E-Governance in India – A Critical Appraisal

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Abstract—**E-Governance in India has evolved over a period of time and various state governments and ministries of central government are at different stages of implementation. What began as computerization of government department subsequently led to streamlining of processes through computer networking. Of late the Government Process Re-engineering and Change Management have acquired Citizen Centricity and Service orientation. The previous e-Governance initiatives played a very important role in shaping the e-Governance strategy of India. The government of India has come up with National e-Governance Plan (NeGP) taking a holistic view of e-Governance initiative across the country integrating them into a collective vision and shared goal. The ultimate objective is to bring public services closer to citizens.**
The present paper is a review paper that critically evaluates the e-governance initiatives take by Indian government and attempts to find out the difficulties and how to overcome them.

Index Terms—**e-governance, common services centres, village level entrepreneur.**

I. INTRODUCTION

Information and communications technology are entering public domain in a big way and have helped some Indian states deliver better governance through electronic governance (e-governance) [1]. Though still in its infancy e-governance has been making government responsive and there are several Indian states that bear testimony to this. E-governance in India aims to take government to the people and make governance responsive.

The National e-Governance objective clearly stated that common service delivery channels be created to take government services to the door step of common citizen. The scheme of Common Services Centers (CSC) was conceptualized by Ministry of Information and Communication Technology, Government of India [2]. Creation of one lakh CSC across the country was planned out of 6 lakh villages in ratio of 6:1. CSC was to act as channel of delivering government services and also create opportunities to access private services at affordable cost. Sustained efforts have been made at multiple levels to improve the delivery of public services and simplify the process of accessing them [3]. Accordingly it was thought to bring private partnership for management of Common service Centre through professional engagement of village level entrepreneur and Service Centre Agencies.

The scheme aimed to offer web enabled e-Governance services in rural areas including application forms, certificates and utility payments like Electricity, Telephone and Water Bills. It relied on providing high quality and cost effective Video, Voice and Data content and services. The Public Private Partnership (PPP) model of the CSC Scheme envisages a 3-tier structure consisting of CSC Operator (Called Village Level Entrepreneur or VLE), the Service Centre Agencies (SCA) and State Designated Agency (SDA). VLE were to manage the operations of CSC at the village level and look after the business of CSC for both Public and Private Services. He would be an entrepreneur who is willing to take calculated risk of initially investing with the help of SCA in creating computer and internet infrastructure. At the second level would be the service centre Agency which is responsible for overall profitability and sustainability of CSC business. SCA is selected to manage around five hundred to one thousand CSC by handholding the VLE in form of training, co-ordinating with various Public and Private Agencies and creating a mechanism of Profit sharing. At the third level would be the agency designated by the State- State Designated Agency (SDA) - to facilitate implementation as well as provide policy guidelines from time to time, enabling Government to Citizen (G2C) services and disbursement of Revenue support to SCA. The business model of CSC scheme was to select SCAs through open competitive bidding, who would ask for the least revenue support. The basis of the bidding was the AC Neilsen study which suggested that to become sustainable, a village level investor or entrepreneur would require a monthly income of Rs 10,000 through Government to Citizen (G2C) and Business to Citizen (B2C) service deliveries. It was presumed that the requirement of a rural citizen was 33% G2C and 67% B2C. Based on these assumptions, the normative value of government support was kept as a maximum of Rs 3304 (33% of Rs 10,000). Bidders were required to bid their lowest requirement. This implied that the balance would be generated by the SCA – VLE combine through B2C service. Thus it was more of viability gap funding, rather than a CAPEX funding to SCAs. In some cases revenue support could also be negative. In order to undertake day to day monitoring and enablement of the CSC Scheme on behalf of the Government a special purpose vehicle (SPV) called CSC e-Governance service India Limited was set-up by Department of Information Technology (DIT), Government of India which has equity partnership of D.I.T., SDAs and SCAs and Financial Institutions. Hyped

by the initial euphoria of rural business opportunity at national level, major corporate players participated in the biddings. In competition, without accounting for the challenges of rural India, companies such as Reliance, Commat, 3i-Infotech etc bid very low and later started bidding in negative, meaning that they would pay the Government instead. Initial biddings were based on the perception of conditions of States and its rural areas without actually having any study of rural areas in different States. Therefore in developed states the revenue support demand was very low or negative whereas it was higher in perceived backward states. However, Potential of rural areas and its variation across states was not as high as perceived. Struck by this initial hype, no checks were formulated and the respective States could soon feel the pinch. Small companies bidding for handsome revenue support amounts only landed in so called perceived backward states. The objective and purpose of CSC scheme appeared sounded perfectly right. The assumption was that in rural areas there is huge business potential and people are in a position to pay for convenient delivery of public and private services. Thus the way cyber-cafe model succeeded in urban areas CSCs would also do in rural areas. The services to be brought through CSCs included information, Documents, Forms, License and Certificate, Collection of taxes and fees, Utility bill collections, M.I.S. and on line reporting, payment and disbursal, tally services and business services. Among the Government services it was expected that government will do the internal Government process Re-engineering and develop applications for its delivery through CSCs. These services mainly included delivery of Birth, Death, Income, Caste and Residence Certificates, Old Age Pension Payment and digitization of various Data collected at village level like Cattle Census, B.P.L. List, Land Records, and P.D.S. Similarly under the business services it was expected to deliver insurance and banking products, mobile recharge, photography, booking of travel ticket, information of agriculture produce market price, auction of goods at village level etc.

