

Privatisation of Information Services

1. INTRODUCTION

Privatisation is a buzz word today. The term largely refers to the transfer of a part of the ownership of a hitherto fully government owned company to the public or to private enterprises. The process has been on for the last three years in our country. However, truly speaking, the real motive behind such move was to raise additional financial resources to support developmental needs. In true sense of the term, privatisation would mean transfer of management responsibilities of government companies or governmental activities to private hands.

In this context, it would be worthwhile to recall the origin of government companies, popularly known as public sector undertakings (PSU). Some of these were established with the aim to provide essential commodities to foster India's developmental process immediately after the Independence, i.e., iron and steel industries. A large number of infrastructural projects on power, transport and telecommunications were adopted. Several types of core service organisations like banking and insurance also came up. Besides, there were industries of strategic importance in defence, atomic energy, oil and petrochemicals sectors. For some of these industries, Government was the only buyer while for others, the Government wanted to have the control keeping in view the public interest. In several cases, private

entrepreneurship was not forthcoming due to high capital investment or market demands being uncertain.

Whatever might have been the stimuli behind setting up of these enterprises, many of these have outlived their utility. In several others, competing private enterprises have come up. In a large number of cases, the industries were deemed to have done better if they were privately held. The Government's capacity to invest has also dwindled drastically over the years. Moreover, the returns to the government from these PSUs have been measly 45 billion rupees, i.e., 2.75 percent of the total investment.

2. INFORMATION SECTOR

The scenario in respect of the information sector is even more skewed. The information activities are predominantly located in public funded institutions, and largely concentrated in library environment; the contribution of the private sector being next to nil. The order of magnitude will be evident from the fact that the central and state government public sector units accounted for 85 percent of the Rs. 57 billion investment in R&D. Almost the entire higher education sector is funded from the public exchequer. Until recently, the business of information was represented mainly by the book suppliers who dumped materials acquired at a grossly reduced cost from the foreign market on not so discerning customers at the labelled price,

usually towards the fag end of the financial year. Whereas in the electronic information sector there was one vendor who was making a meek business.

2.1 The Need for change

The situation has been changing drastically in tune with the overall liberalisation and globalisation process of the Indian economy since 1992. The funding pattern of the public R&D and higher education institutions has also changed. For example, the national laboratories under the CSIR are now required to meet much of their financial requirements through research on contract and marketing of technology, consultancy, testing and other services. The higher education institutions are also expected to follow suit.

These changes also have concomitant impact on the information scenario. To be on the cutting edge of the technology and on the forefront of global business, the Indian enterprises and R&D community must keep itself abreast of the new developments and market trends. The demand for a streamlined flow of information would necessarily stimulate development of an electronic information market in India.

With the declining budgetary support to public institutions, the crunch will permeate down to the library and information units—perhaps more disproportionately than that is due. Now, in step with all other constituent units of an institution, library and information centres are also expected to compensate for the dwindling internal budgetary flow by selling their services. Gone are the days of luxury of mammoth collection building and passive services orientation.

On the other hand, with the proliferation of information sources, the users have

become more choosy and demanding. The task before the information manager is to provide the information required by the user whether it is available from within his own library/information centre holdings or outside. However, the size of information holdings of a library cannot be extended beyond a limit due to paucity of resources and high costs.

Handling of this situation calls for a total shift from the conventional library practices of collection oriented approach to service oriented approach. It is more important that, a proper market to facilitate demand-supply transactions among information suppliers and consumers should come to exist. Such a market cannot be sustained only with conventional public funded libraries and book suppliers as the private investments will not be forthcoming due to high risks involved in uncertain market conditions. Moreover, since information activities are yet to be recognised as an 'industry' the financial institutions show reluctance in providing loans and venture capital finance. Under such circumstances, the situation could be saved if the public funded libraries start—partly if not fully—commercialisation of their services. The philosophy of welfare state is definitely a hindrance in encouraging this process.

In this context, the reasons behind the miserable performance of PSUs may be recounted. Close governmental control, both from political and bureaucratic angles usually restrained their operations disabling them to respond to the market forces. Besides, the PSUs carry a huge liability of overhead costs including that of unproductive manpower. In the service organisations the problems are compounded by inherent lethargy and low accountability.

