

A Policy framework for community telecentres in India - Building on the experience of different projects¹

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India is known as an IT powerhouse but still has the largest number of poor people in any country in the world². India's experience with policies for digital inclusion may thus offer some useful lessons for other developing countries. This policy brief looks at a range of initiatives in India including the ambitious Common Service Centres (CSCs) scheme of the National e-Governance Plan (NeGP). It looks at the challenges faced by the scheme in ensuring the delivery of development services in a socially inclusive manner using this infrastructure.

A brief background to policy initiatives in India

As the global debate on the possibilities for using Information and Communication Technologies for Development (ICTD) developed in the late 1990s, Indian ICTs policies, like those of most other countries, were influenced by a drive towards privatisation and liberalisation. Digital inclusion policies in this early phase consisted of using funds from the fast swelling Universal Service Funds³ to provide universal coverage of rural telephony. However, even with near universal landline coverage and subsidised tariffs, rural teledensity⁴ had only reached 12.6% of the population in December 2008⁵, with most of the growth in the last few years coming from the mobile telephony sector. Use of the Internet in rural areas was much lower, even in areas which had good dial up connectivity⁶. Significantly, there is a well-developed fibre optic backbone that runs within 15-20 kilometres of 85 percent of villages of India⁷

Beyond being a service delivery platform, ICTs also have the potential to be a means for the empowerment of communities towards self-determined goals.

which remains mostly unutilised due to the absence of viable business models.

People in rural areas do not seem to have not found much use for the Internet per se. This is understandable because in order to use a phone, others in your environment need to be using phones. However, to be able to use and benefit from the Internet there are a range of other factors to be considered such as the availability of relevant applications and digital services, as well as local language computing. This has meant that most of the stand-alone telecentre initiatives that have emerged across rural India have found themselves functioning almost exclusively as centres for computer



education (in English) and for services like printing and digital photography with little use of the Internet by the community.

The first Indian rural Internet Service Provider (ISP), N-logue, soon realised that in order to be relevant, Internet connectivity had to be bundled with services that rural people needed. Until 2007, N-logue claimed to run thousands of telecentres in many states of India, providing a number of digital services under its 'Chirag' brand⁸. However, the initiative seems to have more or less folded up, after some unsuccessful attempts at partnerships with governments, the latest with the government of the state of Gujarat⁹.

Another private sector-led initiative, *Drishtee*, which began by working closely with many governments to provide e-governance services, now seems to have moved completely into the domain of private services¹⁰. This is despite the fact that many studies have indicated that e-governance services are the ones most in demand in rural areas. *Drishtee's* present approach seems to focus on higher income groups in villages and does not appear to be engaging with socially and economically backward communities¹¹.

Common Service Centres (CSCs) – A service delivery infrastructure

The current policy framework of the Government of India for providing ICTs to disadvantaged sections builds on the three key policy lessons learnt from the pre-2005 experience with telecentre initiatives in India: (1) people need real and relevant services rather than ICTs *per se*, (2) governance services are among the key needs of disadvantaged groups, and (3) building the infrastructure required for delivering such services requires a focused

public sector effort guided and supported by the highest policy levels.

The union government of India announced the NeGP¹² in 2005-06. It is being implemented by the IT Ministry, which has infrastructural responsibilities. A key objective of this plan is to set up a network of CSCs in rural India. Under the CSC scheme, 100,000 ICT-enabled centres are being rolled out: one for every six villages, covering all villages in India. This is being done in sync with extensive back end re-engineering to develop digitally deliverable governance services in various government departments. While the IT department of the central government retains the overall project management role, state governments will designate a state level body to coordinate the CSC scheme¹³. The connectivity up to the block level¹⁴ is to be provided by NeGP-funded State-Wide Area Networks (SWAN). Last mile connectivity up to the CSCs is being provided using funds from the recently launched National Rural Broadband Plan¹⁵.

