

Common Services Centre

ICT Initiative of Government of India for Rural Service Delivery

Workshop on

“Development in the Information Society –
Exploring a Social Policy Framework”

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Interventions by the Government to speed up ICT Deployment for Citizen -centric Service Delivery

- **Core e-Gov infrastructure is one of 8 components of NEGP**
 - **NICNET/ SWAN**
 - **State Data Centre (SDC)/ National Data Centre of NIC**
 - **Common Services Centres**



Common Services Centres

“No power can stop an idea whose time has come”

- Victor Hugo



CSC Scheme of DIT approved by GOI



**To establish 100,000 CSCs in rural areas
with equitable geographical spread**

615,000+ Villages, 2,45,000+ Panchayats



Perceived Objectives: Common Services Centres



- To create a low cost vehicle for government institutions so that easy, direct and cost-effective delivery of e-governance services to the rural citizen be possible.
- To develop, test and demonstrate, portfolio of products and services which can be delivered through these Centres.
- To customize and deliver standard products and services as per local needs, both G2C and B2C.
- To build capacity for support system for new enterprise and infrastructure.
- To provide a platform to Civil Society Organizations and NGOs to reach and communicate with remote and isolated communities.

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Perceived Objectives: Common Services Centres



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- **To demonstrate that to bring sustainable economic and social growth in underserved rural India by using the benefits ICT, one has to take sustainable business approach and not merely a philanthropic approach.**
- **(By meeting all these objectives above) To create significant and lasting impact on rural livelihood in the areas of empowerment, equal opportunity, gender equity, social inclusion, better governance, employment generation and human development.**

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Common Services Centres



Impact On Rural Livelihood

- **Good Governance**
- **Empowerment**
- **Equal Opportunity**
- **Human Development**
- **Income / Employment Generation**



Rural Service Delivery

Issues

- **CONNECTIVITY**
 - Central / State initiatives
 - Captive Network by non-Govt. initiatives
- **CONTENT**
 - Region Specific Requirements
 - Local Language Support
- **SERVICE PACKAGE**
 - e-Governance Services
 - Other bundled services (Information, Education, Health, Entertainment)
- **SUSTAINABILITY**
 - Govt. Intervention & Support
 - Robust Business Entrepreneurship Model



General Assumptions: Rural Common Services Centres



- **Centres to be owned and operated by Village Entrepreneurs**
- **All Centres should be multi-service delivery points – Judicious mix of government & community service packages**
- **Services should result in social returns apart from income generation**
- **Villages can be identified and segmented on the basis of potential sustainability**
- **Direct and Indirect employment generation.**
- **Availability of government services is a must for Rural Common Services Centre to be potentially credible.**

Key Parameters to be considered

- **Rural Dynamics**
 - Expected to play a major role as it defines the volume of transaction and kind of service mix.
 - Population is the major factor which indicates volume as well as revenue generation
- **Rural Economics**
 - BPL & APL data would determine the impact
- **Rural Infrastructure**
 - Geographic dispersion, power, road, telephone etc. play major role



Building Rural Common Services Centres



Macro Issues

- **Government-on-line is a very complex issue**
 - **Many Technical, Financial, Management & Risk issues**

- **Single window e-Service Delivery through Common Services Centres at remote place warrants appropriate unbundling**
 - **Structuring of Front End**
 - **Structuring of Back End**
 - **Middleware for all Technical, Financial and Management parameters**



Learnings from existing ICT initiatives



- **Entrepreneur... Key to model**
- **True Entrepreneur in Village... not 'Initial Mover', not 'Can Afford to Pay'**
- **Natural rural entrepreneurs have huge psychological barriers**
- **The value of the Centre would be maximum for them**
- **They can reach out to villagers who are otherwise inaccessible**
- **A huge promotional and counseling effort is required to get them interested**
- **But the banks are not ready to fund them due to variety of reasons**
- **Efficiency of Centre deployment is also poor in such regions due to infrastructure constraints**
- **Support from the Government is required for a reasonable time to make the Centers functionally, operationally and financially sustainable.**

