

From a Public Internet to the Internet Mall

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Commercial arrangements between telecom and internet companies are beginning to create “internet malls” that will give preferential access to a few internet companies. These structures will eventually undermine the public internet that we know and celebrate. Governments that are now ignorant of IT regulatory issues need to act soon on net neutrality so that the public internet remains in place.

Last month, the second largest telecom in the United States (us), Verizon, and the content king of the internet, Google, reached an agreement which could determine the future of the internet. In effect, they agreed that the wireless internet – i.e., internet on mobiles, which is almost universally accepted to become the main mode of internet access in the near future, need not be the public and egalitarian internet we all know and celebrate.

Mobile internet would be more of an “Internet Mall”, where the mall owners – the telecom companies – will give selective access and priority to providers of goods and services who pay them handsomely. This is not science fiction. Just last month, in India, Airtel began providing Facebook free of data download charges. Meaning that even if you are not subscribed to the paid internet channel on Airtel, you still get the internet; it will be free, but only with Facebook on it. This month, Tata DoCoMo began providing a boutique of email and social networking sites for just Rs 50, but the rest of the internet needs to be separately subscribed for, and is more expensive.

Net Neutrality

It will be a mistake to consider these as just straightforward promotional scheme. What distinguishes the internet from all earlier communication platforms is that the basic internet platform was supposed to be neutral to all content that flowed over it, which is called the principle of net neutrality. Airtel’s Facebook offer and Tata DoCoMo’s boutique of select services breaks the hallowed net neutrality rule, and the Verizon-Google agreement sanctifies this transgression on the wireless internet. The internet will never be the same again; we may be witnessing the loss of the public internet for ever. Maybe this is alarmist. Let us say what we are seeing is the start of a huge diminishing of the

public internet and the rise of the internet mall in its place.

Facebook, having set the first store in Airtel’s internet mall, will soon be joined by other internet biggies, like Google, Yahoo, Twitter, Bharat Matrimonials, etc. Tata DoCoMo already has a well provided mall. Soon these companies, and new ones specialising in “business aggregation”, will enter into arrangements with a series of next level businesses to provide the full variety of services that any well-off customer will ever need. And all of this, very likely, will be on a free internet, like Facebook is today on Airtel. This well-off customer will be so swamped with options that he is unlikely to register or even bother about the fact that he is able to access only those service providers who pay their way through the internet mall’s multilayered business network.

The public internet, the internet we know, where every web site has equal right of access and prominence, and which is equally open to any peer-to-peer exchange, will not entirely disappear. While the major telecoms, preferring the internet mall model, may not find much value in maintaining a parallel public internet channel, regulators are likely to provide it a minimal protection by making it mandatory to do so. What the public internet would increasingly look like, however, is a question worthy of some keen horizon-gazing.

Face of the Internet Mall

Unlike the internet mall, the really public internet will need to be paid for. A couple of reasons will work to make it perhaps ever more expensive, as well as poorer in quality. More expensive and poorer in quality the public internet is, less attraction it would hold for consumers, who will be pulled towards the free entry internet mall which is more remunerative to the telecoms. In any case, as fewer activities remain on the public internet, increasingly there would be less money, and less inclination to keep it going at any level of quality comparable to the internet mall. One can go on and on with examples of what this could mean, but let us consider one. If you search for “Avian flu”, you still get Wikipedia and the World Health Organisation (who) as the first two sites

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from which you can get information. However, on the free internet mall, unless Wikipedia and who pay up enough, which they may not be able to as much Pfizer for instance, the sources of information that you will be directed to will be drug companies, or possibly “corporate social responsibility” fronts set up by them which subtly filter information towards serving their company's interests. Incidentally, controversies like paid news will be a thing of the past. There may not be much unpaid news around anyway.

There is much talk in India about mobile-governance, or m-governance. One would expect that m-governance services will stay on the public internet. What happens then is that public information on health issues, education, agriculture practices, etc, will come through paid channels while “similar” information provided by big companies with presence in the respective areas, no doubt subtly mediated by commercial interests, will be free to access. As they used to say in the dotcom era – the business model lies elsewhere. Will government agencies then be forced to buy rights to sufficient prominence from the telecoms? Even if they did, how well would they be able to compete with commercial interests on capacity to pay is a mute question. In any case, most public interest information posted by civil society groups, who are unlikely to pay for their content, will be largely lost. To take one such example, reproductive health information for women posted by a feminist NGO, which goes beyond often still patriarchal boundaries of state's development communication, will simply have no chance. Such information would perhaps be only accessible to and used by insiders to the feminist health discourse, but not by those who may really need it. All this is a far cry from the existing public internet, where it is often a public interest site run by a civil society group which appears first in a search about important public interest information.