Its parallel in information environment is not difficult to find. The heads of institutions and other senior functionaries are usually not in favour of an open door policy for their libraries or for extending information services to outside clientele because they do not appreciate the notion that only through open market transactions today, it is possible to subsist. Whereas the actual information users may think otherwise—their primary concern being to get hold of the information required whatever might be the source.

Like the PSUs, the information centres are overstaffed—rather full of redundant personnel with low morale and motivation. The quality and quantity of services are usually inversely proportional to the size of information centre staff. The overall management style of institutions is also not conducive to nurturing better accountability in their operations and the librarians alone should not be held responsible for the present state of affairs.

2.2 Some Alternatives

Since it is difficult to distance the information centre management from the institute management, create a new work culture in the short term, and induce required policy shifts, a totally different strategy needs to be thought about.

First of all, it may be maintained that the Indian market can provide a good opportunity for information broking activities because:

- ✦ The population of potential customers is very high. A significant component of the user population is in private sector who do not have much facilities at their disposal. If properly educated, they would understand the value of information use. There is also no reason to suspect that they are not willing to pay for information.

- ✦ The customers usually lack mobility and communication support. Therefore, their search for information begins and ends in the library next door.
- ✦ Most of the information centres in India may lack modern facilities like access to online services but they would definitely boast of well-stocked libraries. These facilities are fully or partly financed through public funds. They may characteristically lack the will to market their products and services themselves but they may welcome others utilising their facilities.

Therefore, information brokers could have a field day by maintaining a line of supply between potential information-hungry customers and passive sources of supply. However, as yet there have not been many success stories to recount.

The concept of information broking needs to be systematically pursued. Apart from getting the potential entrepreneurs interested, and then trained in dealing with a commodity like information which itself is not visible and whose use does not usually result in direct and tangible benefits, they ought to be provided with start-up capital and risk coverage. What is more important is that, the broking operations should be given access to information centres—of course on mutually agreed terms. It is inconceivable that any broker would be able to build up on his own. Besides, the information centres would also gain by way of revenue and marketing support to their own products and services.

Some of the major information resource bases may be offered for exploitation by private entrepreneurs. For example, any development project design, industrial location study would need population characteristics as available from the national census. Today, this information is available

in printed form, on floppies and part of it is available through online services of NICNET. If the Census Office goes only upto the stage of production of corrected and validated data and franchises table generation; and for value addition, reproduction of information on state-of-art media, generation of new kinds of search services, etc., to private sector; definitely the users would gain a great deal. The same is true with the information about agriculture and livestock census; land use statistics; annual survey of industries data; meteorological data, water, minerals and other natural resources statistics; sample survey data collected by the National Sample Survey Organisation; health, tourism statistics; register of company information; macro-economic indicators produced by the Central Statistical Organization; research and development statistics of the Department of Science and Technology and so on. The list is virtually endless. Almost all government agencies collect information in their subject of interest as a regular part of their responsibilities but only a few of them can prepare information products and services as required by the user community.

Going a little further, one could think of more radical measures. While the ownership may remain with Government, the management of existing information centres could be passed on to private hands for operation. This alternative is difficult to implement because a mechanism in which a private agency spends public money with no ownership stake and real accountability, is not easy to design.

More conceivable situation is the floating of joint sector enterprises. In this, a company is started with partnership between a government agency and a private entrepreneur. While the

management responsibility remains with the private party, the Government representatives at the board level closely monitor the activities. The autonomy that such a company enjoys helps it to prosper—the success story of Maruti Udyog may be recounted in this context. The system works fine so long as both the parties are able to sustain investments.

A simpler alternative is to evolve mutually convenient working arrangement between the Government and a private agency and to formalise it through memorandum of understanding (MOU). The system works well for a short while after the pompous signing of the MOU. Thereafter, the interest tends to wane.

3. CONCLUSION

As an immediate solution, a consortium approach is likely to yield benefits. The consortium could be floated by a group of like minded libraries and information centres, and the arrangement could be formalised by registering the consortium as a society with laid down bye laws and a memorandum of association. This would work well so long as the bonhomie between the partners is sustained. The structure of a registered society also provides good amount of flexibility in operations.

A variety of alternatives is available to make the information market tick. The pre-requisite for success is the will to accept the concept of privatisation keeping in view the changed scenario, and to act with an open mind.

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