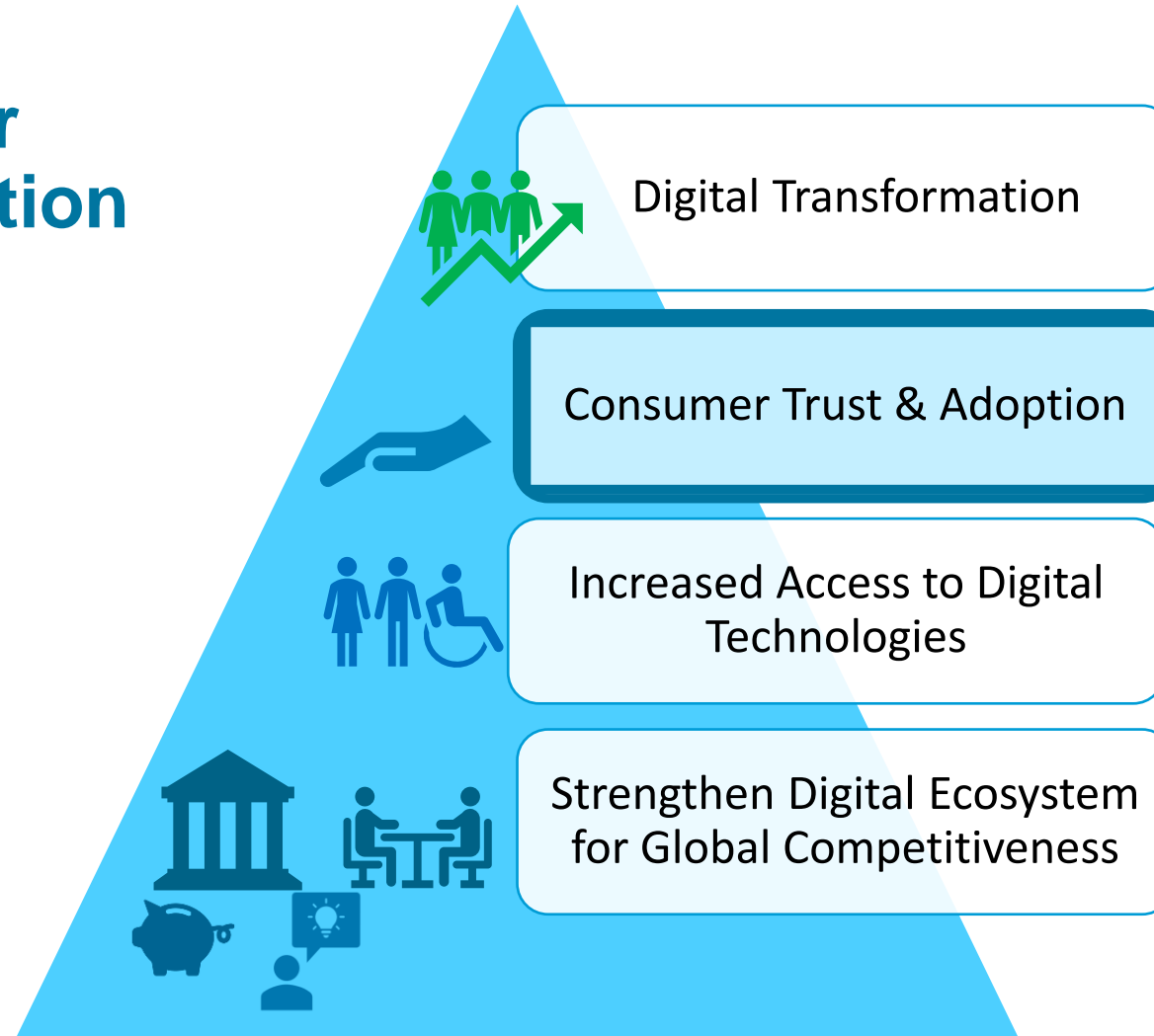


Inclusion++

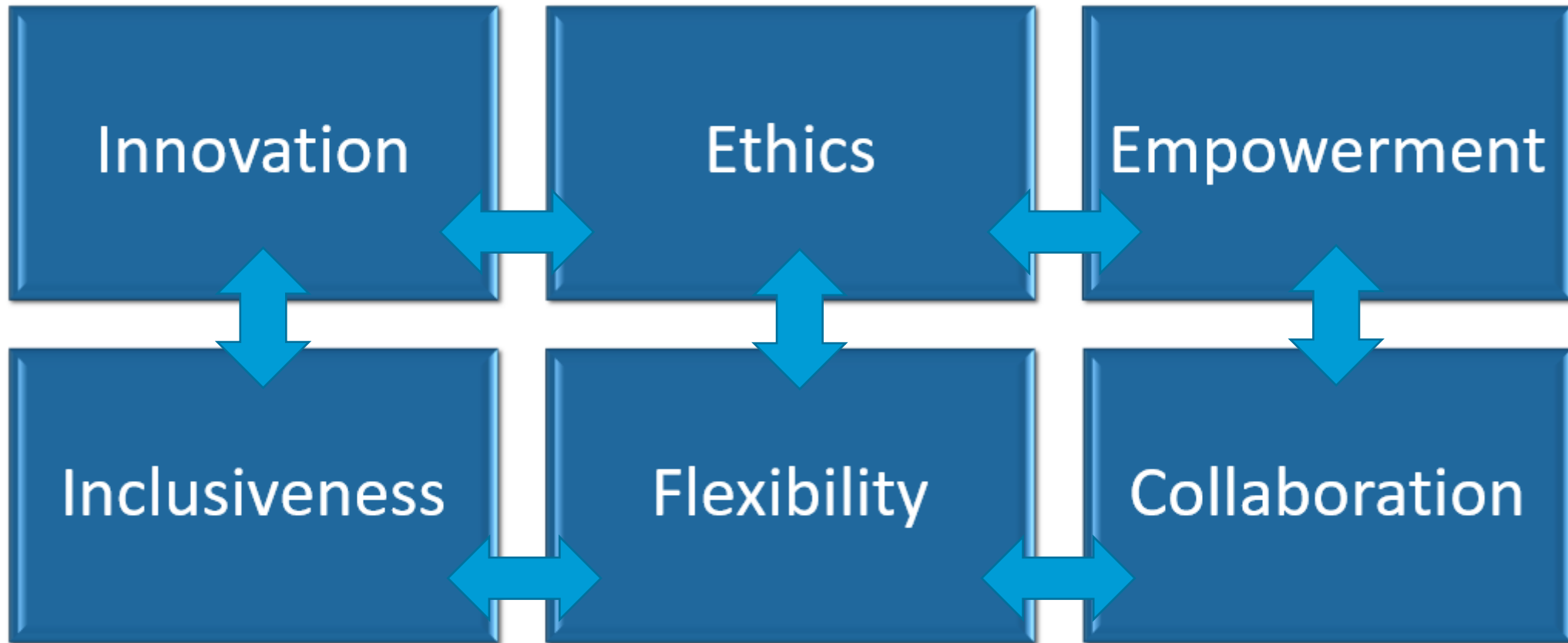
- Availability
- Affordability
- Accessibility
- **Adoption**
 - **Awareness**
 - **Approachability**
 - **Acceptability**



