

# Proposal Summary

Title	Affordability
Abstract	It is proposed to measure the indicators of affordability in PPP\$ as done by all international organizations.
Type (choose one)	INDICATOR
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ICT Development Index proposes to compare affordability of telecommunication services in the different member states with GNI per capita. It is to be noted that all International bodies including World Bank (WB), International Monetary Fund (IMF), Organization for Economic Co-operation and Development (OECD) etc. recommended and used PPP\$ as a correct method of price comparison.

1. PPPs are designed specifically to compare the price levels of expenditures between countries and should therefore be used to effect international comparisons.\*
2. PPP exchange rates are relatively stable over time.\*\*
3. PPP is regarded as a better measure of overall well-being.\*\*
4. World Bank compares cost of living across world cities by constructing a Price Level Index (PLI) by combining PPP data as available from ICP of World Bank with Economist Intelligence Unit's World Cost of Living Survey data.\*\*\*

In view of above, it is suggested that price comparison indicators of ICT Development Index be captured in PPP\$

\*Source: Eurostat-OECD Methodological Manual on Purchasing Power Parities (2012 edition)

\*\*Source: [Purchasing Power Parity: Weights Matter \(imf.org\)](https://www.imf.org/external/pubs/ft/5/2005/001.pdf)

\*\*\* Source: World bank paper 'Comparing cost of living across world cities' by Shohei Nakamura, Rawaa Harati, Somik V. Lall, Yuri M. Dikhanov, Nada Hamadeh.