



International Chamber of Commerce
The world business organization

An ICC initiative
BASIS
Business Action to Support
the Information Society

Mr. Ramadorai's Keynote Remarks

UN Commission on Science and Technology for Development (CSTD)

Opening ceremony, 26 May 2008, Geneva

Good Morning Excellencies, distinguished delegates, ladies and gentlemen

It gives me great pleasure to address you all at this opening meeting of the UN Commission on Science Technology and Development. On behalf of the International Chamber of Commerce, and as Chair of ICC's BASIS initiative, Business Action to Support the Information Society, and also on behalf of my company Tata Consultancy Services, I would like to thank the Secretary General of UNCTAD, Dr. Supachai Panitchpakdi, the President and members of the CSTD, and the secretariat, for inviting me to address you this morning, in this august gathering.

ICC launched BASIS in 2006, to bring business experience to the processes and forums established by the World Summits on the Information Society (WSIS) in Geneva and Tunis. I am pleased to be leading this initiative which brings to global attention business priorities and requirements on Internet governance and ICTs for development. Such business participation is imperative as companies around the world are innovators, key partners in investment and it is their entrepreneurship that is the bedrock for bringing the benefits of the Information Society to more people around the world.

Businesses are increasingly perceiving that "doing well" and "doing good" are one and the same. "Doing good" implies innovating and improving productivity continuously so that the goods & services are affordable by people at even bottom of the pyramid. It was technological innovations that constituted the industrial revolution paving the way for developed nations. The developing societies worldwide depend on innovation as an effective response to problems that they face. The problems include poverty, illiteracy, unemployment and disease. Low productivity follows poverty. High productivity comes from value creation; value creation comes from innovations that includes technological. The older economies suffered for want of resources, the newer knowledge economy is run by information. The amalgam of innovation and information is the prime constituent of knowledge society.

The penetration of mobile technology is one such instance where it has been estimated that the next billion subscribers are rising from developing nations, just above "poorest of the poor". There are very innovative technologies coupled with right business models that are persuading the people to embrace this technology for the betterment of their lives. Science & Technology has had a profound influence on advancement of civilisation and improving quality of life and will continue to do so in the future too. Today, the global ICT eco-system is helping to build a more inclusive information society.



BASIS and my own company TCS are working to promote the development of this eco-system. In this connection I would like to share experiences from my own organization.

At the outset I would like to take a moment with you on the name 'TATA' and its significance in the Indian context. The 'House of Tatas' was founded in the latter part of the 19th century. The founder of Group, Sir Jamsetji Tata was a visionary and a pioneer, keen to establish a strong industrial India. The Group began its activities with the trading and manufacturing of textiles, and went on to steel, electric power, locomotives, automobiles, etc. In each of these ventures, where there were public investments, the Tatas took the rather 'unique' view that they were trustees and guardians of peoples' wealth. They eventually ventured into the service sector as well; banking, insurance, and hotels were some of our early forays into services. All these strategic initiatives were driven by the timeliness of entering a sector and its importance in the Indian context. These initiatives were instrumental in developing the regions that had potential, and have changed the face of India over the 140 years that followed. This has happened as there has been strong belief that "what is good for India is good for Tatas". Tata's theme was the creation of wealth and their philosophy has been what comes from people goes back to people many folds.

Tata Consultancy Services was a strategic initiative started in 1968 by Tata Sons. So this year we celebrate our 40th anniversary. It was started based on the insight that management problems in Indian industry would be mitigated; even resolved, through effective use of Information Technology. However the early work on use of expensive computing equipment to address problems needing large scale information processing. Faced with growth constraints growth due to Government policies, led to the recognition of the potential of this industry in a global market and was the reason for its export focus.

TCS pioneered the Indian efforts to create a globally recognizable brand for the Indian Software Industry and it has spread in 39 countries in six continents with over 100 thousand employees. TCS is able to execute multi-location, complex engagements with one global services standard.

The experience of my company, Tata Consultancy Services would serve as an interesting example of the journey towards an inclusive information society. Our experience encapsulates the story of a global business with origins in India, picking up the growth momentum in the developed world, spreading wings in emerging markets, and taking the benefits of technology across these borders. It is a story that shows business in emerging economies have similar thoughts and needs as business around the world, and many basic policy issues affect the growth of large, medium and small businesses in the same way.

So what has helped TCS get to where it is today? Over the years, TCS has leveraged India's inherent advantages such as talent availability, cost advantage, supportive government policies, geographical advantage, increasingly progressive IPR laws and strong R&D orientation.

The TCS global network delivery model

TCS' global footprint has enabled the India advantage to be made available globally. TCS' global network delivery model enables TCS to render scalable and cost effective delivery of services and solutions. It has resulted in Customer Satisfaction scores of 89% for meeting quality expectations and an average budget variation on projects of just 3% - both figures being significantly better than the industry norms. The model has resulted in clients significantly reducing their cost of operations as they choose a sourcing strategy that fits best to their most crucial business considerations.



