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NeGP and Urban Local Bodies

R. CHANDRASHEKHAR

It is now conventional wisdom that infrastructure and governance—or rather the deficiencies in these two—are the only things that could hold back India's growth story. Let me focus on governance, which I am a little more familiar with.

With regard to the objectives of citizen centricity, there is an increasing realisation that technology intermediation plays a very significant role in achieving many of these objectives. It even enables the achievement of some simultaneously conflicting objectives. For example, one of the constant challenges in government is to balance the need to maintain tight control so that services are fair and equitable with the need to decentralise so that services are responsive to people's needs. In a manual system we tend to swing between two extremes and depending on the mood at that moment or depending on which point in the swing of the pendulum you are at, it goes one way or the other. But thanks to certain technology-based approaches you can have a system that allows complete decentralisation and delegation while maintaining a high degree of control. So these are new phenomena as far as governance is concerned.

It is against this background that today the government has focused on e-governance as a critical area in the larger context of improving governance. Of course there is a national plan, which was approved last year, but I am not going to go into the details of that programme. The focus of this programme is on improving citizen-centric services. But while that is the stated objective, incidentally and inevitably in the course of improving services to the citizen, several other objectives such as efficiency and revenue maximisation are realised because it turns out that there is no way you can have one without the other.

Let me focus on that aspect which is at the intersection of infrastructure and e-governance. One of the really big challenges in the infrastructure sector is managing these vast programmes across the country. The scale is truly mind-boggling, of such proportions that the task of management is perhaps beyond the capability of any manual solution. There are huge difficulties in bringing about a technology-intermediated solution. It is easy to say that you must have a nice end-to-end solution which covers everything—the release of funds, the flow of funds, the approvals of project expenditure, the status of implementation, and so on, but this is easier said then done.

For starters, there are very few computers at the village level. The other is connectivity. Telecom may be one of India's success stories, but the fact is that connectivity in rural areas is still a huge issue. Often this use of ICT (Information & Communications Technology) to monitor and manage large programmes becomes a case of putting a very sophisticated electronic monitoring system on top of a very inefficient manual system of operation, in effect, hooking a 21st century monitoring system onto a 19th century delivery system. Now that is certainly not going to produce great results.

The question is how do you go down to that level in the field? I have stated the problem here but what is it that is actually happening and to what extent can the e-governance plan help and have relevance in this area?

I would like to touch upon just two among the large number of programmes, which I believe have significant relevance. One of them is the establishment of the Common Services Centres (CSCs) in 100,000 villages. This is a programme that goes down to the village level, which means that it is 600,000 villages with one Internet broadband-enabled centre for every six villages in the country. When we tried to work out the programme we had assumed an implementation time of about two years and this was approved by the cabinet in September last year. Based on where we are currently, I would say that we are well on our way and I think at the end of next year we will have most of the 100,000 centres in place—80,000-90,000 of them, for sure. But while we are not off the mark in terms of the time lines, we seem to have made two big miscalculations. The first is that we had assumed that the cost of this programme including the operations over a four-year period would be of the order of Rs. 54 billion. We had also assumed that the quantum of government

support required for this entrepreneur-driven implementation model based on public-private partnership, with private investment coming in upfront would be one-third the amount of this outlay. It turns out that we were wrong on both counts. The actual investment being made is two to three times the estimated amount. The private sector is investing two to three times what we thought would need to be invested. As far as the revenue support from the government is concerned, it amounts to one third what we had expected in absolute terms—which means in percentage terms, it is much less, about one-sixth of what we had assumed, in fact.

When the scheme was formulated, many people in government thought that it was too far ahead of its time, that it was too idealistic, that it will end up with a lot of money wasted. But the market and the various companies are telling a very different story. They have shown that they are willing to put their money where their mouth is, and therefore one would tend to believe the signals that are coming in—that this is an idea whose time has come and is doable. We are working very closely with the Telecom Department, to reach 75 per cent of the 6,00,000 villages with broadband connectivity using wireless for the last mile by the second half of 2008. Indeed, that is exactly when the CSCs will come up and that coordination is not accidental. Is the private sector relying only on our efforts? The answer is no. They are coming up with their own solutions and their own bypasses. The bottom line is that, any which way, these centres with connectivity are going to be available on the ground.

The other significant programme is the identification of individuals or a unique ID programme. In several individual-oriented programmes, a key problem is identifying individuals. Many of us who have worked with grassroots agencies have found that, say, if there are 10 government schemes, covering five people each in a village of 100 people you would expect that 50 per cent of the population would have been touched by one scheme or the other. In practice it often turns out that the same people have been covered by different schemes because there is no real mechanism of correlating benefits across schemes. The result is not inefficiencies but huge leakages in the process of implementation. Therefore being able to identify people uniquely is absolutely essential to have a system that can deliver such individual-oriented programmes in a focussed, controllable manner. Technology certainly allows for this; once again this is a mechanism that should be in place by the second half of 2008.

On the whole, with regard to the e-governance programme, I have often heard two versions. One is that there is so much happening, that India is one country that is seeing a lot activity. We have projects in the Ministry of Corporate Affairs; a huge project coming up in the Passport Department; in the urban development sector there are networks and land record projects coming up. At the same time there are others who say that nothing seems to be happening, there is a lot of talk about plans but nothing is actually happening. It is very easy to simply tag these two categories of people as friends and, shall we say, other than friends. But I believe that there is truth in both viewpoints. What has been done is enormous, the progress that has been made very substantial. But when we compare it to the task still at hand and the entire area that remains to be covered then, of course, it pales into insignificance.