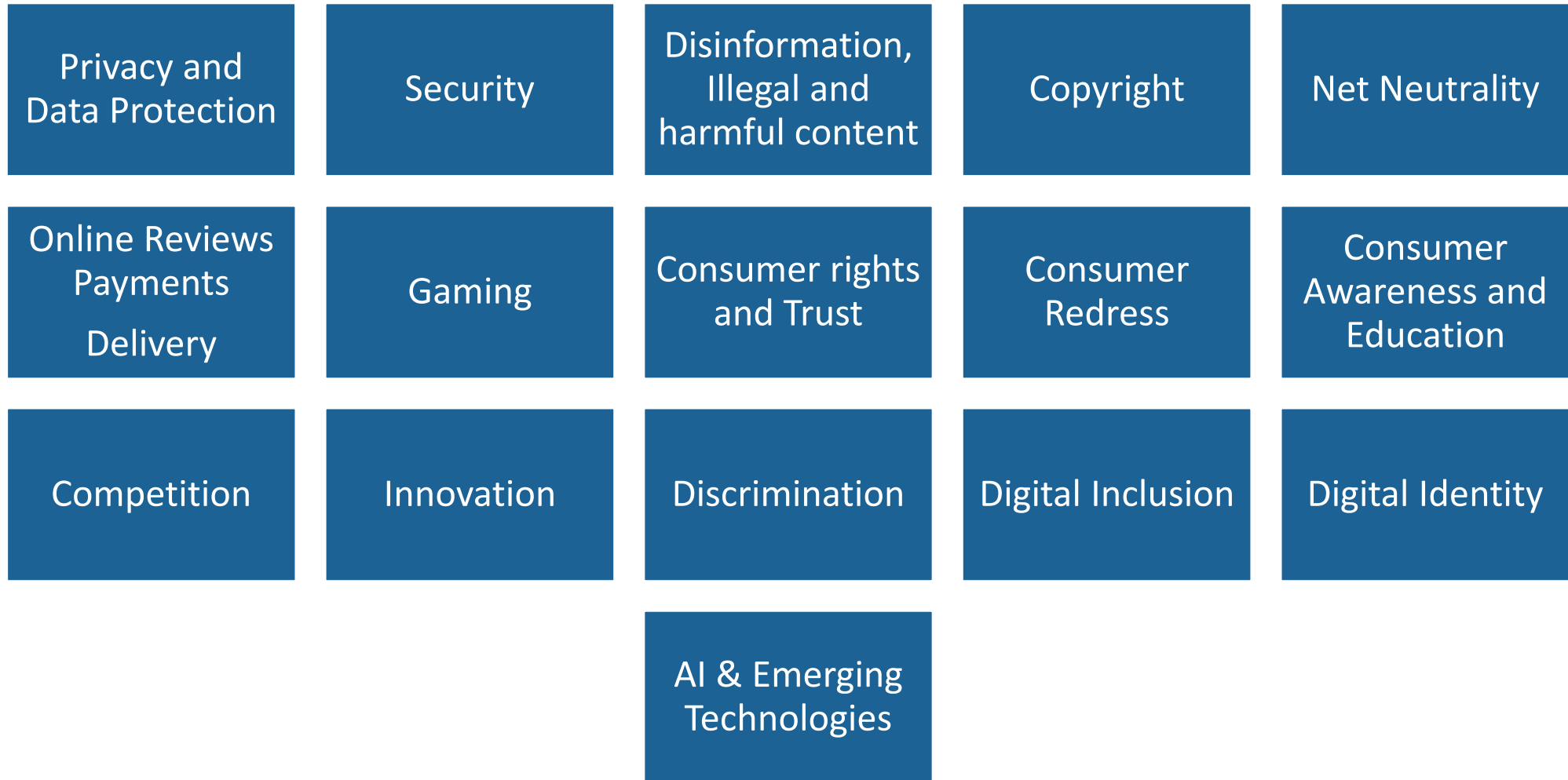
(Consumer)Trust: A Sine Qua Non for Digital Transformation



Principles for Regulating Digital Societies



The Many Facets of Consumer Centric Digital Regulation



Factoring in Stakeholder Motivations

- Solve a Problem/
Provide a
solution/Satisfy a need
- Optimal resource
allocation
- Development & growth
for the economy and

Govt.



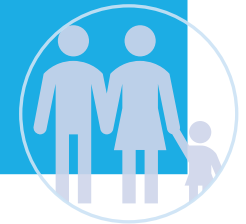
- Solve a problem/
Provide a
solution/Satisfy a need
- Profit
- Prosper

