Abstract

Over the past few years, the long-term sustainability of ICT initiatives has increasingly come under question. Despite persistent doubts, governments, international agencies, NGOs, and private companies are pressing ahead to set up more such projects. This paper studies the financial sustainability of India’s largest rural ICT initiative known as eChoupal. The eChoupals are distinct from other telecenter projects in that the value added is not in providing ICT infrastructure alone, but rather, in enabling efficiencies in the agricultural sector through greater information exchange and creation of an alternative market structure. An analysis of available data indicates that this project has a potential payback period of 3.9 years. Although several assumptions have been used in these calculations, a sensitivity analysis has been performed to provide a range of possible scenarios that show the profitability of the project. Through this analysis it seems that ICT projects can be financially sustainable when they are viewed not as an end in themselves but as tools to facilitate information exchange whereby, use of the technology enables higher efficiencies in another existing or new business setting, which provides the source of revenue to recover the initial investment.

Keywords

Information Communication Technologies (ICTs); India; eChoupal; Agricultural Sector