THE EXPERT’S OPINION

An Interview with
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Interview by Chetan S. Sankar, Editorial Review Board
Journal of Global Information Management

JGIM: How important is telecommunications to developing countries?

Pitroda: Telecommunications has become an agent of change all over the world. It helps democratization, deregulation, competitiveness, and provides ability to network people and ideas. Therefore, it is not a luxury, but a necessity for developing countries. During the early 1980s, it was thought that telecommunications should be a monopoly providing universal services to all people. Cross subsidy was a norm in this set-up. The divestiture of AT&T in 1984 has triggered major changes in global telecommunications. U.K., Japan, and Germany are on the road toward privatization. Although there is no need to privatize all telecommunications in India and many developing countries, I do see a major role for private entrepreneurs in building the technology, equipment, and services. For example, during the past few years, private entrepreneurs (200,000 of them) provide local and long-distance telephone services by leasing a line form the Indian PT&T. People use these kiosks to make calls and pay the bills right then. This service has become very popular in the past few years.

JGIM: Has telecommunications any relevance for rural areas in India?

Pitroda: Telecommunications has provided other opportunities in connecting rural India with the major metro cities. There might be only one phone in a village, but that phone provides micro and macro economic advantages to the village. For example, a lorry (truck) owner has reported advantages due to the use of information technology. Earlier, he had no way of communicating with his suppliers/customers and had to depend on the driver to finish the business and return. It used to take three to four days before a business transaction was completed since frequently the driver waited when delays happened. Now, with phone, the owner is able to anticipate delays and deploy the lorries appropriately. Another example is timely delivery of vaccines to rural India. Earlier, quite a proportion of the vaccines were wasted since they were taken to places where they were not needed or the refrigeration facilities were lacking. With the use of phone systems, they are able to extend the utility of the vaccines better. Still, some of the 55,000 rural banks in India cannot communicate with each other due to lack of telephone facilities.

JGIM: What are the social implications of bringing in telecommunications to India?

Pitroda: Telecommunications is bringing about an openness in the society. For example, the introduction of Star Cable TV network in India has revolutionized the TV media. Earlier, users had to depend only on the government-owned monopoly for two channels, whereas, currently, with Star network and others, consumers have access to multiple channels.

JGIM: Should developing countries wait for developed countries to provide them the infrastructure?

Pitroda: Developed countries are not going to slow down for others to catch up. It is imperative for developing countries to use telecommunications technology to speed up the development process. In developed countries, telecommunications was developed after basic human needs (food, residence) were met. In developing countries, basic human needs have not been met and telecommunications could play a lot more crucial role. Effective implementation could bring people together instantly and bridge distance and time. It is imperative that developing countries place a high priority on developing telecommunications.

JGIM: What are the bottlenecks to development of global communications in India?