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No Man's Land: The Tale of Common Service Centres

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Citizens at a village in Jharkhand queue up to avail of services at a Common Service Centre. Photo: Inayat Anaita Sabhikhi

*With the twin objective of achieving effective digital delivery of public services in rural areas and creating jobs in villages, the Union Government had started the Common Service Centres (CSC) scheme. However, the push for this digital mode of governance has in most instances neutralised benefits that the citizens are entitled to. In this article, **Inayat Anaita Sabhikhi** examines the faultlines in the scheme and comes up with key policy recommendations.*

Introduction

The Common Service Centre scheme has been pitched to us as part of the good governance paradigm. It claims to be two in one magic wand, to revamp front-end delivery systems of public services and to encourage rural entrepreneurship and create jobs. Started as a part of a National e-Governance Plan in 2006, it is now one of the thirty-one Mission Mode Projects under 'Digital India'. The philosophy behind this scheme is reiterated in Niti Aayog's Action Agenda; the policy solution to addressing the issues in service delivery of basic public goods, such as inefficiencies and corruption, is considered to be privatisation. Intrinsic to this is the Aadhaar architecture.

The idea is to digitise the delivery of certain government schemes (such as certificates, licenses and so on), and outsource this to private 'Village Level Entrepreneurs (VLEs)' who will run Common Service Centres. The vision is to have one CSC in each of the 2.5 lakh Gram Panchayats in the country. Run in a Private Public Partnership at the Central level, there is a Special Purpose Vehicle created to administer this scheme and design the required software. At the State level, the contracts to hire and monitor the Village Level Entrepreneurs are awarded to private companies, called 'Service Centre Agencies'. The qualifications to become a VLE are minimal; anyone with the required capital and digital infrastructure, such as computers, biometric devices, printers etc. can apply and become one. The stated benefits to citizens are efficiency and convenience for a nominal service charge.

At present, as per government figures, there are about 2.6 lakh VLE's, which deliver 3,462 services across the country ¹. The total transactions for this year are about 1,975 lakh. This includes services that are both 'government to citizen' such as Aadhar, PAN card registration, motor vehicle license and so on, and 'business to government' such as train ticket booking, music downloads and so on. Some of these are also 'information services', such as checking one's bank balance or information on eligibility of schemes and so on. The government is committed to bringing more and more services onto these platforms that can be delivered through the VLEs, to ensure their profitability and sustainability. Simultaneously, 'offline' options are being wound down.

Table 1: Common Service Centres (till June 2017)

Item	Number
No. of CSCs registered (including Gram Panchayat)	3,00,774
Total no. of functional CSCs	2,61,071
% Functional CSCs	87%

Source: Information provided through RTI application

This intervention has several potential benefits; well-publicised rates for government services could reduce avenues for bribe taking. Revenues of VLEs being dependent on the quantum of transactions could incentivise them to provide good service to retain and increase their customer base. Providing an alternative avenue for application for a service from the implementing department could increase accountability. This is particularly relevant for social welfare programmes such as old age pensions and ration cards. Routing all transactions digitally onto a public portal could facilitate transparency and timeliness of the service provision. This could provide clear information of pendencies department- and officer-wise, which could trigger greater accountability. These CSCs could also emerge as models for information and facilitation. By providing correct and free information on government schemes, eligibility and application procedures, they could take forward the mandate of Section 4 of the Right to Information Act which mandates proactive disclosure of key information of all public authorities.

Notes from Jharkhand - Policy Architecture

Looking closer at implementation of the Common Service Scheme in Jharkhand, throws up some interesting lessons for the project. In terms of the outsourcing, each division of the state has been outsourced to a different private company. As per the Master Service Agreement sought through Right to Information applications, the Government of Jharkhand is paying the private company (Service Centre Agency), a fixed amount per month, per VLE that they recruit and “on-board” for a period of four years. All other costs of capital and running expenditure, are to be borne by the VLEs themselves.

Table 2: Costs paid from Government to Private Company

Division	Amount per VLE per month
Ranchi	Rs. 700
Hazaribagh	Rs. 3000
Kolhan	Rs. 3000
Dumka	Rs. 1840
Palamu	Rs. 3284

Source: Master Service Agreements

Further, the Service Centre Agency enters into an agreement which each Department that provides a service through this platform. The user charge, commission, and division of commission is governed through this agreement. As per documents that are publicly available, the last notification of government rates for these services was in 2012, and has not been subsequently revised. For example, take the category of ‘submission of data online’, which includes making a caste certificate. The charge to the citizen is Rs. 30, of which the VLE gets

Rs. 20 and the private company and state government get Rs. 5 each. VLEs, thus, earn their livelihood through these commissions.