In terms of on-the-ground implementation, however, the CSC scheme has ignored the evidence from earlier initiatives delivering e-governance and other services which are most relevant to disadvantaged sections. The CSC scheme has chosen private sector leadership and does not build any clear structural relationship with the district¹⁶ administration and local self-governance bodies. Private companies willing to implement 500-1,000 CSCs each are chosen as Service Center Agencies (SCAs) through open reverse bidding¹⁷. SCAs select village level entrepreneurs and set up CSCs. The project documents clearly affirm the central role of the SCA: 'The SCA would be the prime driver of the CSC scheme and the owner of the CSC business'¹⁸.

Since N-logue and *Drishtee* pioneered the large-scale, private-sector-led rural digital services model, and have extensive experience with it, one would normally have expected them to make some of the best SCAs. Surprisingly, neither of these companies is participating in the CSC bidding, even though the scheme seeks to follow almost exactly the same rural services model as employed by N-logue and *Drishtee*, with some important added benefits for the service providers. This points to a likely gap in the CSC model. There is also no evidence of the CSC scheme learning lessons from rural telecentre initiatives, such as *Akshaya* and 'rural eSeva'¹⁹, where district and local governments played a driving role, and which have been much more successful in delivering e-governance services in a socially inclusive manner.

The CSC scheme aims to build a new ICT-based rural infrastructure across India, which is to be used to deliver governance and commercial services. However, it remains stuck with an identity crisis in being unable to define whether it is primarily a governance services outreach plan or a general rural IT infrastructure plan. As a rural infrastructure plan, it has been guided by the current policy emphasis on using public-private partnerships wherever feasible. Accordingly, it seeks corporate partners with an interest in rural markets who can benefit from such an infrastructure and therefore may be ready to bear part of its cost. Governance services outreach however follows a very different logic as they are designed to prioritise the needs of the disadvantaged sections. Corporate partners defraying the cost of laying rural infrastructure are obviously aiming primarily at prosperous rural sections. A simplistic conflation of two very different sets of objectives and approaches into a common

rural service delivery infrastructure is unlikely to serve the interests of the disadvantaged sections.

Development services that are most important for disadvantaged people have much lower than average revenue potential and higher than average resource requirements, for instance *vis-à-vis* the intermediary agent's time. A poor illiterate woman is unlikely to be able to pay much to get information regarding government assistance that she may be eligible for. At the same time, she is likely to require considerable support to access this information. The incentive that an intermediary, who sees service delivery only as a commercial business, will have in serving her as compared to a rich farmer looking for, say, insurance services or farm inputs, is not obvious.

Beyond elementary services, such as bill payments, government certificates, provision of entitlement applications, it is difficult to see how corporate- managed CSCs can facilitate community level governance activity, which is a much larger and more complex domain. A joint study by the government agency National Informatics Centre (NIC) and Stanford University of many rural telecentres and governance initiatives, concluded that local governance services and other entitlements should not be subcontracted to private players²⁰.

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The rollout of CSCs has already run into major difficulties with state governments, which have the primary responsibility for development services. The fact that these difficulties have been most pronounced in states like Kerala and Gujarat, which have the greatest experience with government involvement in rural telecentre activities, is a significant indicator of the systemic issues with the CSC programme. Gujarat had initially planned to merge its own rural telecentre programme, *eGram*, into the CSC scheme but has now decided against it, because of incompatibilities between the two programmes, mainly related to the ability to meet the full range of requirements of rural governance. The Kerala government is having similar misgivings and is undecided about merging its successful *Akshaya* programme with the CSC scheme. Both state governments seem to be finding it difficult to reconcile the requirements of core governance and community-related activities with a corporate-led delivery model²¹.

