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Free as in free milk

Microsoft's business practices in developing countries

By David Jacovkis

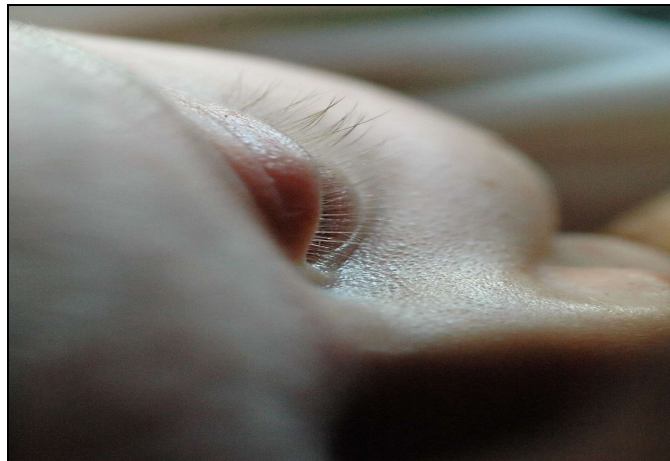
A first draft of this article has been sitting for months in my hard disk. I decided to finish it after reading that Microsoft will offer its operating system and office suite for \$3 per machine to developing countries. That made me think of the way the giant software company “helps” these countries by giving licenses of its proprietary software almost for free, and that in turn made me think of free milk. Let me tell you about it.

The Nestl?oycott

In 1977 a boycott campaign was launched against Nestl?o protest for its marketing of breast milk substitutes. To make a long story short, Nestl?'s commercial agents in developing countries gave free samples of the infant formula to mothers shortly after they had given birth. They would shamelessly lie to them about the alleged advantages of the substitute product over breast milk, encouraging them not to breastfeed their babies. Since lactation is interrupted if the mother doesn't breastfeed for several days, this forced a dependency on the substitute: when the mother ran out of free samples she found out that she couldn't breastfeed her child any more, and had to buy more infant formula.

The use of breast milk substitutes in developing countries has been found directly or indirectly responsible for several health problems of infants. The water used to prepare the product is often contaminated in areas where drinking water supply is deficient. Also, when the mother has to buy the product she will sometimes use less than the indicated dose to make it last longer, causing malnutrition in the infant.

Besides, breast milk is the best nutritional source for newborn infants if the mother is healthy, and provides babies not only with all the necessary nutrients but also with antibodies that protect them from several illnesses. It also strengthens the bond between mother and child, and causes the release of hormones into the mother's body that delay the return of the fertile periods, helping her space pregnancies.



Breast milk is the best nutritional source for newborn infants. (c) Nico Maessen, CC-by-nd 2.0.

Free as in free milk

Thus, due to Nestlé's marketing strategy both the mother and the baby lost the multiple benefits of breastfeeding while the multinational company benefited from their dependence on the substitute product. The boycott campaign finally led the World Health Organization to establish an International Code of Marketing of Breast-milk Substitutes, which forbids most marketing strategies for breast milk substitutes. The case was so clear that public opinion turned against the big corporation from the beginning, and, even though now and then the issue arises again, Nestlé's tried by all means to clean its image.

This is very interesting indeed, I can hear you saying, but what does breast milk have to do with free software? Patience, I'm getting there!

Microsoft's free milk

For some years now, Microsoft has conducted an intensive marketing campaign in developing countries to make sure that its software is used in educational institutions. This includes negotiating license discounts with governments, providing training for educators and even giving their software away for free. And they claim to do it for the sake of future generations, who will benefit from the education of today's students. That's why, Microsoft says, they are giving their software away for free. *Free as in free milk*, for this strategy has many things in common with Nestlé's giving free samples of breast milk substitutes. I'll analyse the most evident ones.

Substituting a natural product

Just like infant formula is a substitute of real breast milk, proprietary software substitutes what is natural for us: sharing knowledge to improve our lives.

Sharing information is as natural as breathing for human beings. The history of art, science and technology is composed of incremental steps that build on previous knowledge. Even completely novel inventions and revolutionary theories are to some degree based on what was previously known. Newton saw further by standing on the shoulders of giants; personal computers exist thanks to hundreds of previous inventions, from the telegraph to the integrated circuit.

Proprietary software, the kind of software that Microsoft sells, is distributed in *binary* form. This format is conceived to be executed by computers and not to be read by humans. When you receive a program in binary form, all you can do with it is execute it in the appropriate type of hardware. In many cases, you must also accept a license that restricts the ways in which you can use the software, or the number of machines on which you can install it.

On the other hand, free software, also known as open source software, is distributed as *source code*, the set of instructions written by the developer in a specific programming language like C or Java. This means that anyone familiar with the language can read it, learn from it and try to improve it. Besides, free software licenses allow the modification and redistribution of the code, so that everyone can contribute to its development and benefit from the result. Free software is free as in *free speech*, not as in *free milk*.