Government websites and reports advertise a slew of services provided through CSCs. In Jharkhand, there is separate software, 'JharSewa', with over a hundred and fifty services. Further, centrally provided services include those through the "Election Commission of India, Electricity Bill Collection Service, IRCTC, UIDAI, Passport, Banking Correspondent, PAN Card, Insurance, Agricultural, Educational, Skill Development, Digital Locker, E-commerce, Jail Video Conferencing, Online FIR, NABARD financial literacy" and so on. Services in the pipeline that are expected to be provided through this platform are 'soil testing health cards' and 'construction workers benefits'.

As per the table below, we see that the major services relate to 'eDistrict' within which the most popular service is likely to be caste, income, and domicile certificates. This is followed by 'UID – ePrint' (print outs of aadhaar cards). The corresponding rates of these services, and income earned by the respective VLEs, Departments, and the Government of Jharkhand is not known explicitly or available freely in the public domain.

Table 3: Service wise Transactions

S. No.	Service	No. of transactions
1	eDistrict	211351
2	UID – ePrint	20053
3	NSDL Pan Card	6174
4	Airtel ETop-AC	5095
5	Aadhaar Mobile Update	5011
6	Aadhaar Print eKYC	4401
7	Pan Card UTIITSL	4000
8	Pradhan Mantri Awas Yojana	3079
9	Bill Pay JH Electricity	2771
10	IRCTC Non AC Class	1612

Source: Documents provided through Right to Information Application

A new entry in this is 'Information Services'. The Government of Jharkhand has allowed the VLEs to charge Rs. 3 from the citizen for "any government/project scheme related information sought by the citizen" and a further Rs. 1 for a print out. Far from becoming enablers of Section 4 of the Right Information Act, which legally mandates all departments to publicly disclose details of their functioning and the schemes they administer, the CSCs are becoming an added intermediary to accessing information. Details of schemes are to be displayed publicly and prominently; instead, a premium is being created around this information.

Actual Functioning

Observations at CSCs in six districts of Jharkhand over the past six months provides a contrary narrative on the wonders of this scheme. Locally called Pragya Kendras, their ubiquity is well established in Blocks and Gram Panchayats. One could easily mistake them for photocopy or computer shops, and indeed most function as both. Given the flexibility in operations, some are open late into the night; others remain shut for days on end. Some have multiple staff and others are a solitary person with a laptop.

Overcharging of citizens

Most CSCs don't have the list of services displayed, let alone the rate list for these services. The enforcement of these rates seems to be low on priorities, with Central and State Government guidelines on the scheme only paying lip service to grievance redress mechanisms for citizens. VLEs complain of being in debt to acquire the required basic infrastructure to start their operations (entirely likely). They also mention the arbitrary changing of commission sharing between stakeholders, to their detriment, thus justifying the overcharging from citizens to recover their costs. From a citizen point of view, being dependent on the VLE for a service, and a lack of information on the rate of the service, leads to them being overcharged. For example, VLEs acknowledge that the 'market rate' for making an Aadhaar card ranges from Rs. 50 to Rs. 100 (it is notified as a free service by UIDAI), and for changing demographic details on the Aadhaar card is a minimum of Rs. 100 (it is notified at Rs. 15).

Questionable Benefits for Citizens

The other noticeable trend is that 'digital service delivery' is a hugely misleading term. Take the example of a caste certificate. To begin the process, a citizen purchases the form for this from a CSC (it is supposed to be free). Then she has to fill it up and get three physical signatures; of the head of Gram Panchayat (Mukhiya), of the Office Clerk (Karamchari) and of the Circle Officer. She then brings it back to the CSC and submits it. After the request is digitised, it moves within the software for the digital signatures of the same three officials. After this is done, the CSC prints out the certificate, and charges for both the certificate (which as per government rates is Rs. 30), and for a print out (usually at least Rs. 10 each). Thus, the non-digital components still exist with an additional charge on the citizens for the digital component.

