

8. Protecting Bharat's Technology Landscape

8.1 Panelists

- Shri S. Krishnan, Secretary, MeitY
- Commander Madhavendra Singh (Retd), CEO, Gujarat Maritime Cluster
- Shri Bikas Singh, India Head Public Policy SAP
- Dr. Sasi Kumar, Executive Director, CDAC
- Shri Jayant Patil, Director, L&T
- Shri Amit Bhatnagar, Founder, Accuster
- Dr. Jaijit Bhattacharya, President, C-DEP



8.2 Background

In the rapidly evolving landscape of technology, it is imperative for Bharat to device strategies and harness it's potential to become self-reliant in emerging fields of technology in important sectors such as health and defence. India has emerged as the 3rd largest ecosystem for startups globally. With over 112,718 DPIIT recognized startups¹, innovation spans across 56 sectors, from IT, Web 3.0 and healthcare to agriculture and food & beverages. With 111 unicorns valued at over \$349.67 billion, India's startup landscape reflects

¹ as of Oct 3, 2023

significant growth and potential. However, most startups are tech-based, facing unfair competition from a select few turning into digital monopolies. The digital economy, instead of fostering a free market, risks concentrating power in the hands of a few giants. This scenario is akin to global concerns about tech giants like Facebook, Amazon, Apple, and Google, but with unique challenges specific to India's market dynamics.

The Competition Commission of India (CCI) has penalized Google for anti-competitive practices like mandating pre-installation of its app suite and its Play Store rigid billing policy. The two major players, Google Play Store and Apple's App Store, control a significant portion of the market, impacting how software is developed, distributed, and monetized. This control creates hurdles for Indian developers, especially small-scale ones. Challenges include fierce competition in a saturated global market, potential algorithmic biases within app stores, high operational costs due to app store fees, and even the risk of app delisting as experienced by some Indian apps on Google Play Store. This lack of a level playing field can also be seen in the digital payments space.

In order to safeguard Bharat's burgeoning technology landscape and foster a conducive environment for innovation and growth, it's imperative to institute regulatory oversight. This oversight is essential to ensure fair competition, curb monopolistic practices, and maintain a level playing field for all participants in the tech ecosystem. By enforcing regulations, regulatory bodies can mitigate the risk of monopolies stifling innovation and hindering the growth of startups and smaller players.

Furthermore, as Bharat's technology ecosystem evolves, it's crucial to embrace and leverage new age technologies such as blockchain, cloud computing, artificial intelligence (AI), and other elements of Web 3.0. These technologies hold immense potential to drive innovation, streamline processes, and create new opportunities across various sectors. However, their adoption must be accompanied by robust regulatory frameworks to address potential risks and ensure responsible usage.

One such initiative could involve the development of an indigenous app store akin to the Bharat Playstore. By nurturing homegrown solutions and empowering Indian app developers, this platform can offer a more equitable playing field and reduce dependence on foreign tech giants. Additionally, encouraging competition in app stores and digital payments will not only spur innovation but also provide consumers with diverse choices, thereby contributing to a vibrant and resilient tech ecosystem in Bharat.

8.3 Thematic areas of discussion

8.3.1 Addressing Digital Monopolies

1. How can regulatory frameworks be tailored to address emerging forms of digital monopolies beyond traditional market dominance?
2. What role can technological innovations, such as blockchain or decentralized platforms, play in mitigating the impact of digital monopolies on market dynamics?

8.3.3 Fostering a Supportive ecosystem – The Need for Bharat Playstore

1. Exploring how Bharat Playstore can offer better financial terms to developers, such as lower commission rates and supportive policies for startups, to ensure a more equitable revenue model.
2. Discussing the support structures needed for fostering innovation among Indian app developers. This includes incubation programs, funding opportunities, developer tools, and resources that are tailored to the needs of Indian developers, encouraging the development of cutting-edge and locally relevant apps.

8.3.4 Building Investor Confidence and Long-Term Growth

1. What strategies can attract and retain long-term, patient capital for Indian tech startups?
2. How can we ensure a healthy and balanced relationship between startups, investors, and other stakeholders?

8.4 Key Actionable Insights

The panel discussed the rapid evolution of technology and its impact on society, with a focus on AI, cloud technology, blockchain, and machine learning. AI has the potential to leapfrog India's economy. The need for India to become a product nation instead of a services nation and develop its own models and applications was also emphasized.

- 8.4.1 The need to have a precise curriculum for PCTs (Patient Care Technicians) to enhance rural healthcare was stressed upon. India requires accessible and affordable healthcare to cater to the demands of rural India. To enable this we need rapid upskilling and retraining the workforce through startups focusing on providing low-cost healthcare to the last mile. This would also help the rural youth by increasing job opportunities and the scientific skilling programs which trains rural youth to be able to provide basic medical services to those in need in under 6 months is discussed by the panel. Rapid skilling for providing rural healthcare, especially in diagnostics is the need of the hour. All the current skilling courses that have been established till now, takes a long time to complete. Therefore, the discussions stressed upon bringing regulatory change for recognition of Preventive Care Technician (PCT) curriculum that is of a shorter duration and more effective in solving the problem around access to healthcare and skilling the workforce in rural areas.
- 8.4.2 The need for an alternative to the Google Play Store and the Apple App Store was discussed, so that digital public infrastructure remains open and inclusive. Currently, Google Play Store and Apple App Store charge a significant portion of the revenues of apps in order to host them. MSewa, which is a government platform created to host apps, provides an alternative to the Google Play Store and Apple App Store thereby, changing business dynamics. It is critical to have an alternative to Google Play Store and Apple App Store in order to have a

thriving digital economy in India which is not at the mercy of global digital monopolies. Regulation could perhaps be considered where every app published in India should also be hosted on the government app store such as MSewa akin to the 'Delivery of Books Act' which mandated that a copy of every book published in the country must be deposited with the National Library at Calcutta (Kolkata)

- 8.4.3 Serious concerns was raised on the fact that the payment tech industry is dominated by the duopoly of two US based companies for the last mile of UPI-based payment. This exposes the Indian payment system to the vagaries of the US laws such as the 'Patriot Act' as well as unilateral cross border actions such as sanctions This is especially disheartening considering that UPI started off initially as an "Atmanirbhar Bharat" initiative.
- 8.5.4 Emphasis was put on differentiating Enterprise AI (used by businesses) versus Consumer AI (used by individuals). Since Enterprise AI is deployed by large enterprises for internal usage and does not involve data from individuals, it would be prudent to treat it as separate from Consumer AI from a regulatory framework perspective. Such a regulatory stance would accelerate AI adoption and foster research and innovation in the country.

Watch the session on YouTube

<https://www.youtube.com/watch?v=jLz4cP-BrQQ>



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