II. THE SCENARIO

With above objectives CSC Scheme started operating in areas near the urban agglomerations. The issues that affected the success of CSC adversely had been manifold. First of all the scheme is not a technology driven scheme rather it is more of management driven. Excess reliance on the capability of VLEs without training them led many of the CSCs to close down. The back up to VLEs by the SCAs did not come forward as the private partners were not willing to risk investment in the rural areas. Since return was to come in long run to the private partner, lack of government support in the short run did impair the implementation of scheme. Non-I.T. business services could be started immediately like Photography, Photocopy, Mobile Recharge etc whereas I.T. business services were seriously affected by poor connectivity. In most of the villages connectivity was on the dial up system which was too slow to develop interest in

accessing the services. In several cases government owned B.S.N.L. was the only connectivity services provider which was also not motivated enough to provide faster connectivity at cost basis.

Further it was realized that in rural area people have more dependence on government services and their needs for private services was not high to create enough business opportunity for private partners. The scheme also did not work well in case of states where e-governance applications for citizens were less. There were issues regarding electricity infrastructure also in many areas.

This led to the complications and the scheme became unsustainable. Further, the fact that G2C was more in demand in the rural areas, the system did not work. Earning sustainable amounts through private services became impossible and slowly, many such SCAs started leaving or defaulting to the extent that left the states with the only option of selecting new SCAs. The project thus began to get stranded in many States. In addition to this, despite the Public Private Partnership (PPP) model of the project, some over-enthusiastic SCAs adopted an ownership model instead of the generally practiced franchisee model. Commat in UP fell flat in some months time when its salaried VLEs, who had no investment related risks involved in the project, started operating as employees and CSCs began to become dysfunctional. The SCA finally had to leave.

SCAs attitudes too mattered. Most of the SCAs had bid in search of easy money through revenue support and a big chunk of rural incomes. That not happening, Reliance had to leave early while companies like Zoom Developers had to be terminated across the country. Lack of the basic requirements of any ICT project i.e. connectivity and power, came to the fore and all SCAs and States started complaining. But the actual delivery of services through CSCs became the victim of all these.

Performance and viability became the basic reasons of termination or exit of many SCAs in several States. Termination of an SCA in a division has its own complexities as became evident in several States including Jharkhand. As per the contract, VLE – SCA relation is out of the preview of SDA. But the fact remains that despite termination of the SCA's services, the CSCs remained and the States cannot shy away from the large nos. of rural youths who had joined the project in search of self-employment. Removing them summarily had its own consequences. Once a person had been appointed as a VLE in a village/panchayat and was removed without his fault, very little chances of getting a new VLE in the same village emerges. Based on this experience, most of the States facing the problem opted to keep the same lot of CSCs and VLEs to be managed by the new SCA to be selected through a bidding process. Many states, including Jharkhand, retendered but except for some, good quality SCA could not be found. Under the circumstances, while Chhattisgarh is managing CSCs through its District e-Governance Societies, Bihar is awaiting acceptance of offer by its successful bidder, Jharkhand, despite its tender and retender four times, has

not been able to get a quality bidder. Alternative measures are being contemplated. In case of States and divisions where SCAs have been functioning, vulnerabilities of rural businesses have come to light. Collection of huge amounts of franchise fees with no guaranteed returns, frauds by local SCA functionaries, inadequate service support leading to non-viability of venture, VLE's bank loans and the resultant inability to repay has made the situation more complex. In Jharkhand, one of the partners of a leading SCA (M/s UTL Consortium) indulged in huge frauds and had to be removed. This led to delays in rollout which in turn has affected the financial health of the PPP model. An arbitrary business practice by a major SCA in Bihar state has led to large scale resentment. Lack of any financial support by SCAs in many States has compelled them to take stringent action on SCAs.

Despite the stringent clauses of the Agreement, while the SCAs could not receive any revenue support from the SDA, the State of Jharkhand took the proactive approach in facilitating all the CSC requirements. Providing space in government premises in all panchayats, approving service charges, facilitating connectivity and enabling all modes of service delivery was a continuous process. Slowly, the hybrid services got enhanced to online services and more and more departments started using CSCs for G2C and G2G service deliveries. With the proof of the utility of CSCs in hand, the state accepted to reduce the creation of multiple infrastructure of ICT based service deliveries. Experiments and pilots led to the prioritization of mutually beneficial services. Fundamental citizen requirements such as certificates, licenses and banking have been identified as services which could enhance citizen convenience besides making the CSCs self-sustainable in the long term interest of the state.

III. CONCLUSION

E-Governance helps in enhancing governmental relationships and facilitates fair and efficient delivery of service but it has to be based on open and democratizing principles. In the Indian context e-governance is being introduced to improve delivery systems and reduce bureaucratization. It has been effectively employed in service delivery apparatus in certain domains yet its contribution in many areas of public systems management is not significant and calls for a more interventionist approach. People are still not accepting it. Gefen suggests that e-government effectiveness depends on familiarity and trust of the common people [4].

Although in the initial stages, CSCs need a lot of support and rethinking. The whole experience of CSC implementation gives a fair idea that better infrastructure management, proper SCA – VLE business model, management and training of VLEs and good understanding of rural economy can only lead to success of such e-governance service delivery channels. State support in terms of continuous flow of funds by way of revenue support and regular flow of information, documents and services is necessary. Joint efforts are required for attending to the challenges faced in providing connectivity and power at CSCs in rural areas. Implementation of e-governance application often suffers because of the assumption that they are techno centric projects and the human and governance aspect is ignored. Initiatives and policies can deliver results only when backed by sincere efforts and proper involvement of implementing agencies [5]. Further, creating a conducive culture through attitudinal reorientation is also required or else the initiatives are not properly accepted as is the case in many states in India. Nevertheless, it is interesting to note that comparatively backward states like Jharkhand are also effectively using e-governance initiatives to improve delivery systems in certain domains. It is keeping in view these aspects of e-governance that the Government of India has taken up the challenge of implementing e-governance in the most backward of the states.

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