DAILY CURRENT AFFAIRS

10 OCTOBER, 2023

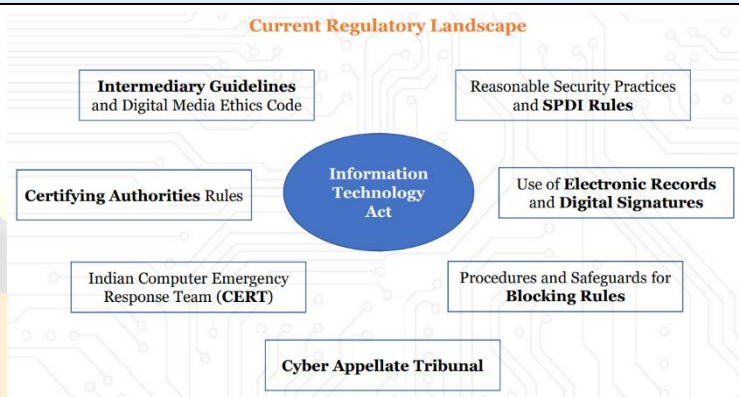| S.NO.	TOPIC
1.	DIGITAL INDIA ACT
2.	BIMA VAHAKS BY IRDAI
3.	URBAN UNEMPLOYMENT RATE DROPS TO 6.6% IN Q1

DIGITAL INDIA ACT

SOURCE: TH

WHY IN NEWS?

The recent announcement of the Digital India Act 2023 (DIA) represents a significant step towards establishing a future-ready legal framework for the country's burgeoning digital ecosystem.

BACKGROUND: IT ACT 2000 AND NEED FOR DIGITAL INDIA ACT 2023

1. **Current IT Act (2000) outdated** due to internet's evolution from 5.5M to 850M users.
2. **Fails to address modern issues** like cyberstalking, doxing, and complex intermediaries.
3. Existing regulations like Intermediary Guidelines and data protection rules inadequate.
4. **Legal adaptation needed** for emerging tech like AI, Blockchain, IoT, and cybersecurity.
5. Digital India Act to cover e-commerce, consumer protection, electronic contracts, and content moderation.
6. Global alignment with international standards crucial for effective participation in the digital realm.

Current Regulatory Landscape

- Intermediary Guidelines and Digital Media Ethics Code
- Reasonable Security Practices and SPDI Rules
- Certifying Authorities Rules
- Information Technology Act
- Use of Electronic Records and Digital Signatures
- Indian Computer Emergency Response Team (CERT)
- Procedures and Safeguards for Blocking Rules
- Cyber Appellate Tribunal

ABOUT DIGITAL INDIA ACT 2023:

KEY COMPONENTS OF THE DIA:

➢ **Open Internet:** The DIA will promote an open internet with choice, competition, online diversity, fair market access, ease of doing business, and ease of compliance for startups. These characteristics prevent the concentration of power and gatekeeping.

➢ **Online Safety and Trust:** The DIA will focus on safeguarding users against cyber threats, such as revenge porn, defamation, and cyberbullying, on the internet and the dark web. It will also aim to protect minors and their data from addictive technology and moderate fake news on social media platforms.

Digital India Goals 2026

Hon'ble Prime Minister's Vision for Digital India

1. **$1 trillion digital economy** by 2025-26: **Atmanirbhar Bharat**
2. **Global innovation and entrepreneurship system**
3. India to be **Shaping the Future of Technologies**
4. India to be a Significant **Trusted Player in the Global Value Chains** for Digital Products, Devices, Platforms and Solutions.

➢ **Accountable Internet:** The DIA aims to make internet users and activities more accountable by introducing legal mechanisms for redressal of complaints, upholding constitutional rights in cyberspaces, algorithmic transparency and periodic risk assessments, and disclosure norms for data collected by intermediaries.

SALIENT FEATURES OF THE DIA:

- The **DIA will replace the 20-year-old Information Technology Act of 2000 (IT Act),** which is no longer adequate to address the challenges and opportunities presented by the dynamic growth of the internet and emerging technologies.
- The DIA's framework will focus on <u>key elements such as online safety, trust, and accountability, ensuring an open internet, and regulating new-age technologies like artificial intelligence and blockchain.</u>
- The DIA will work in conjunction with other related laws and policies, such as the Digital Personal Data Protection Act, Digital India Act Rules, National Data Governance Policy, and amendments to the Indian Penal Code for Cyber Crimes.
- The DIA will review the **'safe harbour' principle,** <u>which shields online platforms like Twitter and Facebook from accountability for user-generated content.</u>
- The **DIA mandates stringent Know Your Customer (KYC) requirements** for wearable devices used in retail sales, with associated criminal law sanctions and penalties.
- The **DIA aligns with the Digital India Goals for 2026,** which aim to establish a USD 1 trillion digital economy and shape the future of global technologies.

