

# Frameworks, theory, comparability

Rohan Samarajiva

[rohan@lirneasia.net](mailto:rohan@lirneasia.net)

Research Planning Meeting, 20 December 2012




This work was carried out with the aid of a grant from the International Development Research Centre, Canada.

# Objective

- “Discussion on possible research framework we can use to synthesize findings, how the research can be made more comparable, and where it should head in the next 2-3months”

# Typology of government services

	User pays	Paid for by taxes
<b>C o l l e c t i v e l y consumed</b>	E.g., Non-toll roads, maintained through fuel taxes?	E.g., Early warnings of disasters Law and order National defense Vaccinations against infectious disease
<b>I n d i v i d u a l l y consumed</b>	E.g., Public utility services Passports	E.g., Welfare payments Pensions



# A further typology . . .

	Multiple suppliers	Single supplier
User pays	Mobile voice	Electricity
Tax-payer funded	??	Welfare payment

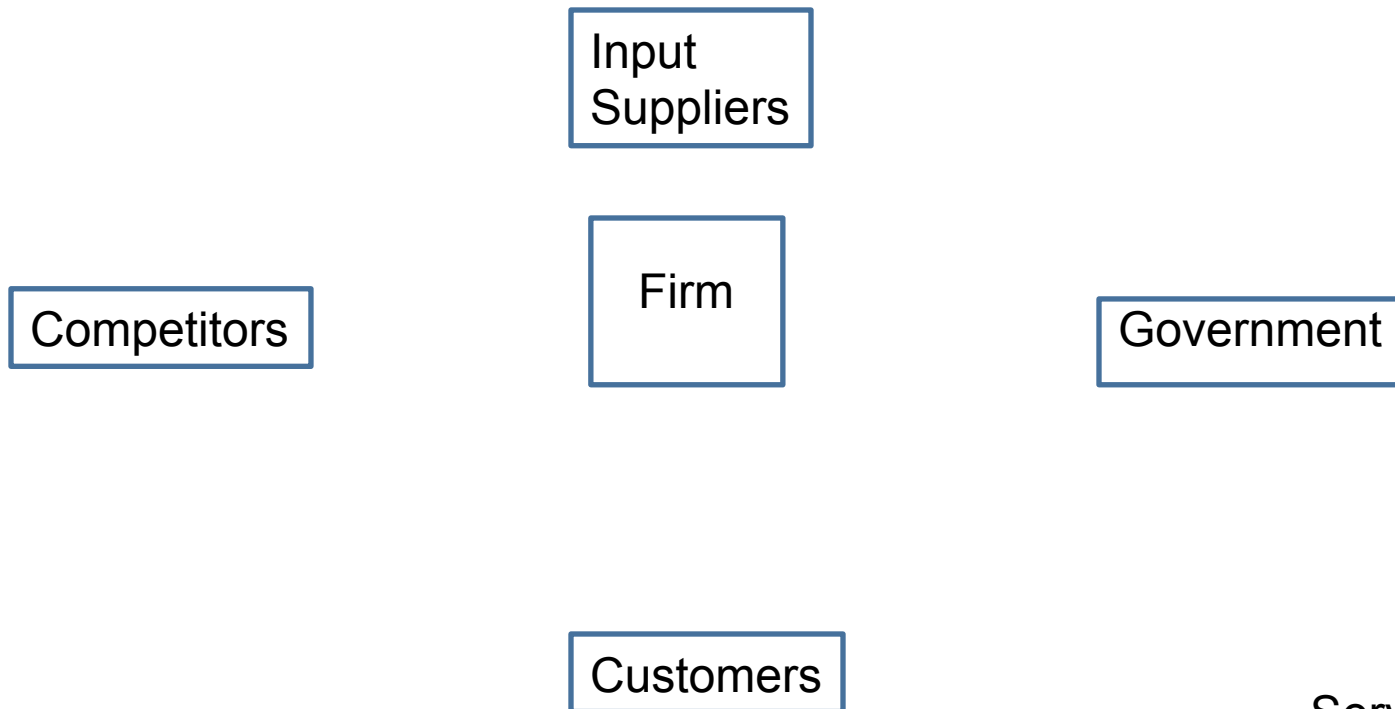
The diagram illustrates a typology of service provision based on two dimensions: who pays (User vs. Tax-payer) and the number of suppliers (Multiple vs. Single). The cells contain examples of services. Blue arrows indicate relationships: a horizontal arrow points from 'Mobile voice' to 'Electricity', a vertical arrow points from 'Electricity' down to 'Welfare payment', and a horizontal arrow points from 'Welfare payment' back to '??'.

