Executive Summary

A Balancing Act

The Promise and Peril of Big Tech in India

TANDEM RESEARCH

Executive Summary

Almost a decade ago, in the wake of the Arab Spring, technology and social media companies were celebrated across the globe as harbingers of new modes of democratic participation and individual freedoms. Cut to the present, and there is growing tech-lash against Big Tech companies, with concerns ranging from market monopolization to interference in democratic processes.

This report unpacks Big Tech in the Indian context. What exactly is Big Tech? Who are the key players? What is their role in India? What are the policy priorities for India?

To answer these questions, we spoke to 40+ thought-leaders in India, including representatives from civil society, Big Tech firms, Indian start-ups, academia, government, regulators, and the media. We supplemented this with a comprehensive review of 400+ academic and literary pieces and several structured discussions on the topic. This work is a culmination of eight months of enquiry.

Commentators have used the label of Big Tech to refer to a handful of large, globally significant technology companies, such as Google, Facebook, Amazon, Apple, TenCent, AliBaba and Baidu; as well as IBM and Microsoft in some cases.[1]

1   Webb, A. (2020). The Big Nine: How The Tech Titans And Their Thinking Machines Could Warp Humanity. New York: Publicaffairs.

While each company is different, they share four common characteristics:

Data-centric models
The collection, analysis and monetization of data is central to their business models.

Network effects
They have achieved immense scale quickly through network effects. This insulates them from competition, contributes to their size and often results in market dominance.

Infrastructural role
They provide essential market and informational infrastructure for a digital economy and society. This also creates value and dependencies for other players in the market.

Civic Function
Through their consumer facing products that enable essential services like news, commerce and societal interactions, they increasingly perform civic functions.

Together, these four conceptual markers characterize Big Tech as data-driven, large-scale, consumer-facing technology platforms that provide market and informational infrastructures for a digital society, and perform critical civic functions. The combination of these features allows Big Tech firms to exert both market and civic power.

Big Tech, in other words, is a concept rather than a fixed set of companies.

Many of the global technology giants associated with this term—such as Google, Amazon and Facebook have a widespread presence in India. Reliance Jio also displays some of the conceptual markers associated with Big Tech. Thinking of Big Tech as a concept, rather than a static set of companies, also draws attention to the role of the Indian state, since it seeks to leverage data analytics and digital platforms for governance.

Big Tech companies influence our markets and society in four key areas:

1

Market Power
Market operations of global Big Tech companies in India create benefits for consumers and businesses. Many start-ups and tech companies rely on Big Tech companies for digital infrastructure, research, and innovation. However, Big Tech companies are prone to monopolistic and anti-competitive behaviour.

2

Informational Gateway
Social media platforms and search engine operations of Big Tech companies increasingly serve as the primary source of information, news and means of communication for many users in India. Yet, this also gives Big Tech companies inordinate influence in shaping how people access information and communicate with one another, making them arbiters of free speech. Big Tech platforms also contribute to the spread of misinformation and hate speech, while becoming increasingly politicized.

3

Privacy
Big Tech platforms allow for data-based personalization of the internet experience and access to new services. Such benefits however, come at a significant cost to individual and group privacy. Such personalisation also influences individual and group capacities for self-determination.

4

Sovereign Interests
While the Indian State benefits from Big Tech companies' infrastructure and innovation to fill gaps in its own capacity and reach, this also raises concerns around democratic accountability, data sovereignty, the impact on domestic businesses and the distribution of technology gains.

Multiple policy pathways are needed to align Big Tech trajectories with healthy markets, individual freedoms, and societal wellbeing.

Market Power

Updated competition policy to include data and network effects when assessing market competitiveness and mergers and acquisitions.

Platform neutrality to ensure that a Big Tech firm that has created a platform infrastructure competes fairly with third-parties making use of the platform.

Platform interoperability to enable users on social media, gig economy or similar platforms to interact with their friends and network on other platforms.

Informational Gateway

Publisher ethics for social media companies to act more responsibly for content posted on their platforms, while avoiding excessive censorship.

Algorithmic audit to enable independent agencies and civil society to evaluate algorithms used by Big Tech companies.

Media literacy to enable citizens to take more conscious decisions based on information they receive on social media.

Privacy

Individual and collective rights for citizens to take decisions about how their data is collected and processed by large tech companies.

Data stewardship to create new technologies for individuals to safely share their data with businesses, with adequate governance and oversight.

Privacy-respecting business models that reduce tech firms' commercial dependence on processing of personal data.

Sovereign Interests

State and market capacity by investing in education, research, entrepreneurship and other kinds of social capital that can help India manage the downside of Big Tech.

