

# The “free” Internet?

User perspectives from Myanmar and India

Gayani Hurulle



moz://a

This work was carried out with the aid of a grant from the Mozilla Corporation, International Development Research Centre, Canada and the Department for International Development, UK.



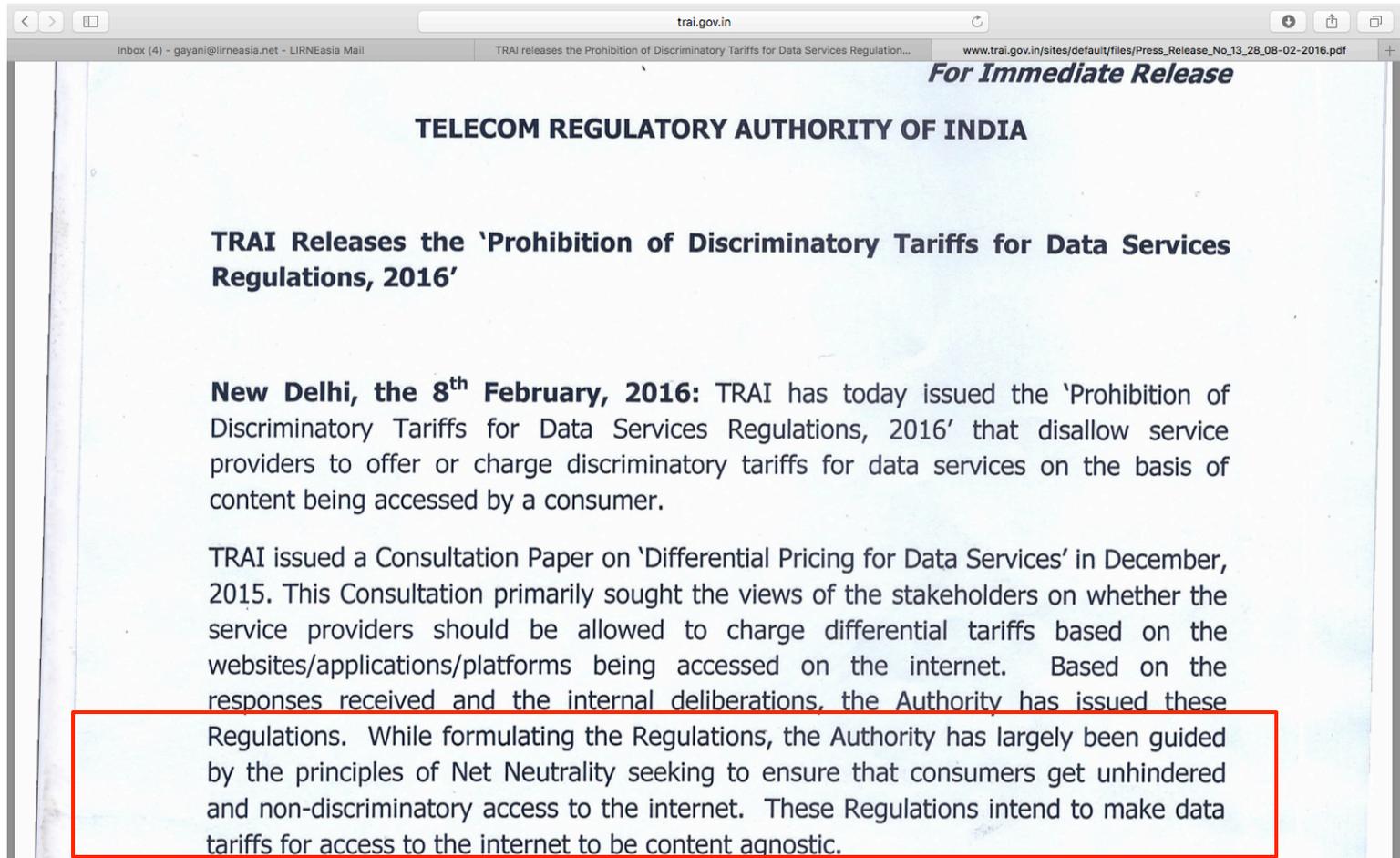
# What is zero rating?

