



CURRENT AFFAIRS



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DEMAND FOR THE DISTINCTION BETWEEN” REAL MONEY GAMES” AND “VIDEO GAMES”

Demand for the distinction between” real money games” and “video games” in the Online Gaming Industry

*This article covers “Daily current events “and the topic is the **Demand for the distinction between “real money games” and “video games” in Online Gaming Industry**, which is in news, it covers “IT and computers” In GS-3, and “Government policies and interventions” In GS-2, the following content has relevance for UPSC.*

For Prelims: IT and computer

For Mains: GS-2, GS-3, Factors involves in online gaming

Why in news:

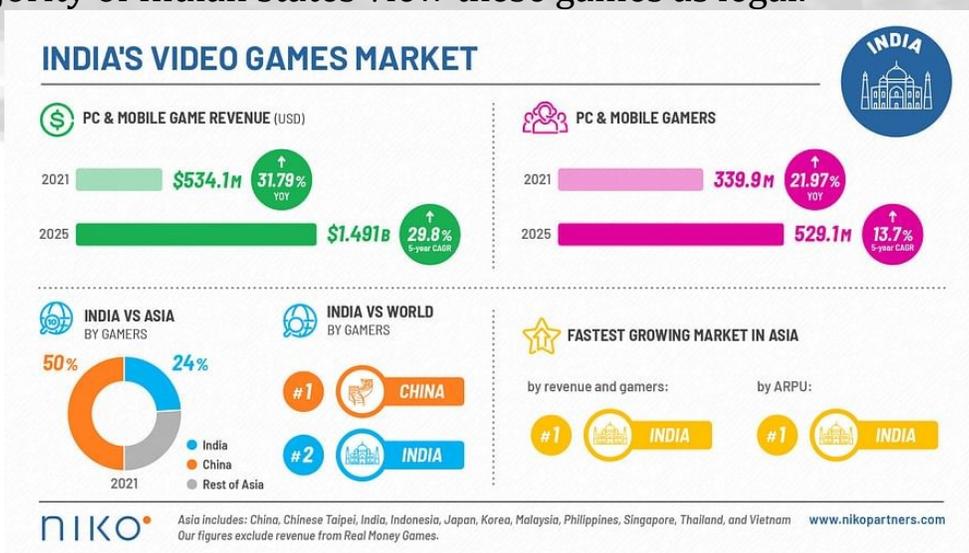
- In light of the upcoming changes to the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, over 40 Indian video game and e-sports companies have written a letter to the Ministry of Electronics, Information, and Technology (MeITY) requesting a regulatory distinction between them and “real money games.”
- The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 were amended by the MeitY, who also earlier published the Draft Rules for Online Gaming.
- The letter urges MeitY, which it refers to as “the nodal agency for “online gaming,” to understand the distinction between the two markets.

ABOUT

- Real Money Gaming is any game played through an online medium in which real money is staked on the outcome, including casino, bingo, poker, sports or sporting events, skill games, etc. Real Money Gaming includes all of these activities.
- While A video game is a digital or computerized game that you can play on a computer or television.
- Online games must be played through an online connection. This is a sector of the rising business, and access to various gaming types is becoming more and more popular these days. For instance, poker, rummy, and other augmented reality-based artificial intelligence games.
- The country is the largest fantasy sports market internationally, with more than 13 crore players spread over more than 200 sites. According to the authorities, the number of people playing online rummy has increased. India separates the games mostly into two big categories.

There are two types of the game:

- The term “**game of chance**” refers to any game that is played at random. These games primarily rely on luck. These games don’t require any prior understanding or knowledge to play. A few examples are playing dice games, selecting a number, etc. These games are regarded as illegal in India.
- A **game of skill** is any of the several video games that are played based on the player’s prior knowledge or level of gaming prowess. A person will require skills including the capacity for making analytical decisions and logical thought. Some games may also require some initial practice to be successful. The majority of Indian states view these games as legal.



FACTORS INFLUENCING THE ONLINE GAMING INDUSTRY

- The demand for the online gaming industry increased as a result of the Covid 19 restrictions and lockdown, which caused individuals to be out of the office, attend online classes, work from home, etc.
- The gaming industry underwent evolution. Growing tech businesses began showing interest in it because of the profitability involved as a result of the increase in investments made to meet the rising demand for online games.
- Thanks to technology improvements and cloud computing, there are now more gaming possibilities available.
- Another factor for the growing accessibility of these games may be the reasonably priced internet.
- Aside from the various age groups, the population is getting younger, and more people are becoming interested in playing online games, which has led to an increase in users.
- The newly undertaken Digital India initiatives have a direct impact on the expansion of the gaming industry. Due to digitization, more people have access to the Unified Payment Interface (UPI), hence the industry is growing in terms of both user numbers and monetization.
- According to the World Economic Forum (WEF), mobile devices dominate the Indian gaming industry. Observations show that the growth of the gaming industry is a result of the use of smartphones. Mobile gaming predominates in today's market. availability of smartphones with superior gaming capabilities.

