

# ICT Governance Agenda For BRICS - An Eightfold Path

**Pranay Kotasthane & Nitin Pai<sup>1</sup>**

**The Takshashila Institution**

## **Introduction**

Knowledge is the currency of power today. Along with land, capital and labour, knowledge is now the fourth 'factor of production'. These four factors in general, and knowledge in particular are critical for BRICS states as they aspire to attain *yogakshema*<sup>2</sup>— a state of well-being, prosperity and happiness of their peoples.

The fastest growing source of knowledge today is the internet. In fact, the internet is itself a manifestation of the power of knowledge. More so, the internet has created, and continues to create, unmatched knowledge ecosystems by interlinking vast amounts of information across geographies and time.

Information and Communications Technology (ICT) broadly refers to the entire supply chain of delivering knowledge using networks like the internet. ICTs play a pivotal role in reducing information asymmetry in diversified fields such as education (through distance learning), health (through telemedicine) and so on. Given the huge potential of employing ICT in pursuit of *yogakshema*, all nation-states and multilateral organisations are investing a great amount of thought about using ICTs better.

Given the importance of ICTs, it is natural that questions are being asked about who, when and how will govern this currency of global power. In its early stages, the internet was envisaged as a stateless space, without government control.<sup>3</sup> Consequently, little attention was paid to the policy regulations. However, recent events, such as the Arab Spring, where conventional societies transformed themselves into radically networked societies by mobilising around the internet have brought internet governance back into focus. Technology—specifically the

---

<sup>1</sup> Pranay Kotasthane is Research Fellow & Nitin Pai is Director of the Takshashila Institution

<sup>2</sup> The concept of *yogakshema* was first used in *Arthashastra*, the ancient Indian treatise of statecraft, and was written by Kautilya.

<sup>3</sup> Internet Governance: Towards greater understanding of Global South perspectives", Global Partners Digital, May 2013.

internet and mobile devices—is seen as an important instrument enabling protests and activism, especially because they are less sensitive to control mechanisms traditionally employed by governments of the world.<sup>4</sup>

## **The BRICS scenario**

The case of BRICS states is particularly interesting with respect to their ICT statuses. BRICS states constitute one of the most massive and rapid growing segments of the global internet community. On one hand, the five nation-states account for 38% of the world's total internet audience. On the other, the average internet penetration rate in these countries is merely 38.8%.<sup>5</sup> This paradox means that BRICS states are in a peculiar position with regards to ICT and any policy directions related to ICTs should take into account this peculiarity in user distribution.

Thus, the existing fluid structure of internet governance, coupled with the under representation of BRICS states on matters of internet and cyber governance means that it is necessary that new paradigms on ICTs and internet governance be high on the BRICS agenda.

This paper presents eight principles for a framework that addresses the specific issues of BRICS states— low ICT penetration and yet a huge growth potential. Under this eightfold framework, specific policy recommendations can be made.

## **Eightfold path to BRICS policy on ICT & internet governance**

### **1. Increase penetration**

First, given that the internet penetration in BRICS states ranges from a poor 12% (India) to a modest high of 52% (Russia), it is a joint priority for the BRICS agenda to increase penetration of ICT.

This is important because there is a correlation between ICT penetration and economic growth rate. So when we think of a BRICS agenda for internet

---

<sup>4</sup> “Chapter 10: Networked societies and Hierarchical States: The emerging challenge to political order” by Nitin Pai and Sneha Shankar in *Promoting Democracy for creating a better and peaceful world*, Observer Research Foundation, 2015.

<sup>5</sup> “ICT in the BRICS agenda before the 2015 summit: Installing the missing pillar?” by Oleg Demidov, *Security Index: A Journal on International Security*, Volume 20, Issue 2, 2014.

governance, highest priority must be given for enabling ICT access to maximum number of people in the shortest duration possible.

Penetration, however, should not come as a result of price regulation. Fixing prices and enforcing low costs will damage the ecosystem. Low prices should come as a result of market forces and competition.

Individuals in the BRICS states want more and better connectivity to the internet. Provided that individuals are ready to pay for it, they should be free to tap the information and knowledge flows from the internet. Keeping low barriers of entry is critical to the success of ICTs as a networked system.

## **2. Foster innovation**

BRICS states' success in a knowledge economy relies on successes at the level of individuals and enterprises, both. Given that the IT industry is an engine for growth and development in these countries, they must collectively ensure that these industries remain globally competitive.

Entrepreneur friendly policies in the ICT space were critical in making US as the IT superpower in the last two decades. Going ahead, policies for internet governance in BRICS states should not create hurdles for entrepreneurs and ensure that they have the best possible start to build world-class companies.

## **3. Ensure quality**

It is in the public interest that the IT industry be healthy and competitive. Over-regulation hampers competition. For instance, as seen in India, the regulators pursued the goal of forcing the telecom providers to lower user tariffs. The result been that while India has one of the lowest costs of telecom services in the world, the service quality is patchy. Broadband service often is of lower speed and suffers outages. All this is because telecom companies are cutting costs in these areas. There are few lucrative or premium services left where they can increase their profitability.

The only protection they enjoy is through licensing — the government limits the competition they face. Thus, price controls can lead to drop in quality which in turn makes the industry and individuals uncompetitive in the information age.