---

When a **specific application or content** is zero-rated, the user may consume an **unlimited amount** of that **specific content** **without incurring data charges**

[Galpaya \(2017\)](#)

# Zero rating caused uproar in India, leading to Prohibition of Discriminatory Tariffs



The screenshot shows a web browser window with the URL [www.trai.gov.in](http://www.trai.gov.in). The page title is "TRAI releases the Prohibition of Discriminatory Tariffs for Data Services Regulation...". The content is a press release titled "TRAI Releases the 'Prohibition of Discriminatory Tariffs for Data Services Regulations, 2016'". The text states that TRAI issued these regulations on February 8, 2016, to disallow service providers from charging discriminatory tariffs for data services based on content. It also mentions that TRAI issued a Consultation Paper on 'Differential Pricing for Data Services' in December 2015, and that the regulations are based on the responses received and internal deliberations. The regulations are intended to ensure net neutrality and unhindered, non-discriminatory access to the internet.

**For Immediate Release**

**TELECOM REGULATORY AUTHORITY OF INDIA**

**TRAI Releases the 'Prohibition of Discriminatory Tariffs for Data Services Regulations, 2016'**

**New Delhi, the 8<sup>th</sup> February, 2016:** TRAI has today issued the 'Prohibition of Discriminatory Tariffs for Data Services Regulations, 2016' that disallow service providers to offer or charge discriminatory tariffs for data services on the basis of content being accessed by a consumer.

TRAI issued a Consultation Paper on 'Differential Pricing for Data Services' in December, 2015. This Consultation primarily sought the views of the stakeholders on whether the service providers should be allowed to charge differential tariffs based on the websites/applications/platforms being accessed on the internet. Based on the responses received and the internal deliberations, the Authority has issued these Regulations. While formulating the Regulations, the Authority has largely been guided by the principles of Net Neutrality seeking to ensure that consumers get unhindered and non-discriminatory access to the internet. These Regulations intend to make data tariffs for access to the internet to be content agnostic.

# Opponents of zero rating: Violates net neutrality, likelihood of anti competitive behaviour

---

*“The main harms of network neutrality violations are as follows: one, censorship by private parties without legal basis; two, innovation harms because the economic threshold for new entrants is raised significantly; three, competition harms as monopolies become more entrenched and then are able to abuse their dominant position; four, harms to diversity because of the nudge effect that free access to certain services and destinations has on consumers reducing the infinite plurality of the Internet to a set of menu options. The first and fourth harm could result in the Internet being reduced to a walled garden.”*

[Center for Internet and Society, India \(2015\)](#)

# Proponents of zero rating: Connects the unconnected, lowers data costs



**Mark Zuckerberg** ✓

April 17, 2015 · Palo Alto, CA, United States · 🌐

✓ Following ▾

The internet is one of the most powerful tools for economic and social progress. It gives people access to jobs, knowledge and opportunities. It gives voice to the voiceless in our society, and it connects people with vital resources for health and education.

I believe everyone in the world deserves access to these opportunities.

In many countries, however, there are big social and economic obstacles to connectivity. The internet isn't affordable to everyone, and in many places awareness of its value remains low. Women and the poor are most likely to be excluded and further disempowered by lack of connectivity.

This is why we created [Internet.org](#), our effort to connect the whole world.

By partnering with mobile operators and governments in different countries, [Internet.org](#) offers free access in local languages to basic internet services in areas like jobs, health, education and messaging. [Internet.org](#) lowers the cost of accessing the internet and raises the awareness of the internet's value. It helps include everyone in the world's opportunities.

We've made some great progress, and already more than 800 million people in 9 countries can now access free basic services through [Internet.org](#). In India, we've already rolled out free basic services on the Reliance network to millions of people in Tamil Nadu, Maharashtra, Andhra Pradesh, Gujarat, Kerala and Telangana. And we just launched in Indonesia on the Indosat network today.