Equitable taxation to ensure that developing countries can gain fair and reasonable tax revenue from Big Tech firms rather than lose it to tax havens.

Better cross-border data flows to ensure that transfer of data outside India does not impede law enforcement and other needs.

While not unique to India, these factors manifest themselves differently in the country. Big Tech companies provide critical digital infrastructure that enables new forms of democratic and economic participation for people and businesses alike. This infrastructure partially compensates for pre-existing gaps in State, market and R&D capacity in India. At the same time, potential harms are amplified precisely because of these existing capacity gaps. Many of the capacities and systems that could help manage, or soften, the harmful effects of some Big Tech practices are still under development.

Big Tech, as a concept, poses a wicked problem for public policy in India, involving complex trade-offs between competing priorities, interests, and values. Therefore, we need to pursue multiple policy pathways to maximize the benefits and minimize the harms of Big Tech companies.

Finding the right balance is ultimately a question of competing public values. It is not a question of right or wrong, nor one that can be fully resolved with more or better evidence.

We propose the following sets of principles:

People-first
Innovation should prioritize individuals' agency, material well-being, autonomy, and democracy.

Regulation for innovation
Regulation will be required to ensure that innovation is aligned with societal goals.

Accountability and transparency
A vibrant public discussion on the role of technology will help navigate the uncertainty that may result from technological innovation.

Protect by default
Technology should protect its users by default to ensure the well-being of each individual, especially vulnerable groups.

Build collective resilience
Society and communities need to be strengthened to collectively maximize the benefits and minimize the harms of technology.

However, these pathways involve different levels of complexity and subjectivity. Some changes could be driven by a single entity, acting in coordination with others. For example, the Competition Commission of India (CCI) is already considering ways to update competition policy for the digital economy.[2] Other pathways may require concerted action by many public and private stakeholders. For example, regulating speech on social media platforms is a subjective issue that will have far-reaching societal impacts on free speech. Some, like taxation, may even require international coordination.

Policy pathways like data stewardship or platform interoperability will need policy experimentation and a longer term, iterative approach.

Finding the right balance is ultimately a question of competing public values. It is not a question of right or wrong, nor one that can be fully resolved with more or better evidence. A normative framework of values to guide India's digital economy and society, as well as to help navigate between competing interests, can help provide an outline for action and policy.

2 Prasad, G. C. (2020, January 12). Cci Set To Get More Teeth To Regulate Tech Giants' M&As. Retrieved From https://www.livemint.com/companies/News/Cci-Set-To-Get-More-Teeth-To-Regulate-Tech-Giants-M-As-11578851894437.html

What is Big Tech?

→ **Data-Centric Models** + **Network Effects** + **Infrastructural Role** + **Civic Functions**

Why should we care?

	Market Power	Informational Gateway	Privacy	Sovereign Interests
The Promise	Digital infrustructure for other businesses R&D and innovation Funding or acquiring start-ups Representing tech in policy disclosure	Access to information Means to communicate and mobilise Inclusion through access and language	Personalisation of services Wider range of services	Digital infrastructure for public functions Data for social good Connect state to citizens
The Peril	Anti-competitive behaviour 'Kill Zone' for competitors Over-representation in policy discourse	Algorithmic influence over people's choices Ability to moderate content Misinformation Politicisation and identity politics	Extensive, granular data collection Loss of individual agency Honey pot for bad actors	Limited access to data for global south Impediments to law enforcement Tax avoidance

What can we do?

Market Power	Informational Gateway	Privacy	Sovereign Interests
Updated Competition Policy Platform Neutrality Platform Interoperability	Publisher Ethics Algorithmic Audit Media Literacy	Individual and Collective Rights Data Stewardship Privacy Respecting Business Model	State and Market Capacity Equitable Taxation Better Cross-Border Data Flows

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ABOUT US

Research by _____

TANDEM RESEARCH

Urvashi Aneja is Founding Director of Tandem Research. Her work examines the societal impact of algorithmic decision making systems in the global south, and related questions around the ethics and governance of emerging digital technologies. She is also Associate Fellow at Chatham House, UK.

Angelina Chamuah is a Research Fellow at Tandem Research. Her current work is focused on understanding regulatory frameworks for emerging technologies in India.

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 that are shaping India's future. We work with numerous national and international partners, including Indian government agencies, the United Nations, international foundations, and civil society organisations in India.

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Tandem Research

hello@tandemresearch.org

343 Coimavaddo Quitla, Aldona,
Bardez - 403508, Goa, India.

www.tandemresearch.org