Innovation

The dynamic nature of world business today, requires innovation and differentiation as the key tools for sustained competitive advantage. TCS created hotbeds of innovation in different verticals such as Retail, Travel etc by creating labs where TCS, Clients and other stakeholders partner to germinate new & exciting software solutions that helps customers achieve and maintain competitive advantage. The Labs attract the best talent in the industry and are equipped with state-of-the-art infrastructural support. The innovation lab have fostered Academic Relationships with the world's leading institutions and Alliance Partnerships with leading technology companies across the globe thus creating a rich ecosystem.

Quality Processes

When TCS began operations computers were scarce, this taught us optimal use of resources and forced us to look at enhancing our processes and quality measures. TCS is one of the few global companies to achieve an enterprise wide rating of 5 on its CMM and PCMM processes which are global standards.

The combination of our Global delivery model, innovation and quality measures that has given us the confidence to assure our customers of “experiencing certainty” which forms the theme of our brand campaign.

Society

TCS philosophy has been to align with Tata tradition of creating wealth in the community with twin focus on Society and Education & Research.

TCS’ community activities involve multi-stakeholder participation, infact this is crucial for success. I would like to share with you our experience on a few pioneering initiatives where TCS has used its core competence in IT to address the needs of large-scale societal problems. We would be happy to share these learnings with other interested parties.

TCS’s Computer Based Functional Literacy program has introduced a paradigm shift in the way a language is taught by ensuring functional literacy within 30 to 45 hours of learning. Called the Adult Literacy Program it has served over 100 thousand rural learners all over India in eight languages. Apart from Indian states, the programme was also identified by the South African Government, and the first set of Northern Sotho language lessons have been created. The National Literacy Mission in India has acknowledged TCS’s contribution and has plans to adopt the program. Today we are working towards weaving this into a vocational training effort as well so that it truly translates into a empowering value addition for the individual.

Another initiative is in the area of rural employment. TCS provided the software towards the Government’s implementation of the National Rural Employment Guarantee Scheme Solution that guarantees at least one job to every rural family. This has been implemented in Andhra Pradesh- a state in India. Digitisation has reduced fraud by providing all the required data on rural unemployed online, facilitated a speedy and error-free implementation of the scheme. The scheme is expected to allow 3.5 million rural households to register for wage employment across 13 districts in the state. TCS has also worked with the State of Andhra Pradesh to bring citizen services on line through a portal called APOnline. Multiple services are provided through multiple channels, any time and anywhere to the people and government departments and businesses. This application has won several innovation awards.

Both these projects are a few examples of how the state and private sector can partner for success.



Education & Research:

There has been a lot of global discussion on talent shortage and the declining interest in the sciences even as the world is increasingly becoming technology dependent. Companies such as mine are addressing this challenge in several ways. We have opened up the talent availability pool further in India by going beyond engineers to tap Science and Maths graduates through an Innovative programme called IGNITE. This unique initiative is a seven month residential training programme that converts science students into software engineers through a focus not only on software but also other skills to create global-ready software professionals. We also have a Global Internship Programme which has enhanced TCS's ability to attract talent across the US, Europe, Asia and Latin America. This provides our international employees a crucial Indian experience as well as global outlook.

Challenges

I have tried to share with you the TCS experience however our own challenges have parallels in other developing nations and other companies like mine. I believe it is important to remain aware of what the challenges are and how they can be addressed.

- Internationalization means preparing for the challenges of meeting global market on the demand side, and managing global sourcing from the supply side.
- Understanding the economic implications of Information Change is critical in managing the mammoth deployment challenges of migration to Information based economy and promoting an inclusive and people-centred information society.
- Bridging Digital Divide requires revolutionized learning methodologies, far greater penetration, and innovative access mechanisms to information and services. These need to be addressed by Literacy Programs like the Adult Literacy Program of TCS and infrastructure extension and mass availability of internet and mobiles.
- Killer applications for rural needs such as promoting mobile phones usage could be a success formula, as it increases productivity contributing to GDP. By promoting the use of mobile phones, regulatory and industry players can amplify the gains to GDP. For India, a forecast notes a 10 percent increase in penetration to add \$2.3 billion to the end-user surplus and a further \$6.2 billion in operator revenues. Governments would do well to review taxes levied on connectivity. In developing economies, the taxes represent around 20% of Total cost of ownership of a mobile phone, and a slash in taxes would help improve penetration.

Issues of a Globalized World

We are all part of an increasingly globalised world. In this age of ICT, many governments are moving towards open standards and frameworks. Governments, businesses and other entities can benefit from each others' efforts and share applications built by each other. Standards benefit supplier and user sides, as they ensure

- Products and services can inter-operate and work together, even though they may be from different parties or entities.



- Increasing users' choices, access to products, information and services, and opportunities for sharing and collaboration.