Industry



- Solve a problem/
Find a solution/Satisfy a
need
- Budget
- Prosper

User



Importance of Dialogue and Collaboration

Industry

Innovation,
Investment, Useful
Services,



Consumer Harm

Regulator

Promote Investment &
Innovation,
Regulatory Certainty

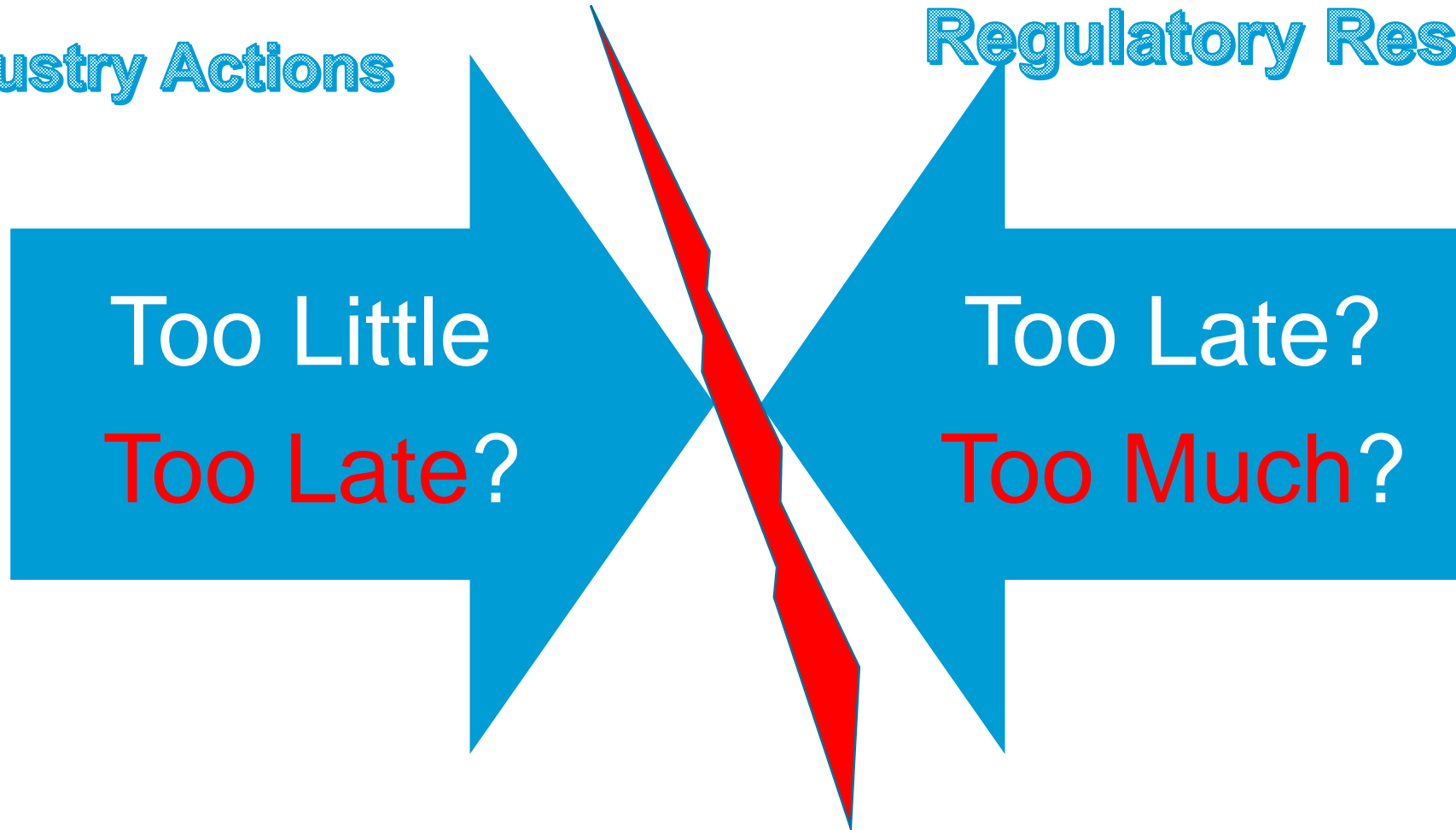
Consumer Protection



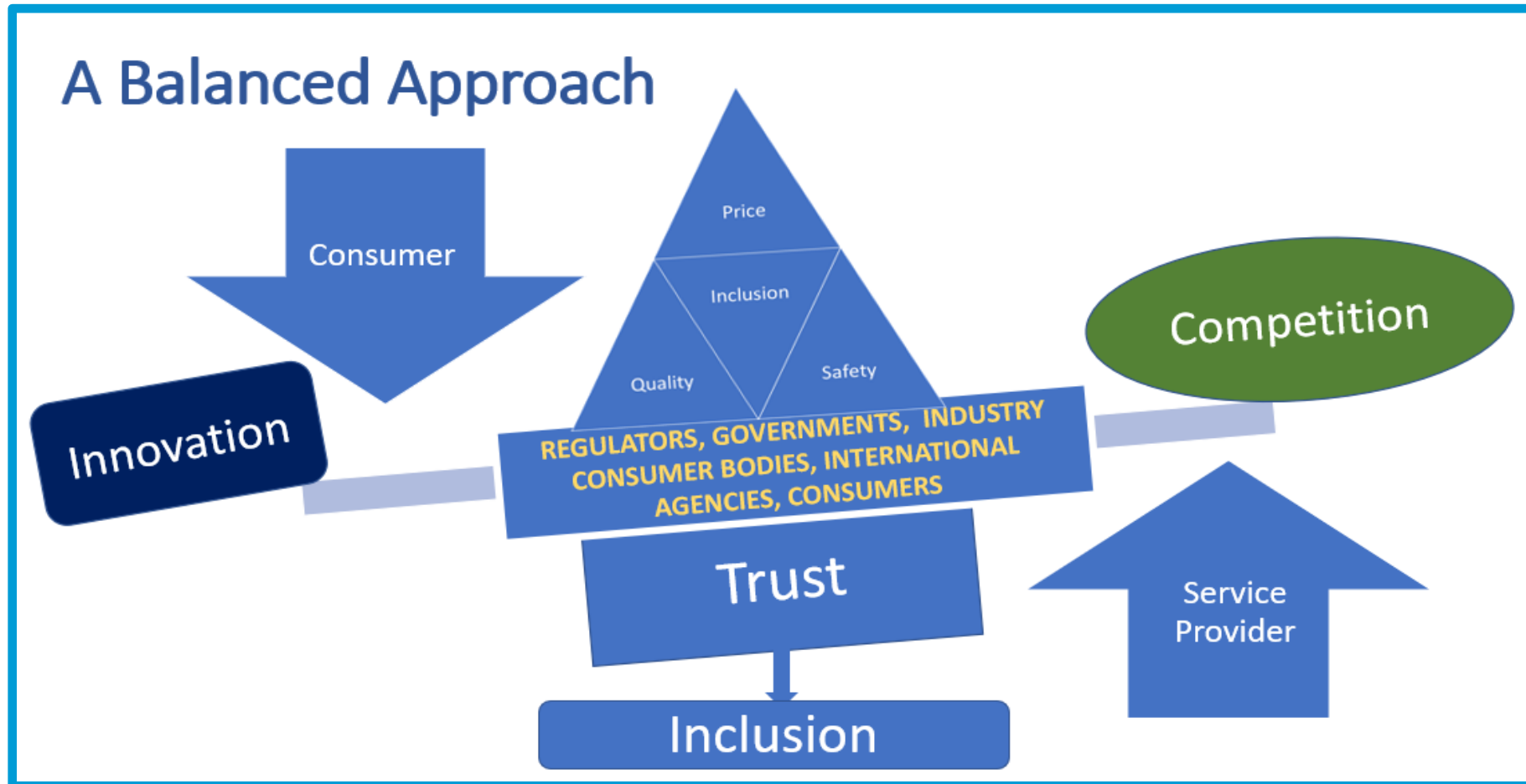
When the Dialogue Break Down; Collaboration Falls Short