## **4. Protect free speech**

Any internet governance reform must respect individual freedom. The reason that internet is such a popular medium is because it allows for two-way communication. Individuals can freely express their views at low transaction costs to each other and to organisations. Restricting freedom of individuals will hamper its growth.

In general, there should be no restrictions on expressing opinions. Even if there's a need to protect the rights of other individuals or governments, clear and narrow definitions of what constitutes grossly offensive, insulting, annoying or inconveniencing content must be defined. The nature of these limitations should be restricted only to words or expressions that present an imminent threat to the security and integrity of the state, or the security of its citizens and communities.

### **5. Build capacity for managing radically networked societies**

Individuals in the BRICS states are increasingly networked with each other following the growth in ICT. Not only through Facebook and Twitter, people who can receive text messages on their phones are also plugged in to various local, national and international networks. This is a flat, networked society.

When such societies encounter the hierarchically ordered structures of the states they are part of, there is a mismatch in terms of expectations, response times, and sensitivity to context. This is true, however democratic the state and whatever degree of accountability there is of its government. The unresponsiveness of the state undermines its legitimacy in the eyes of its society. While a networked society moves fast, a hierarchical government moves relatively slowly on account of its structure.

Any policy on internet governance must take this structural mismatch between a hierarchical state and a networked society. BRICS states must invest in mechanisms that enable them to respond to the challenges posed by radically networked societies.

### **6. Upholding individual dignity**

Upholding the individual dignity is a primary responsibility of the state. However, this responsibility becomes tough to implement in the context of the internet.

Given the central role that data plays in platforms' business models, it is unlikely that any steps that governments take can decrease providers' incentives to exploit data. Given the significant complexities involved in data exploitation, it is unlikely that end users will be able to effectively negotiate a privacy policy, even

in a context of full transparency.<sup>6</sup> Hence, BRICS governments will have to come up with regulations preventing data exploitation.

### **7. Enable democratic participation**

Given that the internet remains a place that fosters the freedom to air opinions, it is a potential tool for participatory democracy. An example of the internet being used to seek views on policies is “We the People” petitioning system used by the US Federal government. Policies on internet governance should create more avenues for utilising the internet as a two-way channel between governments and citizens.

### **8. Build transparency**

Protecting consumer rights should be an important feature of any internet governance reform. This includes consumer rights to accurate information about internet services, their pricing and traffic congestion management practices. This will lead to informed choices by individuals.

Grievance redressal mechanisms should be set up so that opaque practices can be curbed.

---

<sup>6</sup> “The role of government in internet” by James Allen and Nico Flores for Analysys Mason, 18<sup>th</sup> April 2013.

## **Annex: Key Indian Perspectives**

The Cellular Operators Association of India (COAI) [proposal](#) at NETmundial-Global Multistakeholder Meeting on the Future of Internet Governance, 23-24th April, Sao Paulo, Brazil had the following to say on internet governance:

*A critical factor in the success of the Internet has been the multi-stakeholder framework and open access. In recent days, however, there is a growing concern about the excessive influence of one country over some of the internet governance mechanisms. Governments are coming to terms with their new role in the internet and social media space. The Tunis Agenda 2005 recognizes a role for multistakeholders such as government, businesses, civil society, technical community, academia and media.*

Nikhil Pahwa, who runs MediaNama, a portal for analysing digital media in India [presents](#) the viewpoints of consumers, industries and governments on internet privacy in India:

*The government's top concern is national security, even though it realizes that there is a need to enhance education and cyber literacy, and help people acquire netiquette. It understands the benefits of the Internet and, in India, initiatives have been undertaken to bring the next billion online.*

*However, the government needs to find a balance between protection of civil liberties and intellectual property rights. There is a need for providing an enabling legal framework for growth of commerce online. Among the levers to which the government can resort to assert itself are legislation – which it has done through the IT Act of 2008, and the IT rules of 2011; and surveillance, which in India is a sovereign right.*

*However, it has been found that surveillance and monitoring in India does not have focus. Many argue that India needs to have a framework that helps to identify unethical acts, and focus on naming and shaming.*

*The industry is also afraid that the government may have a socialist agenda and would like to see a legal framework under which content can be distributed legally, or downloaded legally. Industry also fears that the government doesn't quite understand how the industry works, which could lead to an uneducated and disproportionate reaction.*

*The digital consumer wants to be empowered; to have the ability to voice his/her opinion; to create an online identity, not necessarily the same as their offline identity; and to*

*connect with one another. The consumer wants unfettered access to content for free. Consumers are afraid of being targeted, tracked and blocked by the government. They fear that the corporates will make content paid or consolidate, leaving them with fewer choices. They are starting to be concerned about their privacy and freedom of expression, especially when their employers might be watching.*

Pranesh Prakash, the Policy Director of the Centre for Internet and Society, a Bangalore-based non-profit that engages in research and policy advocacy [says](#) the following about India's proposal to UNCRP in 2011<sup>7</sup>:

*Currently, that fear of governments taking control of the internet is misplaced. However, multi-stakeholder-ism isn't represented well enough in the Indian proposal and it could be better. I don't think that this is an attempt by the Indian government or governments to take over the Internet. It is providing too much centrality to governments as things stand, and that can be made better, but the status quo is worse than what the proposal.*

---