**Strategies for optimizing benefits of Information and Communication Technologies (ICTs) for growth of MSMEs in the developing world**

**IIT Delhi – 26 April 2016**

LIRNEasia and IIT Delhi had invited selected experts to the forum to share experiences and discuss about –

* how ICTs can be used to help in growing enterprises, especially MSMEs, drawing from experience in the developing world, and
* nuanced evidence on how mobile phone use is producing economic benefits and how?

The forum desired to disseminate the findings of two Systematic Reviews undertaken at LIRNEasia for dissemination among the policy makers and change agents, and to bring relevant stakeholders to share their experiences. The forum was conducted at IRD Conference Room, IIT Delhi, on 26th April 2016. The list of participants and the schedule are appended in this report. All experts are shared the contact details of others.

The session started with Dr. Ilavarasan (IIT Delhi) welcoming the gathering. He introduced the agenda of the forum and explained how the forum is taking forward the inputs from rigorous independent and academic research to the policy makers and change agents. He highlighted that participants represent diverse organizations – academia, government, private and non-governmental organizations (NGOs) and hoped to learn from each other’s’ experiences.

Dr. Samarajiva (LIRNEasia) introduced the Systematic Review to the forum. He explained the rigor and replicability behind the process of the systematic review and how it is helpful for policy making. He shared that LIRNEasia has been undertaking systematic review related work from 2011 and had built capacities of more than 100 researchers in Asia. The two systematic reviews, impact of business relevant information through networked devices on MSMEs, and benefits of mobiles for SMEs are to be presented to the forum. All the material discussed in the forum are shared in the home page of LIRNEasia.

The first presentation was made by Dr. Ilavarasan. He presented the key findings from the systematic review on the impact of business relevant information through networked devices on the micro, small and medium enterprises (MSMEs) in the low and middle income countries. He elaborated how the initial search for relevant literature resulted in 23926 hits and final set of ten studies were screened out for the final analysis.

The key findings are:

* numbers of business calls increase with the longer use of the mobile phones, more than two years;
* ICT usage and possession improve the labor productivity;
* network devices improve the operational support, strategic development and process improvement, and operational performance;
* after purchase of mobile phones, there is increase in the number of customers;
* higher ICT expenditure has resulted in increase in turnover; and
* profits have increased with the use of mobile money.

The second presentation was made by Dr. Samarajiva on findings from the systematic review that examined the mobile phone interventions for improving economic and productive outcomes in rural areas in low and middle-income countries (LMICs). From the initial set of 9,082 results, fourteen studies were included for the review. The review focused on two major benefits of mobile phones - impacts due to coverage expansion and access to a phone and impacts due to mobile based services.

The review showed that

* the mobile phones improve the coordination between buyers and sellers in hitherto separate agricultural markets, in effect merging them into a bigger market;
* they reduce price dispersion and align supply and demand in the market;
* they have positive effect on direct and indirect labor markets; and
* there is increase in disposable income, household assets and thus expenditure.

He also highlighted the need for presence of enabling conditions to realize the causal linkages between the mobile phones and the benefits. The review also showed that the information services, like SMS based services, reduced price dispersion but the desired impacts were not observed in the extant research.

After the two presentations, the floor was opened for discussion. The experts appreciated the efforts made by the researchers in collating the studies and sharing the findings with them.

Representatives from the ecommerce domain said that the length of mobile phone use, two years, required to make an impact is useful finding for their initiatives. The experts tried to reason out inconclusive results from the SMS related mobile services. The lack of usage of the mobile users is due to the irrelevant information being received by the farmers. For instance, a sugar cane farmer is not benefited by the SMS on wheat cultivation. Other factors include language, experience in using services, lack of trust on the information provider and inadequate information from the real users.

One not-profit organization representative asked about availability of benchmarks for ICT use by MSMEs which can be used for comparisons. Dr Ilavarasan responded that such benchmarks are not present in the review and yet to be developed in future studies. The discussion also pointed out the differences between manufacturing and services sectors in ICT use by the MSMEs. Both the reviews were predominantly done on the English sources which was pointed out as a limitation by an expert. It was suggested that more efforts should be made to disseminate the findings among the end-users. The experts requested that the final reports from the review should be shared with them.

On a question related to whether caselets of a particular organization are included in the review, the researchers underlined the need for rigorous reporting to be included in systematic reviews. They also urged the experts to document their success stories, impact of ICTs, and share them in the public space for the benefit of others. They also suggested that academic experts can be roped in while preparing the research reports.

This session ended with a tea and snacks.

In the post tea session, the experts were requested to share the work being done by them. This provided opportunities to network and learn about each other’s contributions in the area of ICTs and MSMEs.

Dr. T. S Anurag of Media Lab Asia presented various tools and applications available in their organization for MSMEs. The potential beneficiaries of various applications are small retailers, artisans, and farmers. While responding to a question on dissemination of information related to tools and applications, he highlighted the need for integration of all ministries for wider reach.

Mr. Prashant Kumar of Department of Electronics and Information Technology shared the venture funds available in his organization in the area of electronics and other possible support to enable the entrepreneurial eco system for the MSMEs.

Mr. Prateek Jain of PHD Chamber of Commerce and Industry described efforts being made by his organization in the domain of innovation and startups, especially in food, industrial growth and ICTs. The organization handholds and aids people through mentoring cell to overcome the barriers like lack of knowledge and access to finance etc. He also addressed that, despite their efforts, information on availability of venture funds from the ministries is not widely available.

Mr. Tuhin Sen of Global Development Network stressed on the need for local research in global world. He shared a recent research on ICTs role in agricultural productivity, wherein social media platform like Facebook is used for information sharing by the farmers. He welcomed the participants to explore the open data available in his organization.