These features have led to a development model that is completely different from the traditional way in which companies develop software. Successful free software projects, like the Apache web server or the Linux kernel, are developed by a heterogeneous community of programmers. Some of them work for companies that use the software or provide services, some of them are students working on a project, some of them are enthusiastic hackers that work on free software in their free time. There are no marketing departments, sales reports or productivity bonuses. Each community is a self-organised entity with its own rules, and they demonstrate every day that the software they produce is at least as good as proprietary software.

Free software is free as in free speech, not as in free milk

It is plain to see which form of software development and distribution is more natural to us, which can better promote the development of all nations. The adoption of free software, specially in education, is the only way to bridge the digital divide between developing nations and the areas where most of the software is actually produced. Only free software can provide us with the tools to access the information society without leaving future generations with the mortgage of a technological dependence on a private corporation.

Creating a dependence

When the biggest software corporation in the world starts giving away its products, the motivations behind this strategy must be carefully examined. As an example, the Fresh Start for Donated Computers program provides old donated computers with the company's proprietary operating system. If some Swiss bank donates a bunch of old computers to a school in Guatemala, Microsoft will provide the software for free. For a few years, teachers and students will not have to pay to use the software, but when the institution receives new computers, or the licenses expire, what will they do? They are very likely to pay for the licenses of the software they have been trained to use, or they will just continue using the software without paying the license. Microsoft's spokesmen have said in several occasions that the company prefers people using illegal copies of their software rather than not using it at all.

Dependence on breast milk substitutes lasts until the lactation period is over, and it can cause great damage during that time. But the dependence of a group of people on a proprietary software system lasts as long as that platform exists or until they have all been trained to use an alternative system. This network effect is deliberately reinforced by Microsoft with the use of closed file formats in popular applications, like office suites.

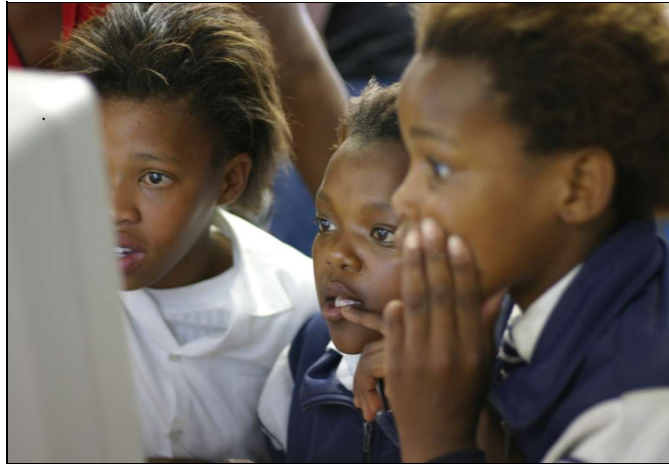
Microsoft's gifts are part of a plan to control emerging markets from the very beginning. Once those countries are dependent on the product, they become potential buyers of upgrades and new versions. According to Microsoft's senior vice president for emerging markets, Orlando Ayala,

“...for Microsoft this is an investment in the long term. These are the consumers of the future.”

You can say that louder, but not clearer.

Aiming the weakest

Microsoft's marketing strategy has been very aggressive in developing countries, where the need for external help in IT-related areas is higher, but also in less favoured areas in the United States and Europe. And this gift is much cheaper for the software giant than infant formula samples are for Nestlé since the marginal cost of a software product is negligible.



Bridging the digital divide. (c) Jason Hudson, CC-by-nc-sa 2.0.

Many of those who benefit from Microsoft's gifts have their first contact with computers at that time. If they receive no further information they will never know that there are alternatives that can be much better for themselves and their communities. Within these, children and young students are the most attractive objectives for Microsoft's campaigns, since they are, as we have seen, "the consumers of the future".

Conclusion

We have seen how two different corporations use free samples of their products to create a dependence in the most vulnerable areas of the world. Even when the similarities between both marketing strategies are evident, Microsoft has earned the image of a company concerned with social causes, while Nestlé's been the objective of a successful boycott campaign that forced it to change its marketing strategy.

This double standard is maintained by the lack of public awareness on the implications of proprietary software. To make these implications known, and to promote the use of free software in education, is a step towards a world where access to knowledge is not restricted to those who can afford it.

Biography

[David Jacovkis](#) (/user/2317" title="View user profile.): David Jacovkis has worked as a systems engineer, ICT consultant and editor of educational materials. Nowadays he collaborates with the Universitat Oberta de Catalunya and the ISOC.nl in the SELF Project. His main interests are the ethical and philosophical implications of free software, security in systems and networks and writing about these issues for non-technical readers.

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