Significant modifications to the CSC scheme through the implementation process are:

- State rural development and village self-governance departments as the lead department for CSC rollout, instead of IT departments as recommended in the NeGP (e.g. in West Bengal and Gujarat);
- A structured relationship between the village CSC and the village self-governance bodies, even though no such relation is proposed in the NeGP. The CSCs are supposed to be accountable only to the private companies, the SCAs (e.g. in Kerala and Gujarat); and,
- A role for local community-based organisations (e.g. women's Self Help Groups – SHGs) in managing CSCs even though the NeGP specifies only viable entrepreneurs with business acumen for managing CSCs (e.g. in West Bengal).

The community end – Towards a two-way flow

Development policies and programmes aim not only at delivering a set of services, but also at enabling communities towards greater empowerment, through building their capabilities (to use Amartya Sen's capability approach). Correspondingly, the potential of ICTs is also not only as a service delivery platform, but also as a means for the empowerment of communities towards self-determined goals. Since CSCs are designed to focus on the fee-based delivery of specific services, they ignore the potential of communities to explore the empowering function/dimension of ICTs.

Four pilot initiatives supported by the Government of India and the United Nations Development Programme (UNDP)'s ICTD project²² provide some important directions for policy frameworks seeking to integrate community participation and empowerment into publicly funded telecentre programmes. These are projects that have been piloted within relatively large scale established development initiatives:

- The *Mahiti Mitra* initiative (Gujarat) has built its telecentre model around the need to coordinate large amounts of information and distributed activity in a community-centred manner during the reconstruction period following a natural disaster. Telecentres provide government information and are used for local community-generated development information systems, which are employed for micro-planning.
- *Mahiti Manthana*²³ is a project that uses community radio, community video and community telecentres to strengthen the Government of India's *Mahila Samakhya*

programme. This programme works with disadvantaged rural women by organising them into collectives around knowledge seeking and community action. The *Mahiti Manthana* project experiments with a model of collective ownership of ICT facilities by marginalised, often illiterate, women, and, in the process, builds their capabilities to claim their citizenship entitlements.

- The *E-Krishi* initiative of the government of Kerala shows how development agencies and local governance bodies can partner with community-based groups like SHGs and farmers' clubs to develop ICT-enabled local agriculture services that are empowering to participants and not driven by narrow commercial interests of corporate players.
- The DRISTI initiative of the West Bengal department of rural development and self-governance uses ICTs to strengthen village self-governance bodies in terms of both service delivery and enhanced participation by the community.

Consolidating state and community level experiences into a policy framework

It is important that digital inclusion policies are situated within the overall development policy frameworks, and are not just seen as a part of telecommunication or other infrastructural policies. This approach requires an appropriate institutional framework, and a programmatic design that is oriented towards community empowerment. Some specific elements of such a comprehensive policy framework are suggested below:

1. The central government's telecom and IT department should focus on providing basic connectivity and other necessary

ICT infrastructure across the country. Such basic ICT infrastructure should be provided as a public good for governance and community activities, and at a minimal cost for other activities, in rural and other under-served areas.

2. A basic national template for an ICT-based delivery system for development and governance services should be developed in consultation with departments and agencies directly involved with social development activities. This should preferably take place under the leadership of the departments for rural development and self-governance, with enough flexibility for states to use contextual alternatives.
3. At the state level, ICT departments should restrict themselves to ICT infrastructural and capacity building issues. Plans and activities related to developing rural points-of-presence and coordinating the development and delivery of digital services should be led by rural development and self-governance departments.
4. The district administration is still the most important implementational level of the governance system in India, and its role in the services delivery system should be clearly defined.
5. Private companies have a role in developing commercial digital services that can be delivered using CSCs. The state and district level agencies in charge of the programme should develop close partnerships with all possible private sector players for this purpose.
6. Corporate players should not be allowed to play the all-important and central SCA role in implementing CSCs. A rural ICT-based services delivery infrastructure



driven and centrally controlled by private companies is unlikely to have outcomes favouring disadvantaged sections of the population.

