

Issue Brief

# **A Balancing Act: The Promise and Peril of Big Tech in India**

## **Summary - Panel Discussion**

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On 6 August 2020, Tandem Research held an online panel discussion to release its new report, [A Balancing Act: The Promise and Peril of Big Tech in India](#). The report examines the ways in which Big Tech companies are transforming India’s digital economy and society, and the policies needed to align Big Tech trajectories with healthy markets, individual freedoms, and societal wellbeing.

### The panelists were:

**Dr Shashi Tharoor**, Chair, Parliamentary Standing Committee on Communications & Information Technology

**Ankhi Das**, Public Policy Director - India, South & Central Asia, Facebook

**Samir Saran**, President, Observer Research Foundation

**Dr Geeta Gouri**, Former Member, Competition Commission of India; Distinguished Fellow, India Development Foundation

**Liz Carolan**, Executive Director, Digital Action

**Urvashi Aneja**, Director, Tandem Research

## Session-wise Summary

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### I: Opening Remarks

The discussion started with opening remarks by Urvashi Aneja, the Founding Director of Tandem Research and the lead author of the report. She drew attention to how technology giants such as Facebook and Google, which were once celebrated for enabling new forms of democratic participation, are now facing a 'techlash' for monopolising markets and undermining democratic processes. She remarked that as the influence of these companies increase, arguments from both proponents and critics are getting louder but not necessarily clearer, which is why the report sought to find a middle ground to identify both benefits and harms posed by Big Tech.

**“Can policy interventions minimise the harms while maintaining the benefits? Can Big Tech trajectories be made to align with healthy markets, individual freedoms and societal wellbeing? Are there unique trade-offs, the benefits, the challenges for India?”**

These questions become even more important in the context of the Covid-19 pandemic, with Big Tech emerging stronger than before and countries relying on them not only for communicating and working remotely but also for managing the pandemic.

Concluding her remarks, she underscored the need for systematic frameworks to think through the impact of Big Tech companies and expressed her hope that the report could provide such a framework.

### II: Keynote Address

The keynote address was given by Dr Shashi Tharoor, Chair of the Parliamentary Standing Committee on Communication and Information Technology. Noting how technologies such as the internet have helped the cliché of a global village come true and how competition between corporations has given rise to Big Tech, Dr Tharoor remarked that these factors have helped technology establish an all-pervasive presence in the lives of most individuals.

He went on to say that Big Tech companies have brought transactional ease, flexibility, and enhanced and easy contact. The founders of these platforms must have initially envisioned them as effective utility platforms, but these platforms have now become important services that facilitate communication and work. Further, concerns around misinformation, privacy, freedom of speech, and censorship coupled with the monopolisation of markets and interference with democratic processes has brought Big Tech into the crosshairs of regulators in the US and EU.

Shifting focus to India, and referring to insights from Tandem's report, Dr Tharoor said that India has the world's second largest internet user base, and with 95% of India's desktop search inquiries

being routed through Google, the tech company acts as an informational gateway for most Indians. He noted that although India is home to a large share of active Facebook and WhatsApp users globally, yet Facebook hasn't established a data center in India. This raises questions around accountability. Dr Tharoor then went on to say that the unique social, economic and cultural aspects of India pose particular challenges for regulation.

**“One could argue that even any temptation to regulate Big Tech would need to take a lot of factors into account that more advanced and at the same time more literate, but less complex or less diverse countries and societies will not have to deal with.”**

Discussing the promises offered by Big Tech, Dr Tharoor focused on investment in the Indian tech industry. Shining light on the investments made in the industry in 2020 and also promised by Amazon, Facebook, and Google, he said these commitments must be considered, given the severe economic crisis India is facing. Dr Tharoor then went on to discuss the presence of Chinese tech companies in India and the recent developments around those, suggesting that India could be a lucrative market for Big Tech. He also discussed the potential of Reliance Jio to become an Indian Big Tech company, with state support, similar to Alibaba and Tencent in China.

**“When Google made a surprise announcement on the 15th of July, that it will invest \$4.5 billion in Jio Platforms, it made it clear that more than competition, many of the big tech companies are looking at collaboration with India's domestic technology industry.”**

Dr Tharoor then emphasised on the fact that regulation is inevitable and should be in the form of constructive policies that mitigate the harms these companies cause without stifling the good they do. While concluding his address, he noted that Big Tech companies need to change their mindsets, be conscious of the impact they have on individuals and the functioning of democratic societies, and take responsibility for their wrongs.

**“I think it's naive to assume that their (Big Tech companies') growth has been entirely benign, but at the same time, if they accept what's gone wrong, take responsibility, assess the scale of the damage caused, and make amends in cooperation with policy makers, I don't see why this needs to descend into a confrontational outcome.”**

**I think that we can work in such a way that the benefits of Big Tech for all our populations, for a better informed citizenry, for more effective democracy, can be maximised and the threats to all of those can be minimised. Because otherwise, we would be the losers if the extraordinary potential of Big Tech to provide boundless opportunities to shape our tomorrow are wasted.”**

In response to a question about the impact of US-China tensions and post-Covid world trends on Big Tech trajectories and protecting society's futures, Dr Tharoor stated that there are multiple options

available and India should choose a strategy best suited to the country's interests. Discussing the example of 5G trials, which Chinese companies were leading participants in, he suggested that India should be more than willing to relook its approach. Dr Tharoor further stated that an estrangement with China across the board, including when it comes to issues of technology appears inevitable.

