

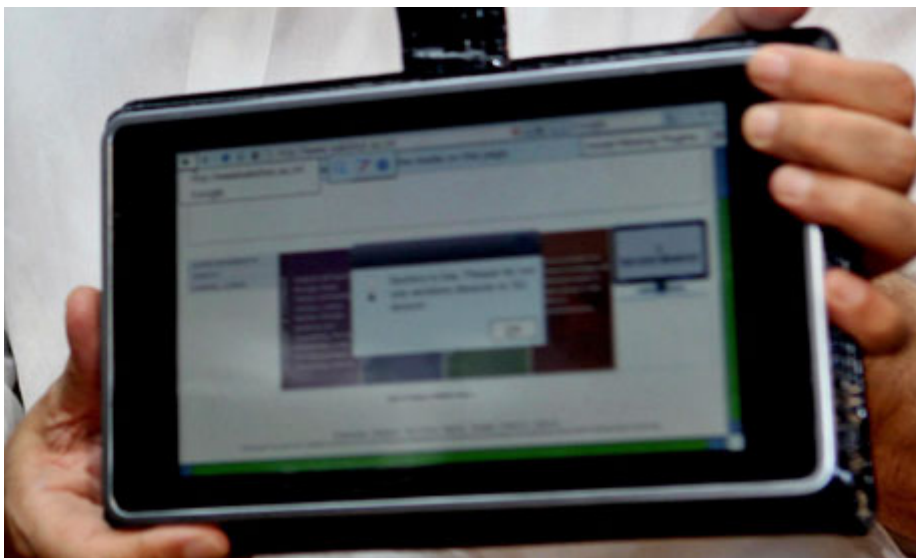
# India's \$35 tablet: a stalled revolution

India's new \$35 tablet computer needs manufacturing success and demand if it is to revolutionise IT literacy – it has neither



**Suhasini Sakhare**

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Kapil Sibal, India's minister for human resource development, unveils the low-cost computing device. Photograph: Stringer/India/Reuters

Kapil Sibal, India's minister for human resource development, recently announced that Indian scientists had developed a tablet computer that could be manufactured for just \$35. The device has been developed primarily for students and is part of the government's ambitious plan to connect 25,000 Indian colleges to broadband. The push is no doubt linked to MIT's 2005 offer to Asia to make available know-how for building \$100 laptops. But it needs two critical support struts – manufacturing success and demand – to be successful.

On the manufacturing side, the bill of materials currently going into the tablet has come up to \$47. This does not include labour, supply chain costs or profit. Even if the government sticks to its current stance of subsidising the product by \$15 it is unlikely to retail at \$35, let alone the \$20 the government eventually hopes to sell it at. Further, a manufacturer has not been chosen yet. The risk with any premature announcement is

that it would fizzle out, leaving the government with very little to show. In February 2009, the Indian government announced a \$10 laptop, which has not hit the shelves yet. It likely never will.

The comparable mobile phone revolution in India was driven not by affordable handsets, but by palpable demand, which led to the effort of building and making available cheap handsets. The Simputer story has shown beyond doubt that mere computation or digital recording ability is not sufficient to create demand in India. The locally developed and open handheld hardware was available in a relatively cheap price range between \$194 and \$266, yet sold a mere 4,000 units in 2005. Today, it has disappeared without a trace. Access to the internet is critical to building demand for low-cost computers. Unfortunately, the internet story in India, in sharp contrast to the mobile phone story, has been a dismal let down.

The average Indian does not lack access to typewriters, typists or calculators: he lacks usable knowledge that creates transparencies, cuts out intermediaries, reduces the power of discriminatory networks and induces growth. The Telecom Regulatory Authority of India has recognised as much in its national broadband policy consultation paper, released in June. In noting the growth effect of the internet, it recorded that in low- and middle-income economies, a 10% growth in internet penetration created a 1.12% growth in per capita GDP. With a population of 1.26 billion, India had just 15.24m internet users as of December 2009. More worryingly, internet minutes consumed had actually fallen from their peak during December 2008.

Official statistics also present a frightening picture of non-performance by the government. There were 8.75m broadband connections in the country by the end of March 2010, against a target of 20m subscribers in 2010 set in 2004. Net broadband additions per month are running at just 100,000-200,000 in contrast to 18m mobile connections per month.

Part of the problem can be traced to the government's monopolistic approach. Currently 104 providers offer broadband services in India. Of these, BSNL, a government-owned provider, has a 61.45% market share. This disparity exists because the most popular access method, used by 86% connections, is largely available solely to BSNL and MTNL – both public sector undertakings. To increase pervasiveness of use and geographic dispersion, India needs to deploy fibre optics-based access.

Beyond the issue of proper connectivity infrastructure, demand will come only with awareness and computer literacy. Unless it channels and meets the demand for usable, accessible knowledge, the \$35 tablet will remain an interesting oddity, a shortsighted solution and a fledgling power's fist-waving response.

- This article was amended on the 29 July at 12.41 pm to correct the price of the Simputer which retailed at \$200, not at less that \$35



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Follow-up to budget-Android tablet computer due in September, with phone by end of year, writes **Samuel Gibbs**

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