Rural Service Delivery

Rural Society & Service Requirements

- High income, upper caste, large land holding group with adequate literacy, health and Housing
 - Market prices, Land records, News, Entertainment, E-mail, Health
- Low income, small land holding, small traders, poor literacy, health and housing
 - Education, Health, Market Prices, Government Loan
- Low/No income, no fixed employment, backward class, poor literacy, health and dwelling, no land holding
 - Eligibility certificates for anti-poverty schemes, health, education



Strategy for Common Services Centre Service Building



- This is the central factor for making the Common Services Centres sustainable
- An assured revenue per month (say INR 6000) for the Centre operator would only help proliferation.
- Assured revenue may come by servicing 15-20 % of the population of the village (say 5000)
 - Frequency and volume of transaction become key factors for assessing income generation potential of each service
- Services need be priced both in standard / local categories
 - Government services may be standard and priced uniformly across the network
 - Local services may be customized as per local needs and prices non-uniformly across the network depending on local economic and social conditions

Service Category

Service Type	Feature	Example
Savings	Reduces unit cost of a service vs its conventional delivery system	E-Governance; Commodity market prices
Buying	Utilization of disposable income for future benefit	Insurance; Computer education
Income	Increase in per capita income of a villager	DTP; BPO involving villager (data entry)



The Possible Market



A typical Indian Village Panchayat

Population	-	5000
Family size	-	5
No. of family heads	-	1000
% who cannot afford to pay	-	25%
Target market size	-	750

All purchasing decisions are made by the family head



Issues in the Revenue Model for Service Delivery



- **Time Slots and Varying Levels of Income**
- **Earning Potential in different Time-Slots**
- **Services / Products and Pricing**



Various Category of Services



Category 1: Business Process Outsourcing (BPO)

■ **Government**

- **Electoral list,**
- **Old age pension list**
- **Widow pension list**
- **Small savings accounts**
- **Village Panchayat Accounts/Data-entry,etc.**

■ **Private**

- **Rural surveys,**
- **Data compilation & entry for –**
 - **Red Cross, WHO, UNICEF,USAID, Corporate**



Various Category of Services



Category 2: Education

- **Computer training**
- **Language-English**
- **Teacher's training**
- **Modern Farming methods**
- **Vocational courses**



Various Category of Services



Category 3: e-Governance

- **Inclusion of a particular service depends upon the support and willingness of the local administration.**
- **Services would be uniform across all districts in a particular State.**



Various Category of Services



Category 4: Corporate

- Utilizing the Common Services Centre network to either strengthen or complement the distribution channel of a Corporate's rural marketing efforts. Several partnerships are possible.
 - Consumable Goods
 - Agri Products
 - Micro Irrigation Products
 - Insurance



Various Category of Services



Category 5 : Local Services

- **Employment Exchange**
- **Railway / Bus Reservation**
- **Telephone Cards**
- **Tourist Information and related services**



Key Parameters for Sustainability

- **Viable Business model**
- **Min Range of Services**
- **Partnership: Entrepreneur, Content Industry, Govt**
- **Role of the Local Govt**
- **Aligning existing Govt programs**
- **Capacity of Entrepreneurs**
- **Aggregation: Recommended Reach / Geographical Spread**



Stakeholders in the CSC Scheme



- **Central Govt. Ministries/ Departments**
 - **Nodal Ministry/ Department**
 - **Service/ Content Providing Departments**
 - **DIT designated NLSA**
- **State Govt. Departments**
 - **Designated Agency for Implementation**
 - **Service Providing Field Formations**
 - **Local Govt. Bodies, Panchayats**

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Stakeholders in the CSC Scheme