# Qualitative research conducted in Myanmar and India

## Myanmar

Fieldwork in Yangon in July 2016

63 respondents

Age 18-45

SEC\* A-E

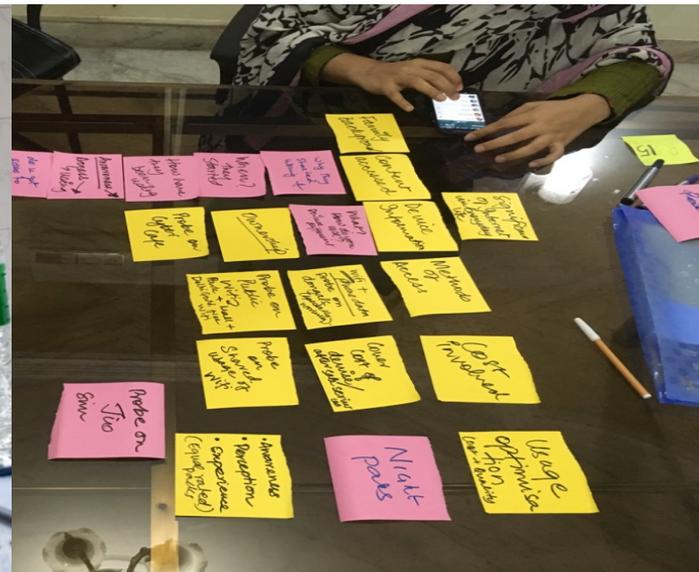
## India

Fieldwork in Delhi in December 2016

83 respondents

Age 16-40

SEC\* C-E



\*SEC – Socio Economic Class, measured on a scale of A to E, through household income in Myanmar, and occupation and education of chief wage earner of the household in India

