## **Counter-Submission to Consultation Paper on "Free Data"**

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A few years ago, the Delhi Government and SEWA experimented to offer poor families a choice on how to receive their food essentials--- whether to continue with supplies from the Public Distribution System (PDS), or to switch to a practice of cash doles. These options represent two distinct economic approaches to directly provide food security to needy households---namely, dual pricing and income transfer, respectively. The experiment was influenced not as much by the desire to test which of these two mechanisms would be more efficient. Rather, it sought to explore the kinds of choices a family may exercise and, consequently, the possible benefits marginal sections/strata of society may generate if given a preference. Families opting for income transfer demonstrated many choices being exercised: they chose to buy more protein foods (animal or pulses) to diversify their nutritional intake; they pooled money to collectively buy from the Mandi; they bought grains of their choice, different from those vended in the PDS; or often the same grains as by the PDS but of better quality. Not only was the principal policy goal (food security) achieved but it was done so in a manner that catalysed two crucial ripple effects. At the supply side, the efficiency of PDS vendors improved, while at the demand side it catalysed non-economic and economic empowerment---best testified by women pooling in resources and collectively buying grains of their choice.

Current discussions on digital access and equality, especially in the context of net neutrality, have gigabytes to learn from such social behaviour.

Especially since in providing digital access, unlike access to food, there exist efficient mechanisms for direct and targeted support to end-users. These bypass contentious mechanisms and anti-competitive practices of enabling Internet access, such as differential pricing and offering fragments of the Internet, that were justifiably barred by the Telecom Regulatory Authority of India (TRAI) this February. TRAI's recent <u>consultation paper on "Free Data" in May</u> moved the debate to alternative mechanisms and available tools. Akin to income transfer to avail food security, online tools and data-sponsoring apps (like <u>Gigato</u> for instance) could remunerate users through data time; it is left to the netizen on what and when to spend that data. One can imagine part of it being spent on sharing latest thoughts and pictures on Facebook; perhaps a larger part is likely to be used to access content/services not offered by predefined packages like Free Basics--- such as editing Wikipedia pages, using WhatsApp or VOIP, reading *Loksatta* reports on farmer suicides or re-charge household subscriptions to Cable TV.

Devising innovative mechanisms to offer users' data time has much wider implications. If the public exchequer provides marginal sections of society gratis data time, a digital PDS, this will immediately widen Internet access in India. Being a digital transaction, targeting benefits to deserving users is almost foolproof---unlike targeting beneficiaries of PDS, which is invariably used to shut it down. Providing a limited amount/ time of data, first-time Internet users would get the choice, like families opting for cash transfer for food, to spend it on what they perceive to be their digital essentials. In other words, access to the Internet would not be compartmentalised; marginal or first-time users could define what their "basics" are from among all the offerings available on the digital Mandi called the Internet.

Data in itself is never free; just like food or dole for the marginalised, who earn it through labour (NREGA) or when the state, pays for it (PDS). On the Internet, a "free" service may also involve labour, like sitting-through advertisements (extra-painful given our slow buffering/speeds) or filling a boring survey form, before being allowed to use a site. More commonly, a free service involves a trade---e.g. giving our phone number or email, or pressing a "like"/"accept" tag. In still other cases, "free" involves a trade-off, such as surrendering our privacy or sacrificing the diversity of content, such as listening to only one music streaming service, like that provided by the Internet Service Provider (ISP).

So free data must be seen as a considered term, as it may involve an undisclosed trade-off. Similarly, data transfer or data sponsoring apps must be seen with regulatory caution, for their potential to violate the principles of Net Neutrality. This principle rests on a trio of policy values: parity of availability, equity of access and uniformity in affordability. Infringement of these values by an ISP typically takes three forms: by hindering the provision of a website; by prioritizing, or throttling, data flows from a website; and, where availability and access are unfettered, by offering certain data at zero or reduced or higher price than comparable ones.

Within the framework of these values, it is worth pursing an engagement with "Free Data", despite the phrase entailing an oxymoron undertone. Creative mechanisms to provide or transfer data gratis, especially to first time and marginal users, is welcome as long as they are undertaken in a transparent manner, allow users to choose what to access, and does not hinder competition in the eco-system of online content/service providers.

This will contribute to achieving the policy goal of expanding Internet access but in a manner congenitally embedded to protect net neutrality. This is what precisely differentiates the contours of our policy debates on net neutrality, <u>captured in a</u> <u>subsequent pre-consultation paper by TRAI</u>, with those in countries of Europe, North America and East Asia with high, and high quality, broadband connectivity. Our efforts to nurture net neutrality unfold in a milieu yet to see even a simple majority of citizens having mobile Internet access, let alone broadband. Although public interest advocacy hitherto to protect net neutrality has been timely, broadbased and fruitful, it has been a touch muted on the policy goal of access. In fact, this ceded perception space to arguments of differential pricing, anti-competitive as they were, and to the appeal of models like Free Basics---which was quickly demystified as neither being free, nor bestowing the basics. Championing net neutrality in a manner that also proactively emphasises expanding and enhancing digital access is now a necessary, and not just desirable, element in Internet policy.

The Internet holds opportunities incrementally more than just a parallel for the cash transfer approach to food security. A combination of providing data/time and encouraging data transfer/sponsoring could precipitate digital capability for well over 500 million, of the 700 million mobile phone users in India. If the former is supported from the USO Fund, and innovations in the latter continue to be spawned by the market, this could emerge as a creative and productive instance of public-private partnership, of which few successes exist in India's infrastructure sector.