

Let's get digital

Resolving problems vital for transformational project

Though the bulk of the investment commitments made at the launch of the Digital India summit—the prime minister put the number at ₹4.5 lakh crore from just those on the dais—were a rehash of what leading telcos like Bharti Airtel, Idea and now RJio have promised in the past, the scope of Digital India lies in how it can truly transform India. The Swachh Bharat (SB) Mobile app goes beyond displaying SB challenges that rapidly deteriorate, as they have in the past, into photo-ops. A clean toilets programme, for instance, can have citizens giving 24x7 updates on toilets that *safai karamcharis* have certified are clean and functional—once uploaded on Google maps, imagine the power this information gives citizens and government officials monitoring such projects. The Digital Locker, similarly, allows government departments to deliver land records, passports, college degrees, ration cards, etc, to a safe locker—since the records will all have digital signatures, most important, they will be tamper-proof.

Those applying for bank loans, for instance, can e-mail property documents to a bank which, given the digital signature of the local municipal corporation, will know there is no chance of a fake. Given how property title is one of the biggest areas of litigation in India, the benefits of the programme cannot be overstated. Similarly, ensuring the Aadhaar details of those insured as well as their nominees are integrated with insurance policies—especially for the bulk policies being done under the various schemes announced by the PM recently—will make payments to beneficiaries instantaneous and hassle-free, with just a fingerprint required to prove identity. Creating a platform like, say, a digital locker, of course, is only the beginning—getting government ready to deliver the necessary services will require constant vigil. The property registries, for instance, will not only have to give digital records of future sales, they will have to digitise old records as well. A related advantage is the job opportunities this will create in the digitising process.

The biggest challenge to the project will lie in the telecom sector where past policies of ultra-expensive spectrum, and miserly quantities of it as well, have left the industry bleeding—the industry needs an ebitda of at least \$15 billion for its \$100 billion investment to be viable, but has under half that today. The Bharatnet project—a vital part of the Digital India initiative—to connect 2.5 lakh gram panchayats is a complete disaster with less than 5% of its target achieved so far, and needs to be overhauled by involving private sector players instead of leaving it to PSU firms who have failed to deliver; it is difficult to see how Digital India hopes to get large-scale deployment of hotspots through BSNL which has huge losses, of around ₹7,000 crore, and has consistently lost market share and failed to make much of its huge cross-country landline network. Though the government drove up spectrum prices in the last auction by not putting in more spectrum in the 2100 MHz band—the defence ministry had agreed to the swap—it needs to make up now by doing this urgently. It is equally important to relook the M&A guidelines that are impractical right now as well as the spectrum fee regime which makes telecom financially unviable—no other country has high auction rates along with high annual fees. Though the government has yet to take a decision on this, fortunately, the DoT committee on licensing apps like Skype and Viber has come out with a somewhat balanced report—otherwise, a combination of irresponsible spectrum pricing and licence fees, along with a rash policy on net-neutrality, would have killed off Modi's Digital India before it was born.