

Whose Data is it Anyway ?



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All the legislation and debates around data in the recent years have centered around localisation and privacy. These are important but not the core issues. The real issue today is how do we tap the economic value accruing from data and maintain our economic sovereignty. Data is often termed as the “new oil”. Oil has been the key source of wealth creation and development of several countries in the last 5-6 decades. Some countries in the Gulf region that have judiciously used their fossil fuel resources have managed to create excellent infrastructure and their per capita income today is amongst the highest in the world. In the coming decades, the wealth creation is not going to be determined by ‘oil’ but by ‘data’. India, a country of 1.3 billion people, is richly endowed with ‘data’. The main focus of the policy intervention around data should be on how to turn it into wealth.

Let’s first be clear that any individual’s data lying with him/her would not generate wealth. We can’t just sit idle and say, ‘ok, my data is with me, so one day I will become wealthy!’ Huge economic value is generated when data is mined and used by the companies or other entities. So, the data must move out from the hands of the individual for it to become a source of wealth creation. While it may be impractical for the individual to monetise his/her own data, the country must monetise it. The most practical and effective way to monetise data is to treat it like an economic commodity, i.e., pay the data owner for use, allow access to any one willing to pay for legitimate commercial use and collect tax from whoever is profiting from this economic commodity.

Today, data is the primary business input for the world’s leading companies like Apple, Google, Amazon, Microsoft, Uber and Facebook. These multinationals make billions of dollars out of their business every year in India, but hardly pay any tax as per Swadeshi Jagran

Manch. According to a media report, the Ministry of Electronics & IT (MeitY) may allow these companies to further sell the data. If at all, it is true, it is a terrible idea! The ownership of data must remain in India, preferably in the control of those where it belongs. There could be independent data fiduciaries. It may be institutions set up by regulators or multiple partners drawn from public and private sector or a Section 8 company.

The government has already put in place a framework not to allow critical data to leave the country. This is important from the perspective of national security. However, non-critical data could be allowed to be stored or used outside the country. The localisation policy needs to be carefully crafted to take care of these aspects. It is not just about national security and privacy, it is also about creating a level-playing field for small domestic growth businesses or Startups in e-Commerce and FinTech.

The main issue in respect to the movement and use of non-critical data should be deriving the maximum monetary value from it. Part of this value should accrue to the individuals. They could be compensated in the form of profit sharing or licensing. If it is difficult to implement, then tax could be imposed and the resultant revenue could be used to create a common fund that helps all concerned citizens. Both could be done in tandem, if required and as feasible.

Some may argue that selling one’s data could be exploitative and create privacy problems. The issue of privacy could be addressed through a proper regulatory framework. The economic value created from licensing data would fulfill felt-needs of the common people, especially the marginalised as even a hundred rupees of additional income could help them.

Data sovereignty is also an important issue. People on the higher end of the value chain often benefit at the cost of those who are at the lower level. This is not very different than colonisation. Therefore, India must aspire and plan to capture the

highest possible value in any chain.

So, the current or the proposed legislation as well as the debate surrounding data present incomplete picture. It would be a big mistake to legislate just on data localisation and privacy without settling the issues of taxation, implementation of sovereign

function of taxation and capturing the high value of businesses accruing from data and new technologies. Moreover, there is a need to ensure that some part of the value that gets generated from data emanating from India must come back to the country and used for the welfare of those whom it belongs.

CYBER PATRIOTISM



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Ever since the launch of SKOCH Cyber Patriots Initiative in March 2019, SKOCH has conducted several rounds of consultations and organised capacity building workshops and tutorials around adaptive technologies including Artificial Intelligence, Blockchain and Robotics. In a unique and maiden initiative in the country, more than 250 government officers from across the country participated in capacity building and training workshops organised recently in New Delhi.

Global experts including Ankush Choudhary, Principal Security Advisor, Asia Pacific Japan, Amazon Web Services and Ravinder Singh, Chief Information & Innovation Officer, Air Vistara took tutorials around these technologies explaining how to leverage these technologies for growth of the country encompassing various verticals and domains.

This effort will help evolve unique Indian models and use-cases that will spur value creation for Indian businesses and capture value for Indian enterprises to grow. For example, software solutions of foreign firms are being used today for the works like weather forecasting and AgriStack. Similar is the situation in healthcare and education sector. We should either prefer Indian companies being leveraged by other countries for similar solutions or those global technology majors with proven credentials and also commitment to work for India. They should also be happy to work towards technology-neutral capacity building rather than push specific technologies like the way it was done by Ankush and Ravinder. There are end-number of use-cases in India, which could also be referred to. The risks and long-term impact on India’s cyber sovereignty resulting from over-dependence on foreign majors, without considering the above, needs to be examined.