Industry Actions

Regulatory Response



Striking the Right Balance



Making our Digital World Safer: Laws/ Regulation++



Laws



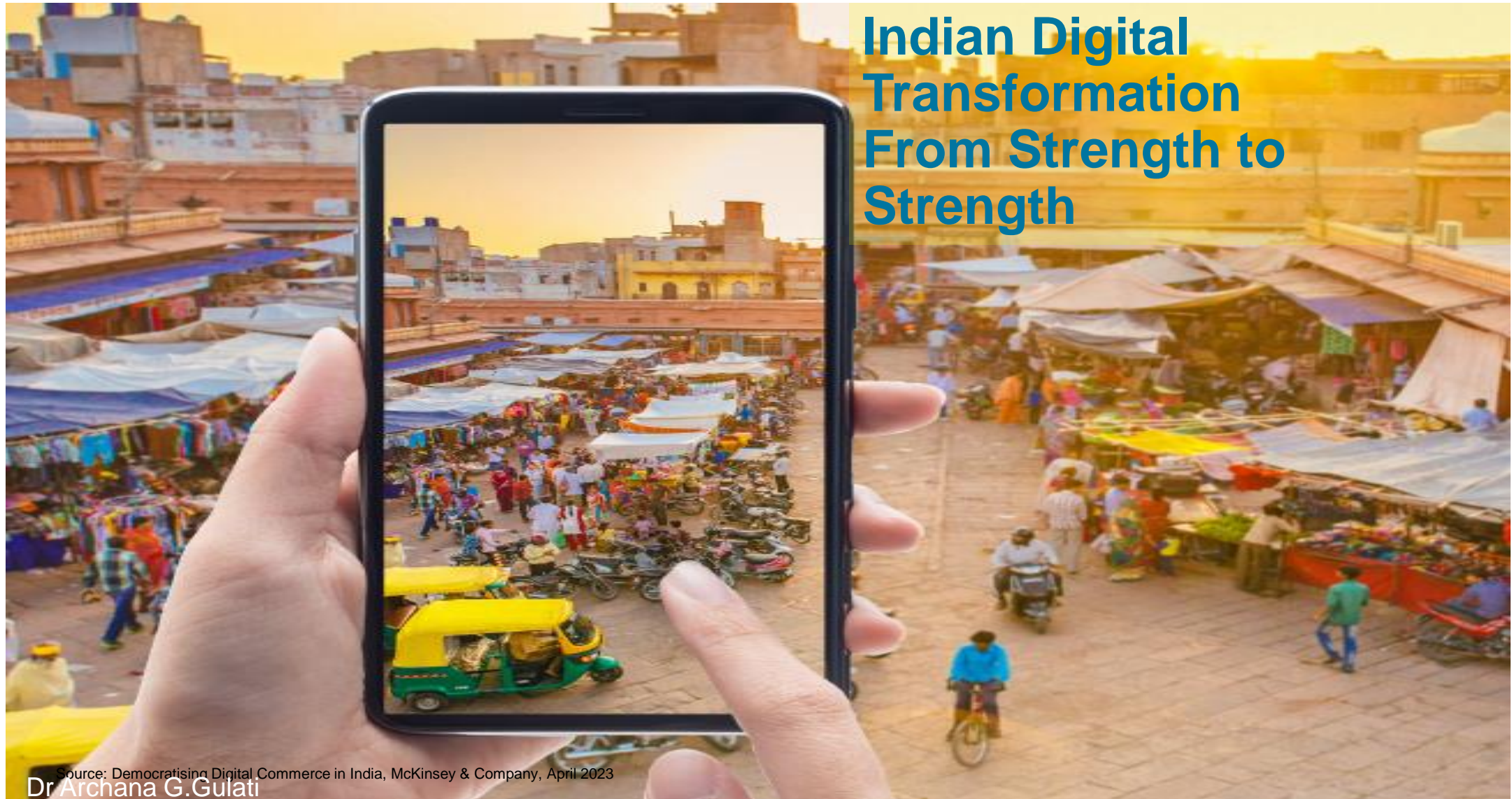
Norms



Architecture



Market



Indian Digital Transformation From Strength to Strength

Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023
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Growth of Indian Digital Economy

Exhibit 1

India's digital economy has grown ~2.5 times faster than the overall Indian economy since 2016.