In response to another question about the role of the Indian Parliament in regulating Big Tech, Dr Tharoor discussed how parliamentary committees in India lack the power and authority to summon individuals. He said that India has a huge legislative deficit - outdated legislations limit the scope for doing meaningful work. Dr Tharoor then remarked that India is likely to become the largest market for Big Tech, so the parliament should respond to challenges posed by Big Tech in an open, free, flexible, and democratic manner.

### III: Speakers

After the keynote address, Angelina Chamuah, Research Fellow at Tandem Research and co-author of the report, gave an overview of the report. This was followed by a panel discussion with Dr. Samir Saran, Ankhi Das, Liz Carolan, and Dr. Geeta Gouri, moderated by Urvashi Aneja.

*Dr. Samir Saran*

*President, Observer Research Foundation*

**“A timely report that points out that 20th century mechanisms and assessments cannot regulate 21st century economic arrangements. Many of us assess perils, possibilities, and opportunities through old tools. This report is a wake up call to regulators, to users, to those who work in big tech companies, to those who work with big tech companies, civil society, as well as politicians, that this is a phenomena that cannot be delayed anymore, because its capacity to creep into dominant positions is phenomenal.”**

Dr. Saran argued that as India grows, it needs to decide what its economic model is - whether it wants to follow the American or Chinese route, where growth is powered by big corporations. This could occur either through market-based or state-backed enterprises or the more challenging European route of multiple smaller companies contributing to its growth. Identifying this is crucial to India setting the tone for its relationship with Big Tech. He explained that the current distrust with Big Tech is likely to continue, owing to politically influenced agendas that might affect collaborations between big companies. Therefore, in light of this, he emphasised that it is necessary to establish what the nature of the relationship is going to be between big corporations and the state.

Further, he noted that India continues to be an institution-deficit system. Our institutions have not been able to keep up with the expansion of the technology footprint in India. The policies in place such as the UPI system or various forms of mobile and internet banking have played a vital role in

furthering this footprint. As India still regulates episodically, Dr. Saran expressed that it is necessary to move away from this practice and embed principles within the regulatory and licencing ecosystem.

*Ankhi Das*

*Public Policy Director, Facebook - India, South & Central Asia*

***“The initiatives taken by Facebook both at a product level and in terms of policy enforcement are to make sure transparency and control is established. In terms of our responsibility as an intermediary, our main focus has been harm prevention.”***

Ms. Das highlighted four areas that are priorities to Facebook. She pointed out that the platform recognises the importance and its responsibility in dealing with harmful content. The platform operates on the premise of a notice and takedown system, and its terms of service and community standards provide for what is acceptable/unacceptable behaviour. Any actions conducted is done through the lens of domestic regulations, and as a result compliance is also based on the legal processes in place.

The platform also focuses on combating misinformation, and ensuring election integrity, as part of their global commitments. For this, it partners with expert entities that are certified to carry out fact checking, and to identify and remedy the circulation of fake news. Similarly for Whatsapp, a range of product interventions have been introduced such as identifying forwarded messages and limits on its circulation.

Another area that she stated is vital to the platform is data privacy. It engages with global regulators, and contributes to the discourse and developments around the issue in India to ensure the platform is responsive and responsible in the tools it employs, and in the overall transparency of its operations. She referred to some of the tools introduced by the platform such as Facebook Activity, which provides users with a summary of the apps and websites that access and share information, from and with Facebook. It also gives the user the permission to opt out of these processes.

Ms. Das also reiterated the platform’s support toward data portability across digital platforms, and that user control/consent will be a crucial design element for the platform.

*Liz Carolan*

*Executive Director of Digital Action*

***“We need to be able to audit our algorithms and the decision making that's happening. We need privacy respecting business models. The question of ensuring that due care and attention is paid by companies to the impact they can have, cannot just depend on the amount of profit that the market is generating for a particular company.”***

Large tech platforms operate in countries that are unique and have particular sets of social dynamics. However, Ms. Carolan explained that these platforms are designed with the idea of universality. The design practices of the platform are driven by its underlying business model and not on an understanding of the need for nuance and realities of particular contexts.

She argued that these models have emerged out of the U.S in particular, aligned with its own culture. Relying on an example of the U.S' democracy and electoral politics, she explained that there is a specific understanding of freedom of expression or the culture around finance in electoral politics. As a result, it often appears as though regulations and approaches in other countries are not adequate as it is not engaging at the same pace.

Further, she noted that the issue of market capacity and market dominance as has been raised by the report is a challenge faced by emerging economies. This, she says, is because decisions made around the design of these dominant platforms alter the manner in which people are engaging with each other, and especially how elections are happening in a lot of countries.