What poor people need will mostly be on the paid public internet while the rich people's needs will be serviced by the “free internet”, with the tab picked by the companies who are “provided” access by telecoms to a large captive base of potential customers. As someone put it –

internet will be free for all those who can afford it, and not free for those who cannot afford it.

Public Space

What has been forgotten by most who are supposed to regulate the internet is that the internet is not only a commercial space, to be subject to commercial regulation. It is also a space for our social interactions and the democratic public sphere, in fact a space for exercising citizenship. Its regulation has to keep in mind its role as public media and in mediating citizenship. Even from a strictly market logic, a non-neutral internet stifles the very forces that made it possible – bottom up innovation. Google could upstage Alta Vista – the dominant search engine of that time – and Facebook could get the better of Orkut, backed by the now giant Google, because they all had the same and equal access to users. However, in the new commercial avatar of the internet, this may not be possible. If we go back to the time Facebook was struggling to compete with Orkut, were it a non-neutral internet, or an internet mall paradigm, the scenario would have been something like this. An Orkut backed by the money power of Google would be free and with much higher quality transmission on the internet mall, and an upstart like Facebook would be struggling for people's attention on the low quality public internet that people had to pay for. It is easy to see how Orkut could have simply lifted off some innovations of a struggling Facebook and won hands down in a highly uneven playing field.

The internet as we know it may soon be gone. It is strange how little the slow poisoning of the public internet, especially on the mobile platform, is being noticed, much less something being done about it. There are two main reasons for this. One, those who generally take up larger public interest issues still consider the internet as a technical matter, which is there as a given, ever expanding in its marvels, and which technologists are taking good care of. As for the governments who are supposed to regulate it in public interest, so poor is their grasp of this fast moving phenomenon, and so cosy their relationship with IT companies, that they are unmoved in their conviction that if the

IT realm needs any policy at all it has to be that of supporting the IT industry.

Ignorant Governments

Governments think that the IT industry knows best about technology changes and its policy requirements. IT companies in India that have any amount of policy influence are either US companies or are tied to the apron strings of US companies. And thus they think and speak largely as these US companies think and speak.

This brings us to the second reason for the apathy towards the destruction of the public internet, a reason which is geopolitical. The structure of information and communication technology (ICT) systems is inherently global as nothing else is, something which should be self-evident. From mobile designs and features, to content transmission systems and protocols, and connectivity models, everything gets determined about at the same time for the whole world, in a western country, mostly the US. Developing countries do not have much choice; you just take what you get. And why should they complain. The ICT system keeps giving us more and more everyday (which makes it so difficult to see what we may be rapidly losing at a more structural level). All ICT policy issues are decided in the west, mostly among mega digital corporates, but sometimes with the participation of national regulators. The geopolitical and geo-economic problem here is that these regulators in the west realise that even if their decisions or non-decisions favour corporates over ordinary citizens, on the whole it may still be better for their countries since these mega digital corporates are one of their main drivers of growth, and the new vehicles of capital accumulation from across the globe for the west.

It is imperative for the developing countries to get their ICT regulatory house in order. They need to recognise that the internet, especially in its emerging non-neutral form, is going to be the principal means of westwards (or northwards, to use the more current geopolitical term) flow of economic, social, political and cultural capital. The new internet malls will be overwhelmingly dominated by western products and services, much more than even the real malls today,

because on the internet there is no diminishing return on geographic distance or on scale; in fact there is almost limitless increasing returns on scale. It is for this reason that most big digital corporates like Microsoft and Google have more than 90% market share in their respective areas. If this is the situation when the internet

is still largely open and public one can well imagine what would happen in a walled internet mall.

Norway already has a national level net neutrality agreement, as does Brazil. Enforcing net neutrality rules in India, whereby telecoms are not allowed to prioritise the content of one party over

the other, is therefore an urgent imperative. Inter alia, that gives at least some chance for an even playing field for local content and applications, and continued possibilities of new bottom-up innovations. It is also necessary to protect the open public media characteristic of the internet.