



Designing a sustainable business model for e-governance embedded rural telecentres (EGERT) in India

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Abstract An effective inclusive growth model for rural areas in India will have to be driven by information and communication technology (ICT), and telecentres (places where shared access to ICT and enabled services are available) are the potential instruments of rural information and empowerment. Realising this, the Government of India has under its National e-Governance Plan, committed to the setting up of 250,000 common service centres in rural India. However, the experience with the roll out of this plan has not been encouraging as many of the centres are closing down due to the weak business model.

The first part of this article, the academic perspective, suggests an alternative model for rural telecentres, the e-governance embedded rural telecentres (EGERT), in which e-governance is an important service to be provided, and details the contentious issues clustered round the role of the government; the viability of partnership models with the private and NGO sectors; the institutional design for rural telecentres; the services to be rendered by the centres and the likely markets for them; the location of the centres and support in the form of infrastructure and manpower; and the technology to support the institutional design. Stakeholder representatives from the government, the industry, the NGO sector and the academia discuss these issues in the second part of the article, and make suggestions towards a viable model for service.

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Academic perspective

Introduction

Telecentres (places where shared access to information and communication technology (ICT) and IT enabled services are available) are considered a potential instrument for addressing the asymmetric information problem and the digital divide, and therefore as development enablers (Fillip & Foote, 2007). The World Summit on Information Society held in 2003 recognised telecentres as a cost effective way of bringing the information revolution to developing countries, and thus endowed with the potential

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to empower the poor. There are instances of E-Government projects of this nature in some countries that have yielded significant positive gains for the poor (Bhatnagar, 2009). In the current debate on inclusive growth in India this assumes added importance as we are yet to find an effective inclusive growth model for rural areas. The growing concern is that poor people, especially those in rural areas, have benefited very little from rapid economic growth. While the migration of the rural poor to urban areas has helped cater to urban requirements, it has accentuated urban poverty and migration related social problems. Asymmetric information coupled with poor skill sets are considered the root cause of the inability of the rural poor to take advantage of opportunities in the markets created by technology advancement and policy changes. Addressing the problem of asymmetric information is expected to empower the rural poor to take advantage of the market opportunities as well as overcome the skill set deficits in the long run and therefore enhances inclusiveness. This would also contribute to faster and more balanced growth of the economy.

Realising this, the Government of India has under its National e-Governance Plan, committed to setting up 250,000 common service centres (CSC) in rural India. In the roll out plan it is envisaged that Village Level Entrepreneurs (VLEs) will provide the front-end interface with people. The experience so far has not been very encouraging. While the plan has been rolled out in many states, the viability of the VLE model is yet to be established and in many places they have been wound up. The initial enthusiasm of the private sector in participating as service providers is dissipating, and the sector has become cautious as the business model for providing the services is perceived as weak. Financial sustainability of such telecentres has been an important impediment all over the world.

Model for e-governance embedded rural telecenters (EGERT)

An alternative model proposed here is e-governance embedded rural telecenters (EGERT). In this model e-governance is an important service to be provided in the centre. Sustainable business models of rural telecentres require high volumes of services to be delivered at low service charges so as to make them affordable to a large number of the rural poor, particularly when cross subsidisation is unlikely to be effective. A high volume of services in a small size population area can come only through provisioning multiple services, which are provided in an integrated fashion and at an affordable cost (Naik, Basavaraj, & Joshi, 2010). Bhatnagar (2009) and Naik, Joshi, and Basavaraj (2010) list a number of services that can be provided in rural India. They include both public and private services in the areas of education, health, agriculture, employment, financial inclusion, entitlement certificates, etc. These services cater to the needs of the citizen, the government as well as business.

Many services important to rural citizens are in the arena of the government. Delivery of government services through telecentres would benefit the government, citizens as well as the telecentres themselves. For telecentres it

would mean more services to be provided and therefore more revenue. Many government services such as data collection and recording are also less uncertain and therefore would bring in consistent income and help the telecentres plan their business better. Provisioning certain government services such as health related data gathering would also help in providing many other related public as well as private services. As of now many government departments have difficulty in reaching rural areas due to weak last mile organisational linkage. The government departments in states like Karnataka have not recruited adequate staff for many years now and there is a reluctance to do so due to the perceived inability to get work done properly from such field staff. In addition, the nature of job at the field level has also undergone changes and technology usage has become an important requirement. However, people skilled in technology use prefer to move to urban areas rather than work in rural areas. Therefore it is difficult for government departments to recruit quality manpower and retain them in rural areas. Due to these difficulties, individual government departments are unable to effectively use ICT at the grassroots level. On the other hand there is a proliferation of government programmes to be delivered in rural areas. Absence of adequate staff, inability to recruit quality manpower and increased number of programmes to be delivered have made it difficult for individual departments to deliver the services effectively in rural areas. Proper design and use of telecentres can help overcome this difficulty to a large extent and effectively reach rural people. Therefore e-governance embedded telecentres would be the ideal model to follow in rural telecenters so as to increase the range of services, provide core services required in the rural areas, enable the government to reach the rural citizen effectively as well as bring stability of income to telecentres. The role of the government therefore is to improve the e-readiness with proper back end systems, processes and manpower as well as provide appropriate locations to set up telecentres which are accessible to all. Such locations ideally could be the gram panchayat (GP) premises which people frequent for various reasons. Since government services are likely to have a major share in the services of telecentres, the government can facilitate such centres with proper infrastructure such as space, power and broadband connectivity. The government may use the principle of convergence of policies to support such centres. For example, the funds earmarked for encouragement of renewable energy resources such as solar power can be utilised to provide reliable power supply in these telecentres. Location of telecentres in the premises of the GP would also strengthen its capacity.

Choice of appropriate technology for rural telecentres is an important decision to be made. This also has an implication on the structure of telecentres. Use of extensive mobile technology may make the need for telecentres redundant. However, in Indian conditions, development of cost effective mobile technology suitable to rural areas with required extensive applications will be available only in the long run. Rural people, many being illiterate, need hand holding on several services which can be provided effectively through telecentres. There are also issues related to technology choice with respect to software and

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