Adoption



Internet users
in 2022

840
million¹

2x
growth
since 2016



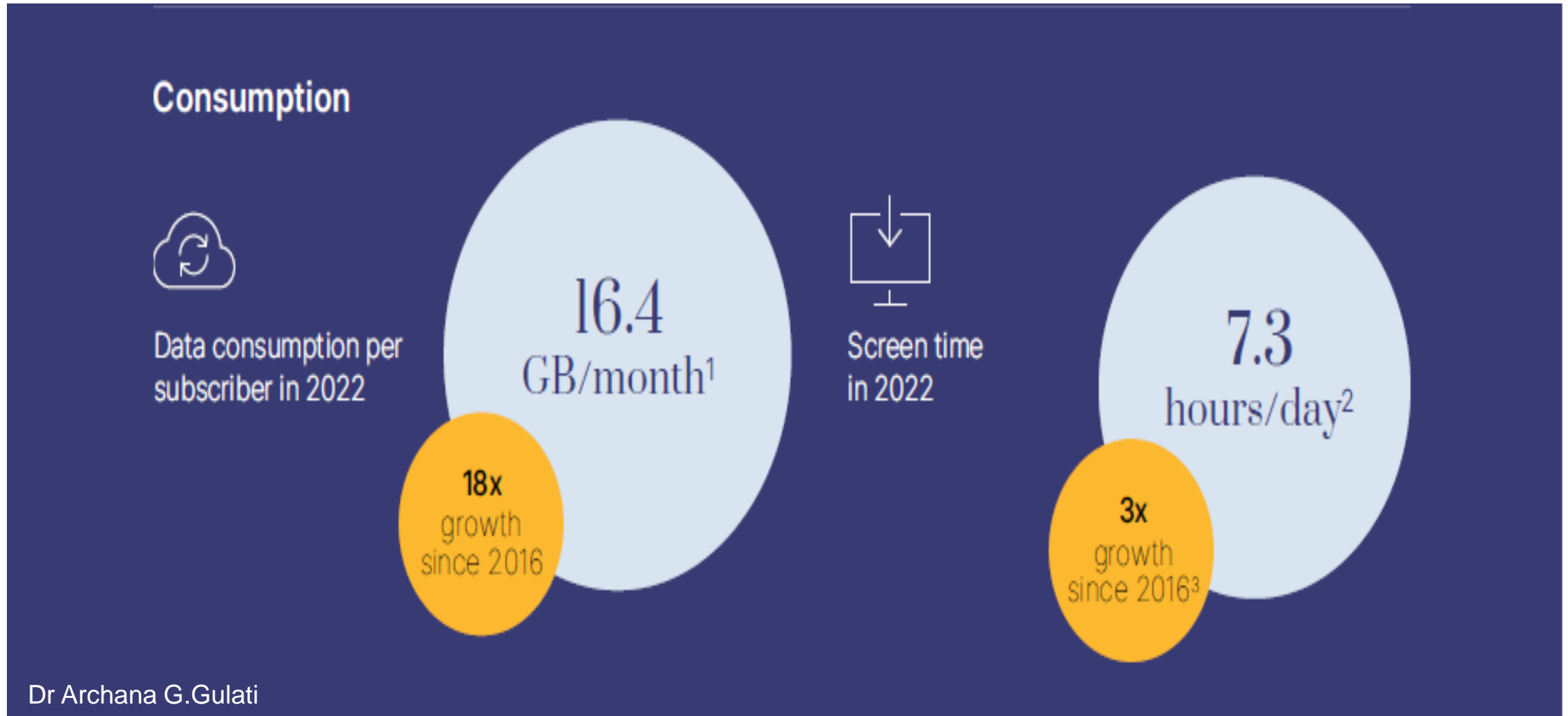
Smartphone
subscribers in 2022

600
million¹

2x
growth
since 2016

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Growth of Indian Digital Economy



Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023

Growth of Indian Digital Economy

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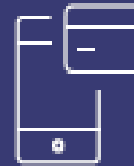
Financial activity



Share of population (age >15 years old) that have a bank account in 2022

~80%⁴

2x growth since 2016



UPI payments in 2022

\$1.5 trillion⁵

7x growth since 2019⁶

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Architecture as a means for Inclusion, India's DPI



Interoperable: Network participants work together without being configured to any single platform.



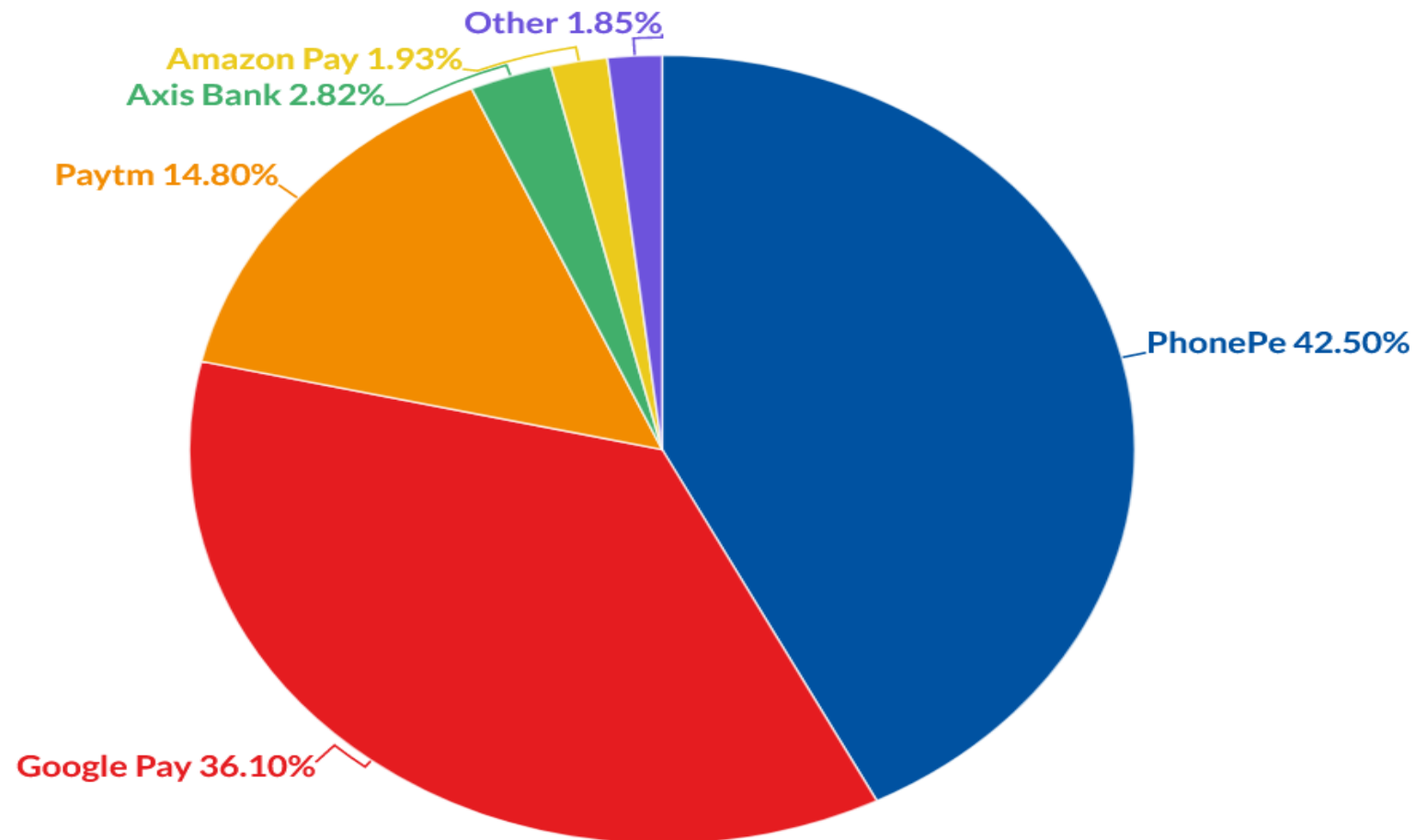
Unbundled: Breaking down of complex systems into granular activities or micro services, such as in an e-commerce transaction; different entities can take up seller, logistics, payments, and buyer-side activities.