CHALLENGES IN IMPLEMENTATION OF DIA:

- **Burdensome compliance requirements:** The DIA's regulations may be costly and time-consuming for businesses, especially SMEs.
- **Freedom of expression:** The review of the "safe harbour" principle for online platforms could lead to increased censorship and self-censorship.
- **Resource and infrastructure requirements:** The Indian government will need to invest in resources, expertise, and infrastructure to enforce the DIA effectively and fairly.
- **Stakeholder interests:** The Indian government will need to balance the interests of various stakeholders, including tech giants and citizens' rights.
- **Surveillance and privacy concerns:** The DIA should include robust safeguards to protect against abuse of power and violations of privacy.
- **Data localization and cross-border data flows:** The DIA's approach to data localization could disrupt cross-border data flows, impacting global businesses.

WAY AHEAD:

- **Involving various stakeholders,** including government, tech companies, legal experts, and civil society, is essential for a well-rounded legal framework.
- Finding the **right equilibrium between regulation and innovation** is crucial to avoid hindering entrepreneurship and foreign investments.
- Invest in **enhancing the capabilities of law enforcement**, the judiciary, and regulatory bodies for effective DIA enforcement.
- **Collaborate with international entities** to align the DIA with global digital standards.
- **Raise public awareness** through campaigns to educate citizens about their digital rights and responsibilities, fostering digital literacy.

PRELIMS SPECIFIC:

CLOUD COMPUTING: Cloud computing refers to the delivery of computer services, including servers, storage, databases, networking, software, analytics, and intelligence, through the Internet (often referred to as "the cloud"). It aims to facilitate faster innovation, provide flexible resources, and achieve economies of scale.

➤ **Government Initiative:** The Indian government has launched an ambitious program known as "**GI Cloud" or "MeghRaj"** to leverage the advantages of cloud computing fully.

➤ **Program Objectives:** The program's primary objective is to implement various components, including governance structures, to enable the adoption of cloud computing within government operations.

EDGE COMPUTING: Edge computing is an information technology architecture where client data is processed at the network's periphery.

➤ **Local Data Analysis:** In edge computing, data is analyzed locally, closer to its source.

➤ **Differences from Cloud Computing:** Edge computing processes data nearer to its source and is preferred for time-sensitive data, reducing latency and providing enhanced security compared to cloud computing.

BIG DATA & DATA MINING

➤ **Big Data**: Big Data encompasses vast volumes of structured or unstructured data that are so extensive that traditional data processing systems are inadequate for their analysis.

➤ **Data Mining:** Data mining is a process used to extract valuable insights from extensive raw data. It is employed in various applications such as understanding customer spending habits, managing smart traffic systems, autonomous driving cars, virtual personal assistants, and Internet of Things (IoT) devices.

QUANTUM COMPUTING

❖ Quantum Computing is a branch of computer science rooted in quantum theory.

❖ **Quantum theory** explains the behaviour of energy and matter at atomic and subatomic scales.

❖ **Quantum computers** can process vast sets of possibilities to find solutions to intricate problems more efficiently and with lower energy consumption than classical computers.

❖ Quantum computing relies on <u>two fundamental quantum principles</u>:

▪ **Superposition:** Qubits, the units of quantum information, can exist in a superposition state, representing all possible configurations.

▪ **Entanglement:** Pairs of qubits can become entangled, resulting in correlated behaviour. Quantum algorithms leverage this phenomenon for solving complex problems.

BIMA VAHAKS BY IRDAI

SOURCE: THE HINDU

WHAT IS BIMA VAHAKS?

➢ Bima Vahaks are a **women-centric**, dedicated **distribution channel.**
➢ It is established by the **Insurance Regulatory and Development Authority of India (IRDAI).**
➢ Its aim is to **enhancing insurance inclusion**, **particularly in rural areas**.

FEATURES OF BIMA VAHAKS:

➢ Bima Vahaks serve as a **key component of IRDAI's strategy** to achieve the **'Insurance for All'** goal.
➢ They are expected to **facilitate the distribution of 'Bima Vistaar**,' an insurance product aimed at being **affordable, accessible, and providing comprehensive coverage**.
➢ These channels will **play a vital role in reaching the target segments**, especially in rural areas.

ABOUT IRDAI:

➢ The Insurance Regulatory and Development Authority of India (IRDAI) is the **regulatory body overseeing the insurance sector in India.**
➢ It sets **guidelines and regulations to ensure the efficient and fair functioning** of the insurance industry in the country.

