It not only helps innovation, but also increases consumption, knowledge creation and diffusion, entrepreneurship

Net neutrality will play key role in increasing employability

BY
PROF PRASHANT SALWAN
IIM INDORE

To understand Net Neutrality, we should first understand how Indian telecom ecosystem works.
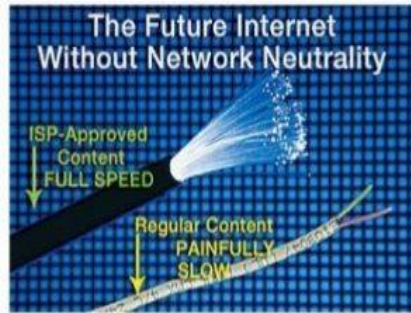
Unlike European countries, Japan and some part of USA, India has comparatively open ecosystem. Open ecosystem means that the customers can buy mobile phones from any company, can take any telecom service provider and the customer can also choose any package from the telecom service provider.

Actually an Indian customer has a bouquet of chooses, unlike some developed markets. In developed countries there are monopolistic alliances between mobile hand set manufactures and telecom services provides.

Indian telecom market is world's second largest, clocking 933 million subscribers in 2014. India is also the third highest internet users totalling to 164.81 million subscriptions. As per UK-based GSM Association (GSMA), the internet subscription in India is expected to reach 213 million by June 2015. The broad band user base is also expected to reach 250 million by 2017.

India over took China as the world fastest growing new mobile connection country. 18 million mobile connections were added in third quarter of 2014 in India, were as in China it was only 12 million in the same period. This means that Indian telecommunication market is in a growth phase.

Indian positive demographics, coupled with new technology assimilation and good telecom infrastructure, has resulted in other industries to also grow. In the recent times, e-commerce industry has also grown. Internet mobile games, applications like WhatsAap can be found in all the mobile phones.

Smart Phones have changed how we work. As per Ericsson report, an average Indian spends three hours on mobile net. One-fourth of Indians see their mobile internet more than 100 times a day.

These are huge numbers. E-commerce companies are expected to get 60% of their revenues from mobile sites rather than desktops in near future.

(CONTD ON PG 12)

The Future Internet Without Network Neutrality

ISP-Approved Content FULL SPEED

Regular Content PAINFULLY SLOW

'IT industry will die without net neutrality'

● **OUR STAFF REPORTER**
Indore

Web developers and E-Commerce of the city have strongly supported net neutrality and have raised their voice against the policy of Internet Service Providers (ISPs) to selectively deliver web and apps based on their tie-ups with companies.

They claimed that restriction on internet usage is similar to the restriction of freedom of information and ISPs want to get double profit for the wireless service by both consumer and web developers.

"Net neutrality is very important for the development of start-up or new ventures. The restriction of the usage of internet will spoil the dreams of start-up companies and specially the young entrepreneurs,"

Sachin Pise, founder of Webkirana.com, said.

He further said that th ISPs already charge for dat access. They just do it on th receiving end via subscribe fees and limits put on tota bandwidth usage pe month. "What they want t do now is charge an add tional toll to the content cr ators.

So they'll get paid b both parties, they'll charge toll on both ends of the win less highway," Pise added.

About 300 web an mobile applications develoment companies are run ning in the city and it ou source services around th globe. With the restrictior on the usage of interne these companies will b forced to close down, as the cannot pay heavy for tyin up with the ISPs.

(CONTD ON PG 1

As per Ericson report, smart phone prices are expected to fall by 40-50% by 2017. The fall in prices will help propel number of smart phone users in India from 110 million in 2013 to 700 million by 2020.

If anyone wants to see its products in one of the world's largest economy has to enter the smart phone world to reach the customers in India.

The telecom services companies want to capitalise on this trend and make money. They want to make money by controlling the applications and usage of your smart phone. Airtel started 'Airtel Zero' platform and many other telecom service providers are contemplating the move.

In the present system, customers pay for the internet. They pay for the mobile package. They can also buy broad band packages from telecom service providers. Free broad band is also available in public places like airports, hotels, some city limits etc. They can download any application; see any site (of course under legal rules and regulations). But, once Net is not neutral then, they (customer/ application sellers) have to also pay for the applications they download and work on.

Application and companies (including Whatsapp, Flipkart etc) also have to make payments to telecom services providers so that their applications can be used by customers. Telecom service providers want to create high switching cost and higher hold up in the telecom ecosystem.

We are lucky that we are in a democratic country where the rules will be made by a transparent regulator like TRAI.

Net neutrality is against these types of issues. It says that all internet traffic should get equal treatment. No payment system should be incorporated by any one were in priority is given to an application or company. Net neutrality helps in keeping the prices less for customers but also help Small and medium enterprises to market their product in free internet.

As put forward by Flipkart Commerce Platform Head Mukesh Bansal, net neutrality helps in increasing innovation. Bansal also fearing backlash and withdrew his company from Airtel Zero platform.

I would like to add that net neutrality not only helps in developing innovation, but also helps in increasing consumption, knowledge creation and diffusion, entrepreneurship; also helps boost employment opportunities.

It is expected that total employment which Indian telecom sector will generate will be around four million jobs by 2020. Net neutrality will play an important role in increasing employability too.

'IT industry will be ...

"More than 300 web and app development companies are running their business here in Indore. Without net neutrality, their business will be affected badly and they would have to shut the companies as they cannot pay heavy fees to ISPs every month," founder of Techunique Solutions Abhishek Sharma said.

He further said that if a consumer requests access to a website or a service, ISPs should not be permitted to block it and they should not intentionally slow down some content or speed up others based on the type of service or their preferences," founder of Techunique Solutions Abhishek Sharma said.