ADVANTAGES OF ONLINE GAMING

- Because they will be occupied, adolescent offenses will decline because they won't engage in risky or damaging social activities. Additionally, it will lead to a decrease in illicit activity. For instance, games like Dream 11 may lead to a decrease in unlawful betting.
- Through the taxes placed on online gaming, the government may see an increase in revenue. And as a result, it will assist the government in cutting the deficit and building out the infrastructure.
- The educational games will keep the kids entertained while assisting them in learning various concepts clearly and straightforwardly.
- For many people with an interest in this field, it will open up career prospects. Animations, for instance, or IT start-ups, etc.
- E-sports may become more widely accepted as a result, and it will give India more opportunities to succeed internationally. For instance, e-sports like pub g will make their debut as medal events at the Asian Games in 2022.

- It will encourage technological advancement and innovation in immersive and interactive media. Take augmented reality, for instance.

ISSUES AND CONCERNS

- There could be psychological and bodily consequences. For instance, aggressive conduct and greater aggression may occur from constantly being in gaming mode. A blue whale challenge can involve a true incident.
- The public has a mediocre understanding of the law. Another issue is that betting and gambling are on state lists, which means that different states will have different rules.
- Obesity, visual disorders, arm injuries, anxiety, stress, disturbed sleep patterns, and irregular eating habits are major health issues that may have long-term effects. Additionally, a gaming addiction may interrupt social interactions and bring about financial losses.
- This may cause the younger generation to become distracted by video games, negatively affecting how well that generation performs academically. And as a result, the youth's moral ideals and social and cultural connections will be lost.
- Due to the potential for increased turmoil and the emergence of unlawful apps, the absence of any national controls and legislation on online gaming would provide additional difficulties for the government and administration to handle.
- As a result of the financial losses, there will be an increase in aggression towards women and children both inside and outside the home because the offender will continue playing games even after the negative effects.
- Damage to the body, society, and emotions will result. There will be poor sleep, professional disruptions, and no social life. Since gaming, financial hardship, and social isolation currently occupy the majority of their time, they will continue to do so.
- Cyber assaults, privacy concerns, data mining, identity theft, money fraud during gaming transactions, and other threats will exist.

CONCERNS REGARDING IT RULES 2021

Similar regulatory scope

- A self-regulatory organization that will confirm an Indian online game is approved is proposed as part of the IT Rules, 2021 modifications.
- In the current draught notification, "video games" and "online games played for stakes" are regulated under the same umbrella.

- No nation in the world recognizes or regulates these two types of games similarly.
- However, gaming businesses are concerned about how there isn't a clear line between them and "real money games" (RMG), which are frequently in a grey area because of state gambling laws and regulations.

Simply for Fun

- Video game firms claim that "games do not entail staking money and are played solely for fun."
- They note that in other nations, Real Money Games and Fantasy Sports are referred to as the "iGaming Industry" as a whole.

Their demands

- **Formation of a body:** It is essential to establish an appropriate structure that respects the specifics of the business and is in line with international best practices if India is to produce video games of the highest caliber for a worldwide audience.

This will significantly improve India's ability to attract finance, expand its market reach, collaborate with foreign companies more frequently, cultivate talent pools, and produce world-class athletes.

- **For regulations:** By international standards like PEGI (Pan-European Game Information) in the European Union and ESRB (Entertainment Software Rating Board) in North America, video games are regulated through an age and content rating mechanism specific to India by establishing a video games industry-specific self-regulatory body (SRB).
- **Framework for further issues:** Establish a strong framework to address issues like children's video game addiction, their exposure to in-game purchases, age-inappropriate content, and online harm.

This framework will be regulated by a self-regulatory body specific to the video game industry by international standards like COPPA (Children's Online Privacy Protection Rule) in the USA and GDPR (General Data Protection Regulation) in the European Union.

WAY AHEAD

- Proper gaming regulation for all parties involved is urgently needed, or the center should be given the authority to enact rules and regulations using either the residuary powers under article 248 or the control under article 252.

- To unify regulations and maintain uniformity in the laws across India, there has to be one regulatory agency overseeing the whole online gambling sector.
- In addition, parents need to be accountable for their children's gaming habits and time spent online. They should also be aware of potential negative impacts and work to influence their children to play educational games, among other things.
- There is an urgent need to raise awareness of online gaming, its adverse effects on children's growth and development, its ripple effects on society, and the value of maintaining discipline even when used.
- A license is required for the sector. It is necessary to establish numerous safety checks. It is necessary to involve the sector as a self-regulator rather than having a policy.
- To fully exploit the potential of the online gaming industry, the State and Union Governments should work together to create precise standards in conjunction with industry partners.

Piyush Singh

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