Role of IRDAI:

➢ IRDAI plays a **pivotal role in formulating and implementing policies** to promote insurance inclusion and financial security for all citizens.
➢ It **regulates insurance companies**, ensuring they comply with **ethical practices and customer** protection measures.
➢ IRDAI's **role extends to fostering innovation and competition** within the insurance sector to benefit consumers.

Provisions by IRDAI:

➢ IRDAI issued guidelines that enable **insurers to onboard and train Bima Vahaks.**
➢ These norms are **set to come into force with the launch of 'Bima Vistaar,'** a comprehensive insurance product.

SIMILAR INSURANCE SCHEMES BY THE GOVERNMENT

Scheme Name	Description
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	A government-backed life insurance scheme **for all Indian citizens between 18 and 50 years of age**. It provides a low-cost life insurance cover.
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	Another government initiative, it o**ffers accidental death and disability insurance coverage** at an affordable premium.
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)	A health insurance scheme **providing financial protection for healthcare expenses** to eligible beneficiaries.

WAY AHEAD:

- The deployment of **Bima Vahaks in all Gram Panchayats by December 2024** is a significant step **toward expanding insurance coverage** in **rural areas.**
- It is expected that this **initiative will contribute to greater financial security** and insurance inclusion among underserved populations in India.
- **Community Awareness**
  - ✓ **Conducting awareness campaigns** in rural areas is crucial.
  - ✓ Bima Vahaks can play a **pivotal role in educating communities** about the importance of insurance and its benefits.
- **Government Support**
  - ✓ Collaboration with **government agencies can bolster the scheme's success**.
  - ✓ Governments can provide **financial incentives, tax benefits**, or subsidies to insurers to make **insurance more affordable and attractive for rural peole.**

URBAN UNEMPLOYMENT RATE DROPS TO 6.6% IN Q1

SOURCE: THE HINDU

WHY IN NEWS?

The **Periodic Labour Force Survey (PLFS)** conducted by the **National Sample Survey Office (NSSO)** has recently reported **a decrease in the unemployment rate in urban areas** of India during the period of April-June 2023. Additionally, the labor force participation rate (LFPR) and the worker-population ratio (WPR) have improved during this period.

RECENT REPORT BY NSSO WITH DATA:

- The LFPR in urban areas **increased from 47.5%** in April-June 2022 to **48.8% in April-June 2023**.
- The WPR in urban areas **increased from 43.9%** in April-June 2022 **to 45.5%.**
- **Unemployment rate (UR) in urban** areas **decreased** from 7.6% in April-June 2022 to **6.6% in April-June** 2023.

PERIODIC LABOUR FORCE SURVEY RESULTS FOR URBAN AREAS

	MALE		FEMALE		PERSON	
	LFPR	UR	LFPR	UR	LFPR	UR
April – June 2022	73.5	7.1	20.9	9.5	47.5	7.6
July – September 2022	73.4	6.6	21.7	9.4	47.9	7.2
October – December 2022	73.3	6.5	22.3	9.6	48.2	7.2
January – March 2023	73.5	6.0	22.7	9.2	48.5	6.8
April – June 2023	73.5	5.9	23.2	9.1	48.8	6.6

All figures in % and for persons of 15 years and above.
LFPR = Labour Force Participation Rate; UR = Unemployment Rate
Source: NSO, MoSPI

ABOUT NSSO:

- **Establishment and Purpose**
  - **The NSSO was established in 1950**, shortly after India gained independence, **to fulfill the need for reliable and comprehensive data** to inform policymaking and planning.
  - Its **primary purpose is to collect data on various economic and social indicators** through large-scale sample surveys.
- **Organizational Structure**
  - The NSSO operates **under the Ministry of Statistics and Programme Implementation (MoSPI)**, Government of India.
  - It has **its headquarters in New Delhi** and regional offices across the country to facilitate data collection.

WHAT IS UNEMPLOYMENT:

- **ILO Definition**
  - Unemployment, according to the **International Labour Organization (ILO),** involves being **jobless, available for work,** and **actively seeking employment**.
  - Importantly, **individuals who are not actively looking for work are not classified as unemployed**.
  - It is a significant **socio-economic issue** that affects **individuals and the overall economy**.
- **The Labour Force**
  - The labour force **consists of both those who are employed and those who are unemployed**.
  - Individuals who **do not fall into these categories**, such as **students or unpaid domestic workers**, are categorized as being out of the labour force.
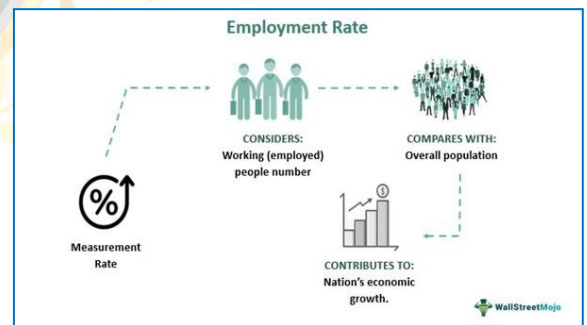
TYPES OF UNEMPLOYMENT

