Mobiles will revolutionise seven sectors in rural India - Nokia, CKS

Contributed by Michael Schwartz
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Mobile, India: Mobile communication is revolutionising economic and social life in rural India, spawning a wave of local entrepreneurs and creating greater access to social services, according to a new study by The Centre for Knowledge Societies (CKS) commissioned by Nokia. The research identifies seven major service sectors - including transport, finance and healthcare - that could be radically transformed through mobile technologies...

Mobile phone ownership in India is growing rapidly

Six million new mobile subscriptions are added each month and one in five Indians will own a phone by the end of 2007. By the end of 2008, three quarters of India's population will be covered by a mobile network. Many of these new “mobile citizens” live in poorer and more rural areas with scarce infrastructure and facilities, high illiteracy levels, and low PC and Internet penetration. The study looks at how their new mobility could be used to bridge the growing economic and social digital divide between rural and urban areas.

Veli Sundback, Executive Vice-President, Corporate Relations and Responsibility at Nokia, said, “Mobile phone ownership in India is growing at a phenomenal pace. This new-found mobility undoubtedly has the potential to make a major contribution to socio-economic development, and we recognise the responsibility we have to play a key role in achieving this. This report builds on the work Nokia has been doing in developing markets like India for several years to understand how we can deliver on our goal of making universal access to technology and the associated benefits a reality.”

Dr Aditya Dev Sood, the report author, highlights how many new adopters of mobile phones have found their incomes rise, explaining these findings as the increased productivity made possible through mobile communications. “While mobile phones are widely seen merely as a communications medium, they should really be seen as a new and essential form of infrastructure that will transform a host of other service sectors in rural economies around the world,” he said.
The report identifies seven service areas that could be transformed for rural communities by mobile communications:

Transport

Finding cost-effective, reliable, and safe ways to transport goods and services to market is a major problem for small businesses in rural communities. Public transport is not available in 45% of villages in India, and only 1% of Indian households owns a vehicle. Mobile communication could be used to create and co-ordinate car sharing schemes amongst villages, and provide real-time information about public transport services and the ability to make request stops.

Micro-commerce

Small businesses in rural areas often have to travel significant distances to markets or other places they can distribute their goods, and cannot make arrangements in advance with buyers or other sellers. Mobile phones could significantly change the logistical issues faced by rural traders and home entrepreneurs, by affording mobile-based ordering systems, delivery requests, and the ability to make more reliable and advance arrangements with business partners or clients;

Finance

Mobile phones are already being used in rural areas as a tool for financial transactions by swapping airtime for goods and services. The study encourages mobile networks and financial services institutions to work together to test and develop new financial services in this area and address how people can transfer these credits into cash;

Healthcare

New mobile services in this area could better connect rural communities, creating networks to share and discuss health information and advice;

Governance

Accessing information about public services remains a major challenge for many rural communities. Mobile phones provide a new platform through which rural communities will be able to access government information and services, using text, data, and audio browsing techniques;

Education

The study looks at a range of educational services that could be provided via mobiles to children in remote villages and communities, particularly where PCs or connections to the Internet are not available. Mobile phones could serve as an essential means for children to become connected to one another for educational and peer-learning activities. These phones are particularly important for communities that are either nomadic or transitional on account of displacements due to a natural disaster or for other reasons; and

Infotainment

While the mainstream entertainment industry is already well aware of the emerging potential of mobile media, there are also many opportunities for local, peer-to-peer content to be created and distributed, affording new cultural and economic opportunities to rural communities.

The research is based on detailed ethnography and participant observation among communities living in three rural areas of India: Badaun in the state of Uttar Pradesh, Satara in the state of Maharashtra and Chittradurga in the state of Karnataka, as well as one urban area, Bangalore. Researchers met with small business owners, farmers, home owners and others to understand how mobile communication had already transformed their daily lives and the further potential of mobile communications to enhance livelihoods.

The study will encourage national and international governments, the mobile industry and NGOs to work together to support the development of these services by increasing access to, and use of, mobile communications in rural communities.

Recommendations

Local and state government need to integrate their telecom regulatory, tax and rural development policies, and do more to incentivise and support the roll-out of mobile services across the country;

The mobile industry needs to understand the social impact of mobile connectivity in rural communities and to make it as accessible as possible to them. This does not only mean lower prices and costs of ownership: to really make a contribution to development they will also need to localise the mobile experience with relevant applications and services. Many of these will be innovated at a grass roots level and it is important for the mobile industry to work at this level to deliver real improvements; and

Non-governmental organisations have an important role to play in working with state agencies to define the needs of rural communities and to develop new ways together to deliver a wide range of different social and welfare services. To do this they also need to work much more closely with the mobile industry to understand and test the technological possibilities.

The report included 16 case studies of individuals interviewed for the report, including small business people, entrepreneurs, home owners, farmers and many others. These case studies explored and showed how mobile phone ownership was impacting their lives and businesses.

* Dr Aditya Dev Sood is the Founder and CEO of CKS. He has doctorates in Anthropology and Sanskrit Philology from the University of Chicago. He is a former Fulbright Scholar and has received

several academic fellowships, awards and distinctions, and graduated summa cum laude from the University of Michigan. Dr Sood is also the author of the CKS Guide to ICTs for Development (2002), a booklet that received wide attention and citation. At CKS he has directed a number of projects involving user research, new product conception, user experience and service design, and organisational innovation management. He frequently speaks on issues relating to technology, design, development and social research at public forums.

** CKS is a research, design and innovation company specialising in emerging technologies for emerging economies. It has worked with the world's leading handset manufacturers, equipment manufacturers, operators and mobile solutions providers. CKS has, in addition, pioneered new investigative field research techniques for working with communities and individuals who may not enjoy complete or continuous access to media, communications, electricity and other forms of infrastructure. Through these techniques it conceptualises and develops products and services that are intended to harness the new possibilities of media, communications and technology.

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