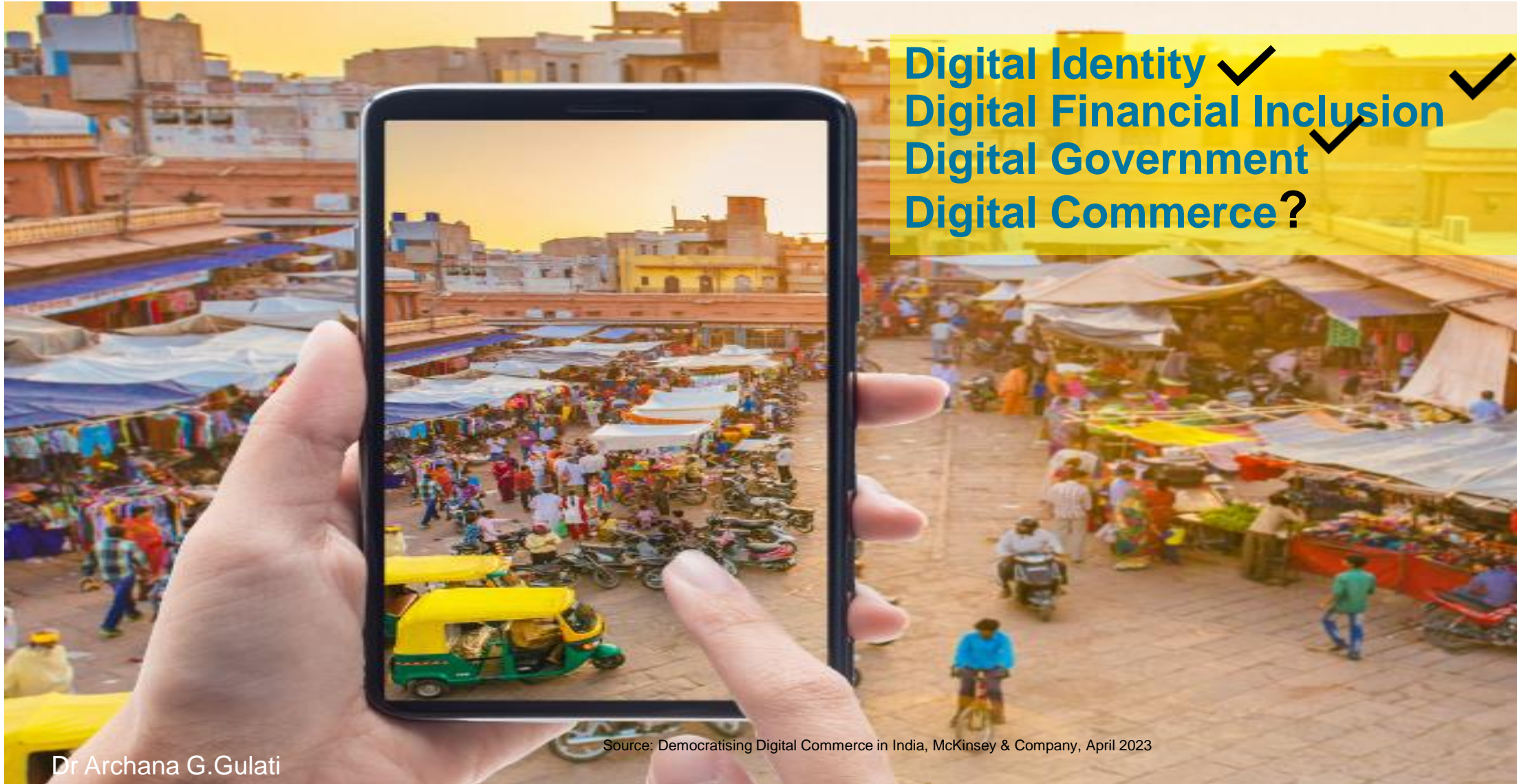
Decentralised: Data availability and control of agreeing transactions are at both the buyer and seller ends.

Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023

DPI: Enhancing Competition & Innovation



<https://telecom.economictimes.indiatimes.com/news/pesky-calls-trait-to-launch-a-digital-consent-authentication-platform-soon/96100103>



Digital Identity ✓
Digital Financial Inclusion ✓
Digital Government ✓
Digital Commerce?

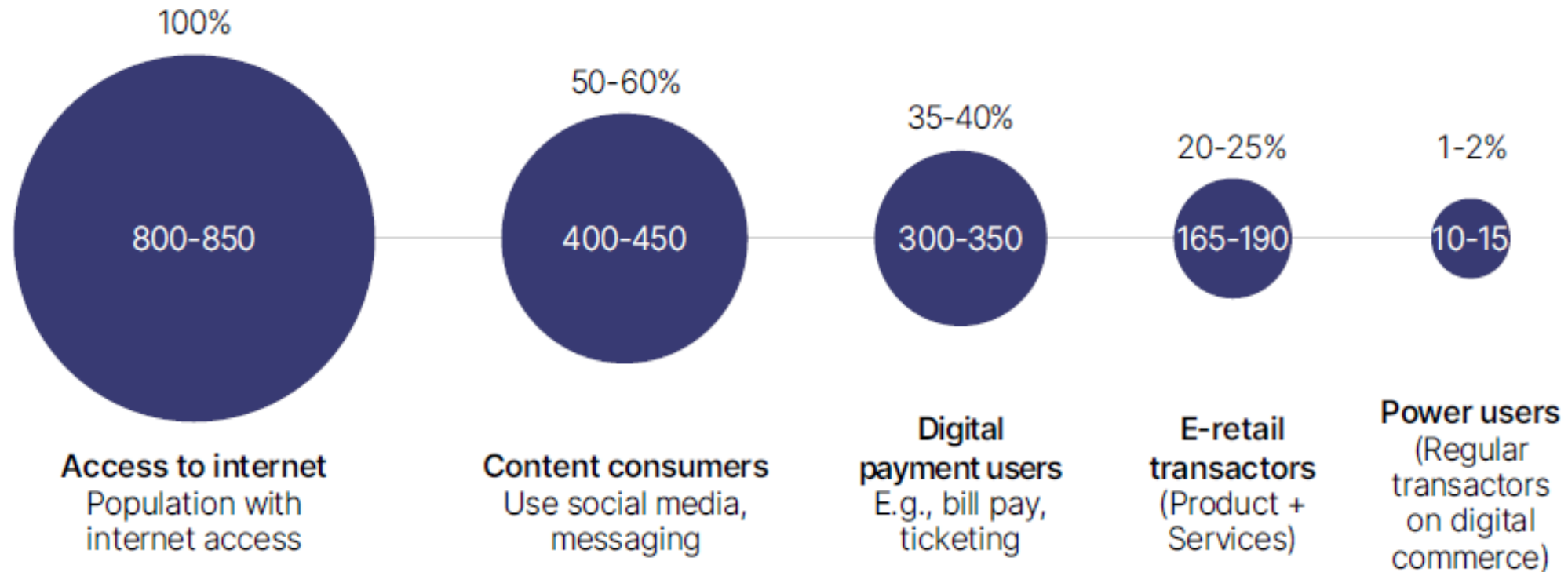
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Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023



Growth & Further Potential

India online consumers funnel 2022, million



Source: IBEF, TRAI

Low Share of Digital Commerce Analysed

“..digital inclusion remains to be seen in **digital commerce**, which is a mere 7 percent of the total retail market, with 165 million users. Multiple challenges keep sellers and buyers from online commerce— their lack of digital ease, the trust factor in traditional shopping channels, the fears about security while transacting online, the difficulties for small businesses operating on digital trade platforms, and so forth. Only 6 percent of all MSMEs, for instance, actively sell on e-commerce platforms.”