Mr. Umanath Tripathi of SME Post discussed the role of SME post in providing a digital media platform in promoting entrepreneurship through sharing success stories, SME news etc. Further, he discussed about their upcoming works like developing android apps for government versus private players for content sharing, free app development initiatives and Super SMEs awards etc.

Mr. Raunak of Shopclues highlighted that his ecommerce firm focuses on tier III and IV entrepreneurs, sellers and buyers. He discussed their initiatives like aiding entrepreneurs in overcoming logistics, training and designing, image management etc for online penetration of MSMEs. He further spoke about the support provided by the Common Service Centers, National Finance Development Corporation, USAID and Panchayats in bringing the players into the Shopclues platform.

Mr. Vishal Dev of Foundation for MSME Clusters discussed the role of ICTs as a tool for mainstreaming MSMEs, in the light of their work on more than 500 foundries.

Mr. Satyajeet Singh of Facebook shared their recent initiatives of Facebook in growth of SMEs in collaboration with the Uttar Pradesh government. He also detailed other initiatives like Boost Your Business, She Means Business, and Startup Girls in collaboration with NASSCOM.

Mr. Rajveer Singh of Apex Cluster Development Services Pvt Ltd discussed about the role of ICTs aid for artisans. He further shared his experiences on MSMEs clusters, project Vikas, a tie up with Microsoft and Nokia etc.

Mr. Satya N. Gupta of Bluetown shared their startup initiative to make rural India Wi-Fi enabled with low cost, low power and low maintenance along with the Govt of India’s mission mode projects like Digital India, Startup India, Standup India and others. He also highlighted the plans of generating one million blue collar jobs with broadband as backbone.

Mr. Sachin Ralhan of Digital Empowerment Foundation shared their work which promotes community based MSMEs through its cluster development programme, wherein the focus is on digital tools supported designs, design banks, market promotion, end to end solutions for weavers, digital skills development of weavers to explore the wider information network of this industry. DEF also through its eNGO programme is focusing on empowering nonprofits digitally as social enterprises to promote their products, services, activities and training them in Digital Tools.

Ms Bhavana of World Association for Small and Medium Enterprises discussed about their presence in 112 countries with 5000 women entrepreneurs and their skill development initiatives.

The forum ended with thanks note from Dr. Samarajiva. He emphasized that audience for the findings of the systematic review are the experts who participated in the forum. He thanked the experts for sharing their knowledge to improve lives of the entrepreneurs and hoping to work with them in future endeavors.

The experts expressed appreciation for the expert forum for bringing together various organizations who are working in the space of ICTs and MSMEs. They suggested that the forum provided opportunities to learn about others’ work and network for possible future collaborations.

**Participants**

1. Mr. Tuhin Sen, Global Development Network
2. Mr. Uma Nath Tripathi, SME Post
3. Mr. Prateek Jain, PHD Chamber of Commerce and Industry
4. Mr. Raunak, www.shopclues.com
5. Mr. Satyajeet, Facebook
6. Mr. Vishal Dev, Foundation for MSME Clusters
7. Mr. Satya N. Gupta, BlueTown
8. Mr. Sachin Ralhan, Digital Empowerment Foundation
9. Mr. Rajveer Singh, Apex Cluster Development Services Pvt ltd
10. Mr Phet Sayo, International Development Research Centre
11. Dr Arpan K Kar, IIT Delhi.
12. Mr Rajeshwar Singh Janwar, Dept. of Electronics and Information Technology
13. Dr T S Anurag, Media Lab Asia
14. Dr Sudha V, IIT Delhi
15. Mr. Harjit Singh, Tata Consultancy Services
16. Ms. Bhawna, World Association for Small and Medium Enterprises
17. Mr Ayodhya Prasad Singh, SMEPost
18. Ms Swastika Tripathi, SMEpost.com
19. Mr. Prashant Kumar, Dept. of Electronics and Information Technology
20. Mr. Narinder Kumar, Cyber Media India Ltd.
21. Dr Pavitra D, IIT Delhi
22. Dr P. V Ilavarasan, IIT Delhi
23. Dr Rohan Samarajiva, LIRNEasia

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**26th April 2016 - IIT Delhi**

**Schedule**

0900-0930 Registration

0930-0935 Welcome - Dr. P. Vigneswara Ilavarasan (IIT Delhi)

0935-0945 Introduction – Dr. Rohan Samarajiva, Chair - LIRNEasia

0945-1030 Presentations

* Impact of business relevant information through networked devices on growth of MSMEs

(Dr. P. Vigneswara Ilavarasan – Associate Professor, IIT Delhi & Research Fellow – LIRNEasia)

* Mobile-phone interventions for improving economic and productive outcomes for farm and non-farm rural enterprises

(Dr. Rohan Samarajiva – Chair – LIRNEasia)

1030-1045 Tea

* 1. Experiences: ICTs for MSMEs
* **Govt Initiatives** – MSME experts, Media Lab Asia, Dept. of Agri., Cooperation & Farmers Welfare, IIT Delhi’s SIDBI programme, and others.
* **Private Players** – Facebook, ShopClues, BlueTown, Apex Cluster Development Services Pvt ltd, and others.
* **Other institutions** – SME Post, PHD Chamber, Digital Empowerment Foundation, IDRC, and others.

1230-1300 Discussion & Wrap-up

1300-1400 Lunch

**VENUE: IRD Conference Room, VIII Floor, Main Building, IIT Delhi. Please take the elevator till the VII floor and walk up to reach the venue.**

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