Some important issues that are becoming increasingly relevant in a globalized world are:

- Trade in high-tech services such as ICT requires high levels of mobility of skilled professionals, however this is happening within the constraints of widely varying consular policies of different countries;
- Data privacy and security is becoming important as software development, businesses processes and financial transactions are all becoming widely distributed. We need to look at legal and technical solutions to guarantee privacy and security in this globalized environment;
- The increasingly global creation of intellectual property, and issues regarding its protection in a uniform manner across different IPR regimes needs to be discussed.

As ICC and BASIS members from around the world and across sectors review the period since the WSIS in Tunis:

- We believe it would be useful to have statistics on ICT progress since WSIS from indicators.
- The WSIS action lines have been a useful group of issues to help raise awareness about areas of ICT policy that need attention by all stakeholders. Going forward it would be useful to reflect upon whether some of the action lines are being well addressed in particular forums, and whether others are providing a unique value-add to global partnerships and discussions.
- BASIS has been actively contributing to the Internet Governance Forum in the past years. The IGF in Athens set the stage for this unique and important multistakeholder discussion and exchange on the range of Internet governance issues, and the IGF in Rio built on this success again in 2007 bringing many stakeholders from around the world to share their experiences and views, who in many cases never get the opportunity to do so in any other forum. This year, the IGF comes to my home country, in Hyderabad India, and we are looking forward to this event, and working hard to ensure strong business participation.

As the CSTD meetings get underway, I would like to emphasize a few messages:

- a) Multistakeholder involvement in all of the ICT and Internet issues is essential-- It is the combined experience and views of business, governments, civil society and technical experts that produce the most effective approaches
- b) Business is a critical partner in these issues and promoting an inclusive Information society---nationally, regionally and internationally
- c) Civil society actors have also demonstrated their important role in shaping and strengthening the information society. The cross-fertilization of all efforts coming from governments, the private sector and civil society through truly multi-stakeholder dialogues at all levels is essential for effective WSIS follow-up activities.



- d) There are so many activities and initiatives going on in the world that are helping to promote the issues and objectives of the World Summits on the Information Society, and limited resources to ensure coordination and avoid duplication- a pragmatic approach to the WSIS follow-up and implementation is a shared interest for us all.

The strategic importance of Asia has become a prime agenda today. It is crucial that the Asian region and the opportunities and human resources it offers are tapped into by ICT initiatives. The CSTD's prioritization of such activities will be important, and BASIS will be working to facilitate such initiatives. The global balance of power is shifting decisively to Asia as seen from the impressive growth rates registered by India and China, and the latter's emergence as the manufacturing hub of the world.

In terms of GDP by purchasing power parity, China has the largest economy in Asia and the second largest economy in the world, followed by Japan and India as the world's third and fourth largest economies respectively. South Korea also has one of the largest economies in the world being the 10th largest in the world by nominal GDP.

To propel economic growth, Asian countries are working together in various trade blocs & economic forums, such as: ASEAN (Association of Southeast Asian Nations), APEC (Asia Pacific Economic co operation), Closer Economic Partnership Arrangement (CEPA) and South Asian Association for Regional Cooperation (SAARC).

Contrary to perception, India is not only an economical source of cheap labor for low-end back office operations, such as data processing, but is also one of the major centers for high end research and development in the IT sector. The various factors which contribute to India's dominance in ICT includes:

- A huge repository of highly trained, technically qualified computer scientists, engineers and analysts;
- Emergence of several educational institutions such as IITs, IIITs, RECs, imparting world class knowledge in the IT sector;
- India has become the R&D center for global IT giants like Microsoft, Oracle, TCS, ST Microelectronics, IBM and many more;

Indian IT industry has recorded excellent CAGR of over 40%, which is much more than that of many developed countries. 36 of the total 58 companies SEI CMM level 5 certified companies being Indian. Overall 200 quality accredited companies cater to over 255 fortune 500 firms. Indian IT companies have laid a solid foundation in extending value proposition in IT software and services.

Let me sum up with a few final remarks.

- Science and Technology, especially ICT, is an essential tool to achieving the Millennium Declaration Goals.
- Human Capacity Building is critical to continued development of an inclusive, people centric Information Society.
- All Stakeholders have a role to play. Business is a willing, ready and committed partner.



In this age of information and communications technology, many governments are moving towards creating an enabling environment, including by promoting global ICT eco-systems, open standards and frameworks driven by the private sector and addressing user needs.

ICC, BASIS and TCS look forward to our continued work with all of you, to continue to build this Information Society together. I am certain, Information & Communication Technologies (ICTs) will pave the way for well knit information society with empowered global citizens served by knowledge intensive workforce thriving in a digitised environment.

Let me recall the saying from Sage Patanjali's Yogasuthra, an ancient Indian text:

“When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bounds. Your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new, great, and wonderful world. Dormant forces, faculties, and talent come alive, and you discover yourself to be a greater person by far than you ever dreamt yourself to be.”

Thank you for the opportunity bestowed on me.