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Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023



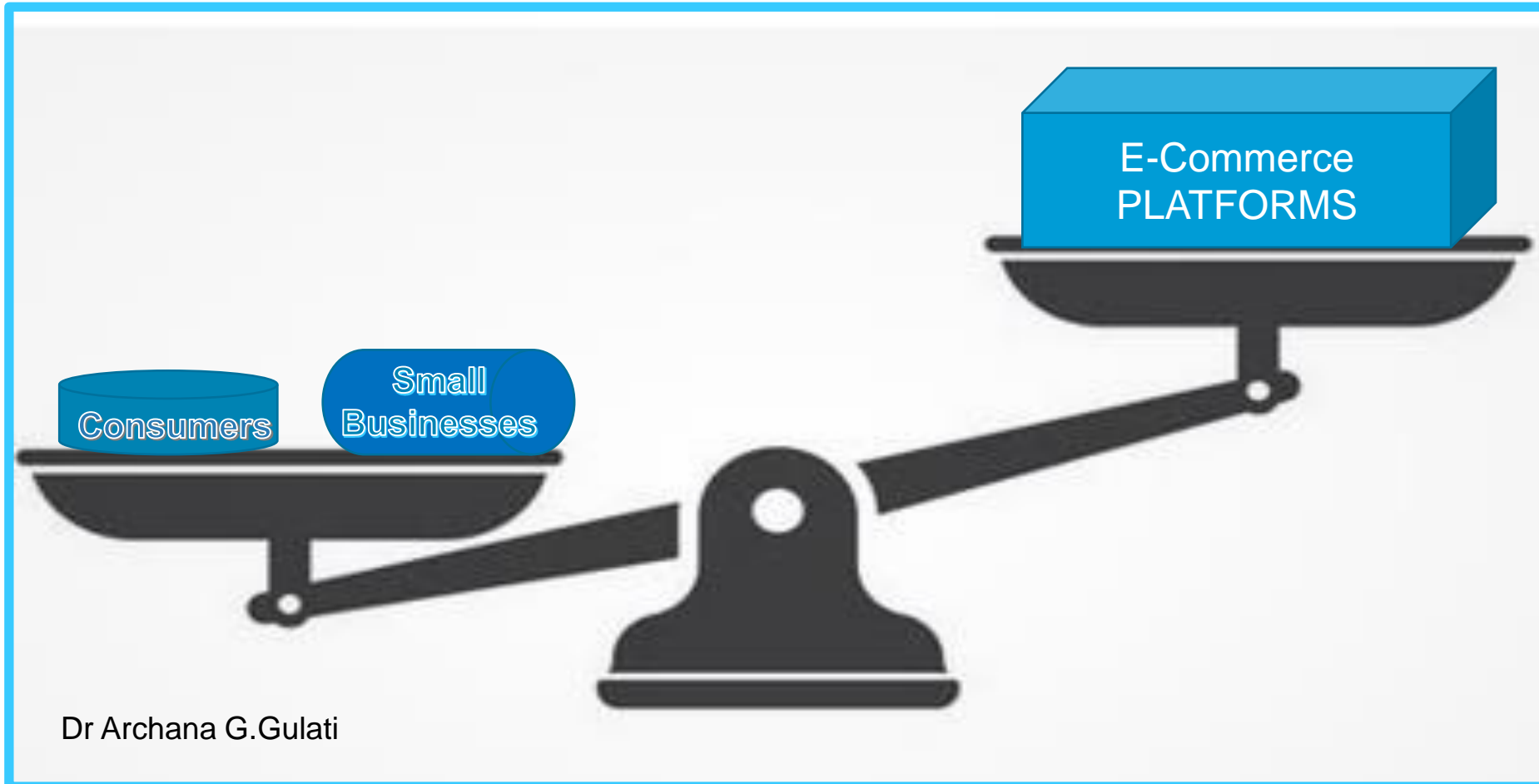
ONDC VISION:

An open network for digital commerce that will establish open, inclusive, and competitive marketplaces online, creating choice and opportunity for everyone, by everyone.

Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023

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Righting the Bargaining Power Balance



Righting the Bargaining Power Balance

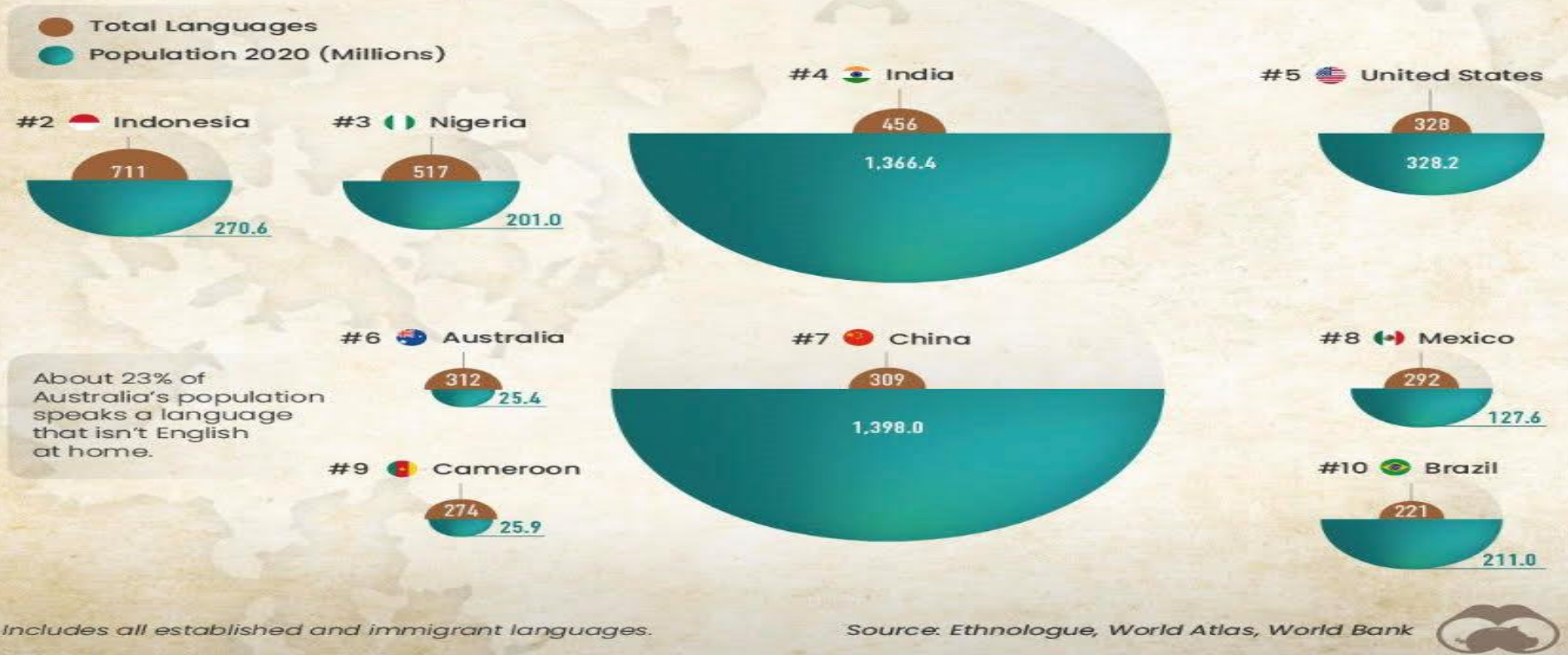
Digital Transformation to Universal Digital Empowerment