7. The CSC operator at the village level needs to have a clear structural relationship with, and accountability to, local self-governance bodies.
8. Community-centric telecentre models developed by some NGOs and

community-based organisations that have sought to integrate ICTs into a range of community development activities, and that have experimented with new community ownership models, should be integrated into government-led schemes. Many development sectors in India follow such a pattern (e.g. education, health, agriculture support, women's empowerment and natural resource management).



Endnotes

- 1 UNDP (2008), *Human Development Report*.
- 2 Originally written for a policy toolkit brought out by the Association for Progressive Communication (APC).
- 3 Built from collecting a fixed sum from telecommunication revenues, which were rising fast due to very rapid mobile phone expansion.
- 4 The number of landline telephones in use for every 100 individuals living within an area.
- 5 Telecommunication Regulatory Authority of India (2009), *An approach to rural telephony*. Retrieved from <http://www.trai.gov.in/recommendationpre.asp?id=113>, 1st December 2010.
- 6 Author's direct observations from rural areas of Punjab, one of the most prosperous states in India. Also read an analysis of rural Internet connectivity figures in C.P. Chandrasekhar C.P. (2008), 'Aspects of India's engineered traverse to an information society', in Gurusurthy A., Singh P.J., Swamy M. (eds), *Political economy of the information society*. Information Society for the South Series, Volume 1. Bangalore: IT for Change. Retrieved from www.itforchange.net/media/ISSS/PolEco_of_IS_Chapter3-Chandrasekhar.pdf, 1st December 2010.
- 7 <http://www.csc-india.org/AboutCSCProject/ProjectComponents/Connectivity/tabid/174/Default.aspx>
- 8 See <http://www.financialexpress.com/news/nlogue-rolls-out-telephonycumnet-services-in-rural-maharashtra/71715/> and <http://www.i4donline.net/news/news-details.asp?newsid=7487>.
- 9 See <http://www.i4donline.net/news/news-details.asp?newsid=7487> for announcement of the partnership. This partnership is not on now, and the government of Gujarat has since gone for its own telecentre initiative.
- 10 Gurusurthy A., Swamy M., Nuggehalli R., Vaidyanathan V. (2008), *Locating gender in ICTD projects: five cases from India*, Bangalore: IT for Change. The study can be found at www.ITforChange.net/images/locating.pdf.
- 11 Tiwari M., Sharmistha U. (2008), 'ICTs in Rural India: User perspective study of two different models in rural Madhya Pradesh and rural Bihar, India', in *Science, Technology and Society*, 13 (2), pp. 233-258. Also see the above referred document: Gurusurthy A., Swamy M., Nuggehalli R., Vaidyanathan V. (2008), *Locating gender in ICTD projects: five cases from India*, Bangalore: IT for Change.
- 12 http://india.gov.in/govt/national_egov_plan.php.
- 13 *Ibid*.
- 14 The block level is the administrative unit for a cluster of villages.
- 15 <http://www.csc-india.org/AboutCSCProject/Connectivity/tabid/583/Default.aspx?PageContentMode=1>
- 16 The district is the node of local governance at the state level in the Indian administrative system.
- 17 Whoever bids for lowest subsidy per CSC gets selected.
- 18 <http://dit.mp.gov.in/proj.htm>.
- 19 *Pro-Poor Access to ICTs - Exploring Appropriate Ownership Models for ICTD initiatives*, IT for Change. Retrieved from www.ITforChange.net/component/content/133.html?task=view, 1st December 2010.
- 20 Dossani R. (2005), *Enabling ICT for rural India*. Retrieved from http://iis-db.stanford.edu/pubs/20972/Dossani_Rural_ICT_2005.pdf, 1st December 2010.
- 21 Author's conversations with senior government officials of the two states over January and March 2009.
- 22 See brief details about these initiatives in the 2006 Annual report of the National Institute for Smart Government, which is the project management agency for the ICTD Project, at http://www.nisg.org/docs/75_ICTD%20Annual%20Report%202006.pdf.
- 23 Disclosure statement: The project is run by an NGO with which the author is working.

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