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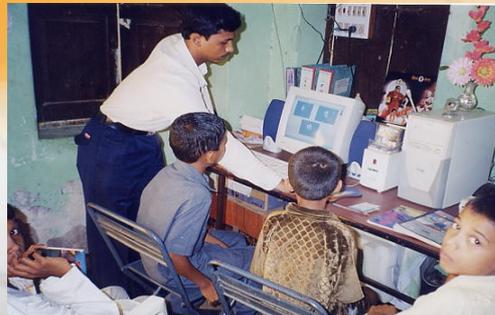
- **Agency (ies) providing Connectivity**
- **Agency (ies) providing Physical Infrastructure Support**
- **Agency (ies) responsible for Content/ Services/ Localisation**
- **Service Centre Agency (SCA)**
 - **Facilitating everything to support the CSCs**
 - **Training, Physical Infrastructure, localised Content, Maintenance**
- **Village Level Entrepreneur (VLE)**
 - **Operations, Customer base development, Innovation**
- **Rural Citizen**

Common Services Centres

Effecting Transformations



E-Government



Education



Tele-medicine

The CSCs would be the platform for fundamental transformation of the ways in which development challenges would be met in rural India



Social Inclusion



Agriculture



Entertainment



Summary Issues



- **CSCs to be owned and operated by local villagers**
- **Multi-service Delivery**
 - **Govt. and Private Services**
 - **Govt. services for credibility**
 - **Private services for financial sustainability**
- **Entrepreneurship Model on PPP basis**
 - **Multilevel risk sharing**
 - **Soft loan with moratorium period**
 - **Robust Business Model with revenue sharing**

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Summary Issues



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- **Sustainability**
 - **Physical (maintenance of connectivity, equipment and backup)**
 - **Financial (break-even within reasonable period)**
 - **Content and Services (localisation and innovation)**
- **Value proposition to all the Stakeholders**
- **CSCs should result in some social returns apart from income generation**

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Summary Issues



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- **Selection of location for the CSCs**
 - **Sustainability, Administrative convenience**
- **Structure of Implementation**
 - **Institutional Framework, mandates and directives, roles & responsibilities**
- **Coordination of multi-stakeholder roles and responsibilities**
 - **Statutory arrangements, feedback , on-course correction, issue resolution**
- **Service Level Agreement between State Govt. / Other Service & Content Providers and the SCAs/ VLEs**
 - **Mandates, penal clauses**

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Summary Issues



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- **Appropriate Business Model for financial sustainability**
- **Value proposition to each stakeholder in the CSC Ecosystem**
 - **Sovereign functions vs Revenue sharing**
- **Infrastructure Issues**
 - **Power, Connectivity, Maintenance support in remote areas**

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Summary Issues

(...Contd)

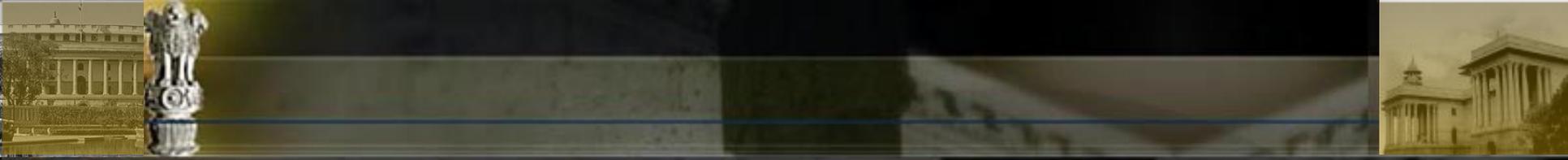
- **Capacity Building for all stakeholders**
 - **Induction training, training of the trainers, documentation, training during hand-holding period, PPR and Change Management**
- **Ownership to VLE / SCA after a defined period**
- **Common Logo, Branding, Premises**



Conclusion



- **Sustainability of a Common Services Centre would heavily depend on robustness of the Business Model, Content , Service ranges, ability of the Entrepreneur etc.**
- **Availability of government services is a must with adequate support from local administration**
- **Generally the break-even period is 6-8 months for potentially sustainable areas during which hand-holding from service agency and government is highly desirable**



Thank You
For your
Kind Attention

Q&A