Collaborative Innovation for Inclusion

The Most Linguistically Diverse Countries

Near 7,117 languages are spoken worldwide, but these aren't dispersed evenly across the globe. Here's a look at the countries with the most linguistic diversity.

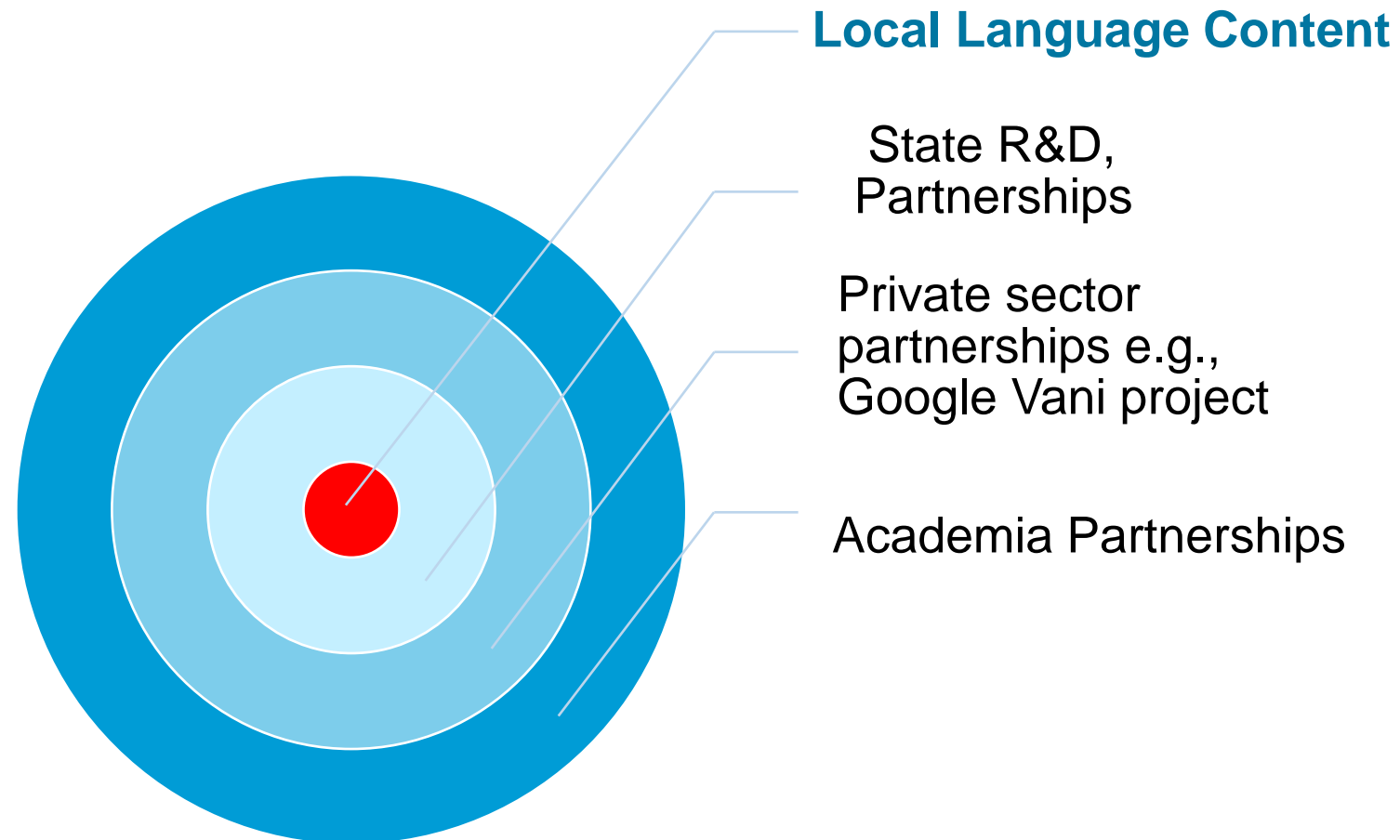


India has a [Greenberg's diversity index](#) of 0.914—i.e. two people selected at random from the country will have different native languages in 91.4% of cases

Source: Wikipedia



Collaborative Innovation for Digital Transformation



The government is investing heavily in R&D toward this purpose. MeitY's Bhashini is a government initiative to capture India's 20-plus languages and more than 20,000 dialects for a more sophisticated conversational AI experience.³⁸ As part of Project Vaani, Google has partnered with the Indian Institute of Science, Bangalore, to create an AI-based language model that understands diverse Indian languages and dialects.

These advances could feed into creating vernacular, video-based content and conversational and generative AI capabilities such as Chat GPT and DALL-E. Such shifts could bring greater comfort and convenience for the next wave of internet users.

Source: Democratising Digital Commerce in India, McKinsey & Company, April 2023

Consumer Centric Digital Transformation

Industry

Earn Trust

- Consumer Centric Innovation
- Protection by Default & Design



Regulator

Promote

- Consumer Awareness
- Conditions that Foster (Good) Innovation

References

- [Stacking up the benefits, lessons from India's digital journey, March 2023](#)
- [Democratising Digital Commerce in India, McKinsey & Company, April 2023](#)



Thank You!