Chapter 15
Strategies for Digital Inclusion: Experience from India

Subhash Bhatnagar
Indian Institute of Management Ahmedabad, India

ABSTRACT

Information and Communication Technologies (ICT) can be used in diverse applications to accelerate information dissemination to improve efficiency of public services, to increase the transparency and accountability of government administration, to reduce corruption, and to facilitate citizen participation in local governance. Given the fact that few ICT projects in rural areas have scaled up, it seems that the full potential of ICT as an enabler of development is yet to be tapped. This chapter analyzes two projects from India that have overcome these challenges and have scaled up. In moving forward on digital inclusion so far, the focus has been on creating equitable access to Internet and other technologies. Adequate effort has not gone into understanding the context in which these technologies can deliver value by alleviating key problems of development in rural areas. A paradigm shift is needed. Instead of developing a technology and then looking for a context where it can be used, it would be more effective to understand the problems of the poor and identify what technology innovations can help solve any part of the problem. Invariably, technology will not be enough; other components will need to be put together to create a development. Mobile-based delivery, which can overcome some of these constraints, needs to be explored in a major way. In addition, new content useful for rural populations needs to be made available in the public domain.

INTRODUCTION

It is evident from the vast amount of literature published by international organizations and governments that ICT is now seen as an indispensable tool for development and, therefore, digital inclusion has become an important issue that needs to be addressed. In the last three decades ITCs have enabled private sector organizations in developing countries to become globally competitive. Government organizations have used ICTs for internal efficiency and improved delivery of services (Bhatnagar & Singh, 2010). Many pro poor growth strategies such as ensuring property rights, connecting poor to markets, and lowering transaction costs can be made more effective
through ICTs as has been demonstrated in a few experiments (Bhatnagar, 2009). Recognizing the potential of ICTs to accelerate development, the international community has been discussing ways to overcome the “Digital Divide” (McNamara, 2003). Rapid and continuing technological advancement have made ICTs more affordable to the extent that investment in ICTs will no more the biggest barrier in bridging the digital divide.

Continuous research is being done to develop innovative, intensive and widespread applications to ensure a positive impact on the development. India is home to a very large number of experiments in use of ICTs for sustainable development. These initiatives have been launched by different types of organizations including government, private sector enterprises, civil society, and cooperatives. However, most of these projects have not been scaled up and, therefore, have failed to create a significant development impact. There are perhaps half a dozen projects which have scaled up to serve millions of rural clients spread over a few of the 26 states in India.

This paper analyzes two such projects. The first example is of an e-Governance application that covers two important social services provided to poor rural citizens in India. One of the services is the National Old Age Pension (NOAP) Scheme. Under the NOAP, central assistance of Rs. 500/- per month is granted to destitute elderly persons above 65 years. The scheme also covers the physically handicapped, widows, weavers etc.

The second service is the National Rural Employment Guarantee Scheme (NREGS) that guarantees wage employment on public works to any adult who is willing to do unskilled manual work, subject to a guaranteed employment for 100 days per household per financial year. The objective of the scheme is to enhance the livelihood security of the people in rural areas by generating wage employment through works that develop the infrastructure base of that area. More than Rupees150 billion has been paid as wages under NREGS since its launch in February 2008.

**Application Context**

Prior to the eGovernance project, pensions were paid by the village secretary who used to cash a consolidated cheque issued by the district office to be paid to the individual pensioners. The payments were made in the village panchayat office. Usually the full amount was not paid on some pretext or the other. The panchayat secretary was seen to invest time and effort to collect the pension on behalf of the pensioners. This provided some justification to the panchayat secretary for withholding a part of the money from the payment to many pensioners. The disbursement was done within a very short time window inconveniencing a large number of pensioners. Rarely was any amount refunded to the government because it could not be disbursed. Given the power imbalance between the government officials and the illiterate pensioners, nobody filed a formal complaint.

In the case of NREGS being implemented in 657 sub-districts across 13 districts of Andhra Pradesh cash payments were made by the local officials. There were widespread reports of corruption and reduced wages or nonpayment of...