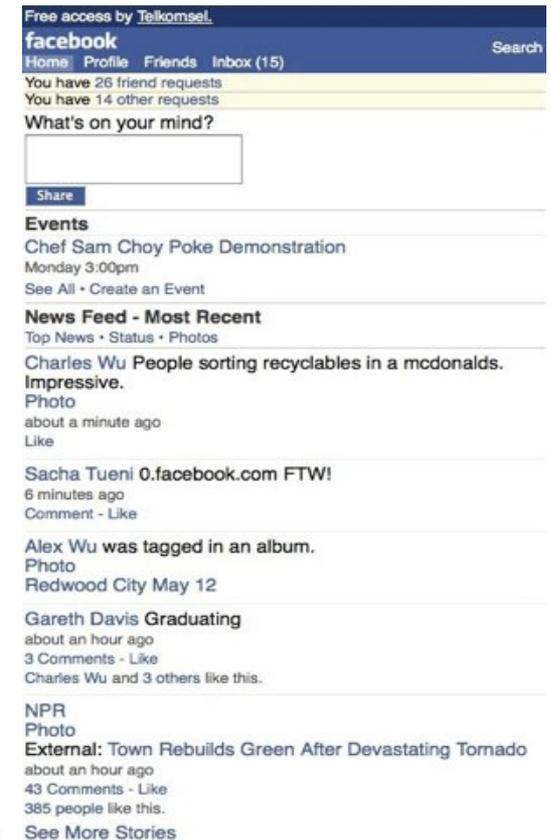
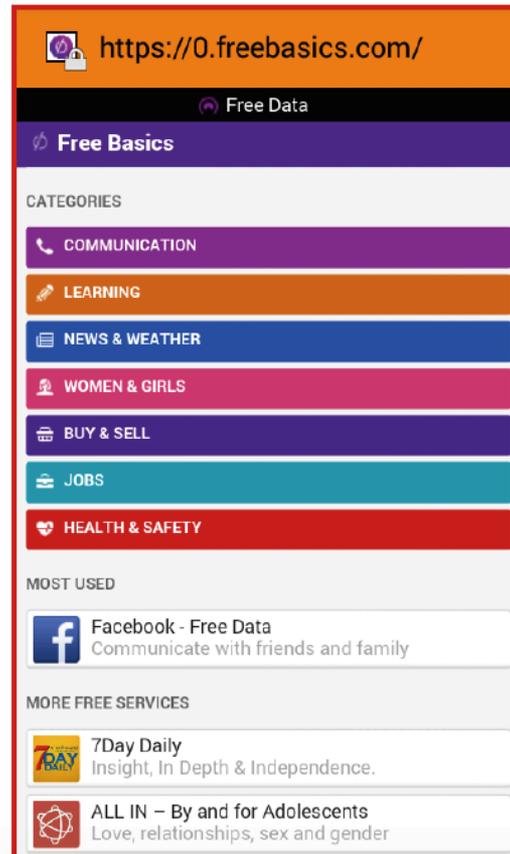
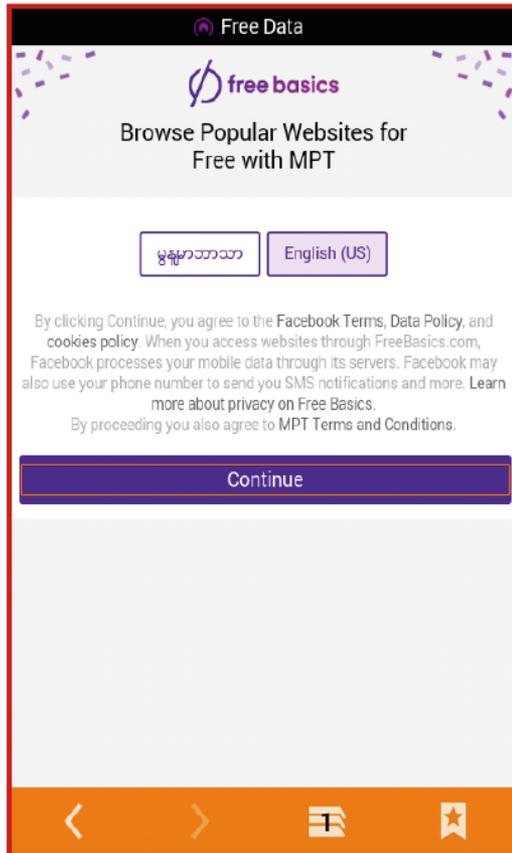
# Our work: Stakeholder consultation with the users of free data in Myanmar and India

---

## More specifically

- Does providing free data get people online?
- Do zero rated packages keep people inside walled gardens?

# MPT Free Basics in Myanmar allowed free access to selected content



# Despite a variety of content being available, respondents primarily accessed Facebook

*"I mostly read Myanmar local news on Facebook. I read 7Day Daily news when I cannot access Facebook"*

Zaw Lwin, M, 26, Myanmar (R4)



users per 100: 44

60% of Facebook users access it daily

## Use/awareness of zero rated content



Base: Mobile owners (n:4349)

# Facebook is most heavily advertised by operators



# Users switch between the free and paid modes of Facebook despite “many steps to switch”



*“I mostly use Messenger rather than the Newsfeed... There are many steps to switch between these two modes such as pop-ups that say please confirm to use data mode, yes or no.”*

Phyu Phyu, F, 20, Myanmar (R20)

*“After clicking use data button to see photos, I need to change [back] to free mode when I do not want to see photos. After changing to free mode, it returned to top of the page, so I need to scroll back down to the place that I want to see. Thus, it is complex to change again and again when I want to see the photos or not.”*

Nay Lin, M, 28, Myanmar (R41)

# Most paid to use full version of Facebook. Some moved outside the “walled gardens ”by clicking external links

---

*“It is convenient for me because I mostly use Messenger. It used to cost over 1000 Kyat (USD 0.85\*) per day in the past. Since MPT began the free service for Facebook, I spend only 5000-10000 [kyat] (USD 4-9\*) per month*

*It’s ok as for me. But I can’t see any photos. If I want to look photos I switch to normal mode. I usually view photos after checking whether or not I know who posted it.*

*If [external links] seems interesting to me or the post was shared by my friends, I continue to click and see them although I know it will cut my bill.”*

Aye Aye, F, 24, Myanmar (R10)

# No respondents had got online because of free content: all already online

---

Sampling bias?