Type of Unemployment	Description	Example/Application
Disguised Unemployment	More people are employed than needed. It's prevalent in the agricultural and unorganized sectors of India.	Farms with excess labor that doesn't increase output.
Seasonal Unemployment	Occurs during specific seasons of the year. Common among agricultural laborers in India.	Farmworkers with work only during planting or harvest.
Structural Unemployment	Arises from a mismatch between available jobs and workers' skills, often due to inadequate education.	Job seekers lacking skills required by available positions.
Cyclical Unemployment	Linked to economic cycles, rising during recessions and falling with economic growth.	Typically found in capitalist economies during economic downturns.
Technological Unemployment	Job loss due to technological advancements.	Predicted to rise due to automation, potentially affecting 69% of jobs in India.
Frictional Unemployment	Occurs during job transitions or while seeking new employment.	Individuals between jobs or seeking better opportunities.
Vulnerable Employment	Informal, unprotected work without proper job contracts. Common in India's informal sector.	Workers without legal job protection or formal records.

MEASURING OF UNEMPLOYMENT IN INDIA

➤ Measuring unemployment in India is **challenging due to the informal nature of jobs**.
➤ The National Sample Survey Organisation (NSSO) in India *adopts two primary measures*:
 - **Usual Principal and Subsidiary Status (UPSS)**
   ✓ **UPSS** defines an **individual's employment status** based on the activity they spent "**relatively long time**" on in the previous year. **It may underestimate unemployment**.
 - **Current Weekly Status (CWS)**
   ✓ **CWS** uses a shorter reference period (a week) and counts an individual as employed if they worked for at least one hour on at least one day during the preceding seven days.
➤ **UPSS unemployment rates are usually lower than CWS rates** because it's more likely for individuals to find work over a year than over a week.

CHALLENGES IN MEASURING UNEMPLOYMENT

➤ **Social Norms:**
 ✓ In **developing economies**, cultural norms may **restrict people from actively searching for work**, **affecting the accuracy** of unemployment data.
➤ **Informal Economy**
 ✓ The **informal nature of jobs makes it difficult** to define and measure unemployment accurately.
➤ **Short vs. Long Reference Periods**

✓ Different reference periods can **lead to variations in reported unemployment rates**.

➢ **Skill Mismatch**
- ✓ Many job seekers lack skills that are in demand in the job market, leading to structural unemployment.

➢ **Population Growth**
- ✓ Rapid population growth adds to the challenge of creating enough jobs to meet the demand.

➢ **Underemployment**
- ✓ Many individuals are underemployed, working in jobs below their skill level.

GOVERNMENT SCHEMES RELATED TO UNEMPLOYMENT

Scheme Name	Description
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	Provides guaranteed employment in rural areas.
Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)	Incentivizes employers to generate employment opportunities for the youth.
Skill India Mission	Aims to provide skill training and enhance employability.

WAY FORWARD:

➢ **Standardized Measurement Criteria**
- ✓ Developing economies should strive for **standardized unemployment measurement criteria** that consider the **unique characteristics of their labor markets** while maintaining comparability with global standards.

➢ **Incorporate Informal Sector Data**
- ✓ Improved data **collection methods should be implemented to capture informal sector** employment accurately.
- ✓ This may **involve surveys, technology, and collaboration with local organizations**.

➢ **Enhanced Education and Skills Development**
- ✓ To address **structural unemployment**, investing in **education and skills development programs** is essential.
- ✓ It can align the **workforce with evolving job market demands**.

Prelims Specific

PSC Civil Services Examination, Previous Year Questions (PYQs)

Q. Disguised unemployment generally means (2013)

(a) large number of people remain unemployed

(b) alternative employment is not available

(c) marginal productivity of labour is zero

(d) productivity of workers is low

Ans: (c)

UPSC Mains PYQ

Figure 1. UPSC 2023 mains GS3

11. भारत में सबसे ज्यादा बेरोजगारी प्रकृति में संरचनात्मक है। भारत में बेरोजगारी की गणना के लिए अपनाई गई पद्धति का परीक्षण कीजिए और सुधार के सुझाव दीजिए। (उत्तर 250 शब्दों में दीजिए)

Most of the unemployment in India is structural in nature. Examine the methodology adopted to compute unemployment in the country and suggest improvements. (Answer in 250 words) 15