She also highlighted that a serious problem exists by the misalignment of market power and civic power. Particularly, the role and the extent to which individual markets are important to these large platforms versus the extent to which they have an important role to play and in the civic life, life of a country.

*Geeta Gouri*

*Former member of the Competition Commission of India and a Distinguished Fellow, India Development Foundation*

Underscoring the importance of not looking at the platform market as a conventional product market, Dr Gouri argued that while the market may have big players, their operation will be limited to certain areas and they eventually will lose ground. As an example, she drew attention to Google, claiming that diseconomies of scale have set in.

She said that while certain big platforms might emerge, other small players will also be around. Platforms might offer standardised products, however there will always be other sellers that offer niche products.

**“So competition has to function on two C's, what are the two C's? The two C's are competitive constraints.”**

Dr Gouri contended that these competitive constraints needn't take the form of another platform - platforms will have to contest with other niche sellers. She then went on to remark that digitisation has resulted in a tremendous transformation. Dr Gouri also noted that there is a shift from platform markets to data markets, which, unlike platform markets, are aggregators.

Stating that the Competition Commission looks at various agreements, she said that while certain benefits may accrue to dominant platforms, they will eventually come into diseconomies of scale. She maintained that approaches such as data portability and interoperability might end up killing platforms, however algorithmic abuses can be remedied by changing how these platforms work.

**“The Competition Commission, and competition law has to get over the obsession with dominance. Dominance cannot be the overriding criteria.”**

In conclusion, Dr Gouri said that data portability and interoperability would treat data, which she believes is a quasi-public good, as a fully public good. She said a move like this will adversely affect the market and hence throws up questions of architecture and governance.

#### **IV. Q&A Session**

**The Gopalakrishnan committee has called for big tech companies to mandatorily share non personal data sets with others in order to enable Indian domestic technology sector. What impact will such a regulatory move have on the technology industry in India?**

Ms. Das expressed that through a procedural lens, the proliferation of numerous instruments such as the Personal Data Protection Bill and the Report for Non-Personal Data Governance Framework, simultaneously is not healthy regulatory practice. She also expressed reservations that were echoed within the industry, around the weak public consultation process for the Report.

The rationale behind the report, she points out, is to use non-personal data as a catalysing element for creation of more startups. However, the data put out by the Ministry of Commerce over the last two/three years indicates significant growth and investments into startups. She explains that this demonstrates that there is not enough evidence to support the claim that the current environment is not adequate and requires facilitation through such a framework. With regard to anonymised and proprietary datasets, voluntary measures where companies work with academic institutions to create an environment of early sandboxing for other companies to benefit, should be encouraged rather than creating a mandate, she explained.

**Why does Facebook as a platform respond with a demotion of a piece of content when it has been flagged as fake news and misinformation by the expert community?**

Ms. Das responded that misinformation flagging leads to what she calls a demotion action that kills bad virality of the content. She also said that in instances where fake news content or forms of misinformation have been found to cause real world harm such as incitement to violence or causing human distress, it is taken down.

In order to further limit circulation of content, she noted that the platform has a feature called ‘related articles’. This provides authentic articles from legitimate news sources to allow users to make informed decisions around the pieces of fake news and misinformation.




***“There's a three prong test. There is demotion of fake news and misinformation. There is removal for fake news and misinformation, which causes real world harm. And the third element, is the related articles feature which surfaces authentic news when a piece of content which is marked to be fake, which shows up in your newsfeed.”***

**One of your [Liz Carolan] interests is on projects for communities that fight for democratic rights. A lot of communities depend on the tools provided by big tech companies. There's a saying that a master's tools will not dismantle a master's house. So do we need new tools? What could these new tools look like? Is there a more positive alternative vision for the future?**

The issue is incredibly tricky for organisations and civil society groups, who want to advocate for an internet that is more conducive to democratic engagement, Ms. Carolan responded. She also remarked that it is difficult as it's happening during the Covid-19 period and individuals are relying on the same platforms that are being critiqued in order to make those very critiques.

Ms. Carolan explained that as we use democratic means and instruments to change our governments and democratic structures, there are ways to continue to do so utilising the benefits of technology. For this, it is important to understand the implications of automated decision making - the reason for why some content is maintained, promoted or taken down. She went on to say that merely because a certain form of technology is dominant and useful, it is not exempted from being held accountable or required to improve. Therefore, it is important to have systems of accountability in place, that are responsive to the needs of individual communities, instead of having to continuously regulate to retrospectively fix problems.

***“Yes, we need progress. But it needs to happen within a context whereby we're ensuring that the benefits are outweighing the harms, and the harms are understood and that there are plans in place for us to be able to live alongside those harms.”***



**Tandem Research** is an interdisciplinary research collective that generates policy insights at the interface of technology, society, and sustainability. We believe that evidence-based policy, supported by broad-based public engagement, must steer technology and sustainability trajectories in India. Our work seeks to ensure that no one gets left behind in the technology transitions shaping India's future.

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