# Improvements to quality introduction of ICTs



- Assume that improvements in quality and introduction of ICTs to the supplier-customer relation are positively correlated
- Hirschman asks “what conditions exist for improvement in quality?” I am asking the same question together with “what conditions exist for introducing ICTs into the supplier-customer relation”?
- Can the introduction of ICTs enhance the conditions for quality improvements?

# Multiple suppliers = competitive conditions



Service supplier firms tend to have data on their customers

# Single private supplier = monopoly conditions

Input  
Suppliers

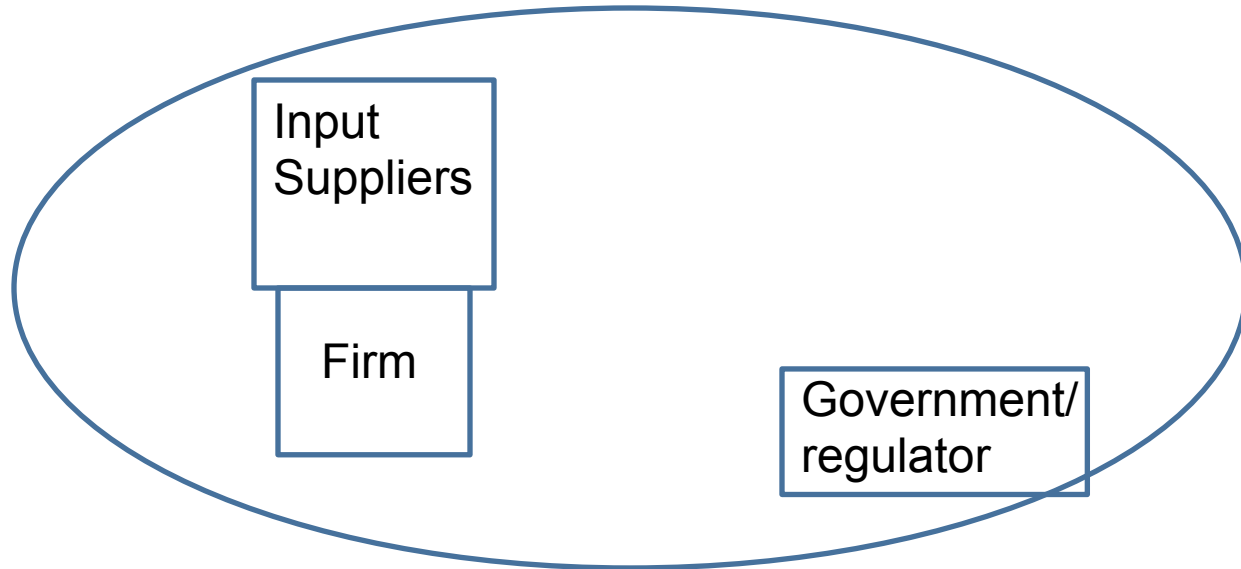
Firm

Government/regulator

Customers

Not much interest in customer data, except for fraud prevention and demand-side management

# Single government-owned integrated supplier



Customers

Not much interest in customer data, except for fraud prevention and demand-side management



# Government as supplier

Government

Customer

Not much interest in customer data, except for fraud prevention and targeting?

# A low-quality “equilibrium” even in presence of multiple suppliers?

- Customers unhappy with quality in Supplier 1 move to S2; S2’s disaffected move to S3; and so on; but S1 gets an equal number of unhappy customers from S<sub>n</sub>
- No supplier receives the postulated feedback
  - Does the scenario change with ICTs/big data?
- Also, does the possibility of a solution through exit still voice

What are the conditions for  
avoiding the low-quality  
equilibrium trap?

# Electricity: What are the incentives for improving quality?

- Regulation as a substitute for competition?
- Organizing consumers: focusing voice?
- Large customers have exit options. How will this impact others?

# When government is direct supplier and users do not pay

- What incentives to improve quality?
  - Why do governments seek to improve quality through e gov?
    - Reducing leakage
    - Improving targeting
    - Etc.
- Is it possible to create conditions more conducive to improved attention to quality, by
  - Competition for the market?
  - Benchmark competition?
  - Creating competition among “agents”?