Or did some other factors come into play?

# Jio in India: Unlimited, unrestricted free data for a limited period

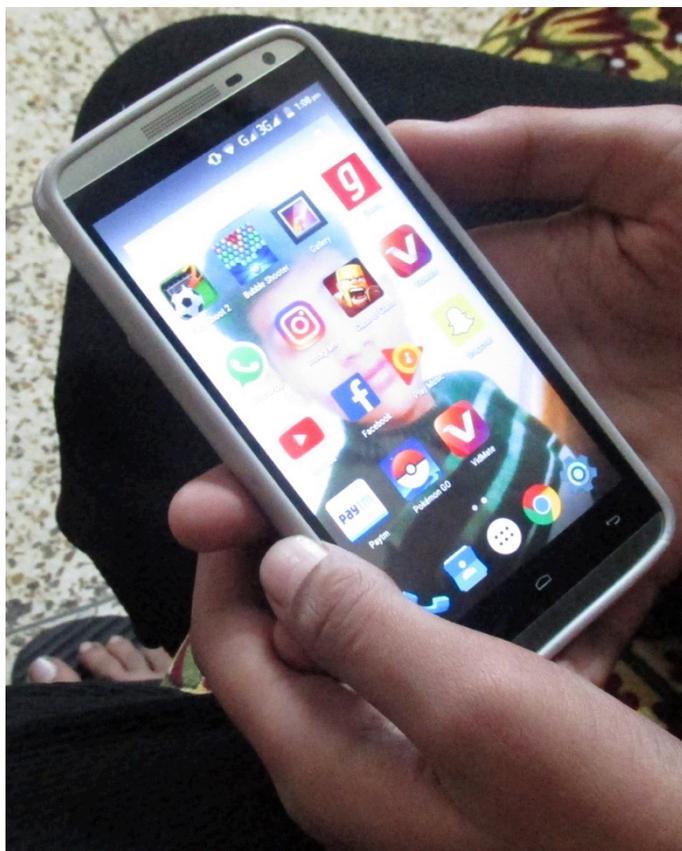
---



- Offered free network calls and free 4G mobile data until end March 2017
- Subscriber base: 109 million (April 2017)

Counterfactual to zero rating case: data is unrestricted, can access any content

## Unrestricted free data was appreciated, but Jio was second SIM for many respondents



*"I bought [the Jio SIM] three months back.. You get free data, so you can do whatever you want to... [I use it for] chatting and video calling. I check YouTube as well."*

Meena, 18, F, Undergraduate, India (R11)

*"1 GB would finish so soon....For that reason, we have purchased a Jio SIM. It hardly matters how many games you download now"*

Neelima, 31, F, Supervisor, India (R71)

## Other barriers exist for those not already online: Cost of smartphone was too high, insufficient digital skills

---

*“Firstly you spend 8000-9000 rupees (USD 118-133\*), and then you can use free data”*

Sikha, 27, F, Housewife, India (R30)

*“Without learning you cannot step ahead. First you have to change your mobile, then you learn how to operate, and then you do other things...Right now we don't have money in our pocket. When we have money, we will come to know.”*

Raj, 40, M, Electrician, India (R37)

# Summary

---

Does providing free data get people online?

- None of our respondents had got online purely due to the free data offers (Myanmar and India), but it enhanced online experience for those already online
- Stories from India suggest that the cost of data is a second level problem for non users, to be overcome after a device is purchased and digital skills are learnt.

Do zero rated packages keep people inside walled gardens?

- Heavy use of Facebook in Myanmar (Supply side push and demand side pull)
- There is evidence of people paying for content to view pictures, videos on Facebook. Some pay to move outside Facebook.

# For more information

## To access country reports

- [Myanmar](#)
- [India](#)

Email: [gayani@lirneasia.net](mailto:gayani@lirneasia.net)