Further, although the CSCs are supposed to be physically located in the Gram Panchayat Bhawan, government data shows that is only the case in 40 per cent of the Gram Panchayats. Even if a VLE is recorded as being in the Gram Panchayat, it is not guaranteed that she would actually work out of there. There are two reasons for this, customer base and connectivity.

Even if a VLE has been assigned to a particular Gram Panchayat, she might prefer to locate herself in the block office where there is higher footfall. Even if she would like to work out of the Gram Panchayat Bhawan, there are likely to be connectivity issues, a very real issue in rural Jharkhand.

Table 4: Location of CSCs in Jharkhand

Item	Number
Total Gram Panchayats	4461
Total Rural CSCs	4347
No of Panchayat Bhawans	4285
No of Panchayat Bhawans Ready	3300
CSCs shifted to Panchayat Bhawan	1867
% of Gram Panchayats with CSC	42%

Source: Information from RTI Application

The CEO of the Special Purpose Vehicle of the Common Service Scheme, Mr Dinesh Tyagi, has said repeatedly, “Aadhaar (UID) is the *aadhaar* (foundation) of the CSC scheme.” The VLEs are required to have an Aadhaar number, and in some states and for some services are required to biometrically authenticate themselves every time they login. Moreover, citizens are now required to provide their Aadhaar to access any and all services that are provided through the CSC. As mentioned earlier, the government is committed to bringing more services onto this platform and closing its offline options. Thus, if the parent department (such as, say, Department of Agriculture) may not require Aadhaar for distributing farm loans, but if this service is now to be delivered through the CSC architecture, it will de facto require the farmer to have an Aadhaar.

All of these question the alleged convenience benefits to a citizen. Where services were free, they are now chargeable. The citizen is still likely to have to go the Block to get their work done, and now it is fully dependent on Internet connectivity, which was not the case earlier. Added to this is the mandatory requirement of Aadhaar.

Withering of Transparency

The Right to Information Act is unequivocal in its mandate for public disclosures of public authorities and those private entities conducting public functions. This clearly includes Common Service Centres. The need for all implementation details to be in the public domain is a legal necessity. Yet, there is no sense of transparency in the functioning of the CSCs. This is a result of the design of their positioning, ultimately reflected in the citizens' perception of them as unaccountable entities. When citizens were asked if they thought of their VLE as a public authority (*karamchari*), or an entrepreneur (*dunkaadar*), most avered to the latter.

This is worrying, especially given that there is a financial component involved. With citizens paying the government for a public service, there is all the more reason for this information to be in the public domain and clearly accounted for. The potential of a transparent portal for all transactions through the CSCs has, alas, not materialised. Instead of easy to navigate portals with disaggregated CSC-wise information, the Central Government websites just have state-wise total information that is far from illuminating.

For example, the Ministry of Electronics Information and Technology, Government of India, runs the website 'etaal'. Information is available on all the transactions routed through the CSCs, which are categorised via the Ministry and the sub-services provided by it. However, what this doesn't tell us is the number of transactions in a Block by a CSC and in a particular time period. These are crucial from a citizen's point of view to even begin to hold the VLE accountable. A citizen has no way of knowing the amount of commission, rightly or wrongly, a CSC has earned on their transactions, information which should be in the public domain.

Debilitating Impact on Accountability

Simultaneously, there is an erosion of physical records and receipts with citizens and beneficiaries. As seen in Palamu, Latehar, Gumla and Garhwa districts, there is no facility at the CSCs that work as Banking Business Correspondents to update passbooks and no culture of providing receipts for cash withdrawals to citizens. If a pensioner has a parent bank account at the branch office in the Block, they can go there to update their passbooks. If they've opened their account through the CSC they are likely to not have received a passbook at all, only an 'ID slip.' Should they ask for receipts after withdrawal, they are charged for the print out as a deterrent. Where earlier a passbook and its updation were free services provided by a bank, these are now (wrongfully) charged for through CSCs.

At a recent national conference on the CSC scheme in Delhi, the CEO explained the inbuilt accountability structure: "CSCs are from the village, if they do anything wrong, people will beat them up. So our ability to cheat is very low. It is also our duty to make people aware so that they remove the bad fish from amongst us." This equates different functions of the state; to provide a service, to publicise the service, to ensure quality in service delivery, to monitor the service delivery, and to facilitate community monitoring of the service.

Had the VLEs been recruited through the Gram Sabha and not through a private company, had the VLEs actually been from a village and not from the town or block as they usually are, had there been some Gram Panchayat oversight to their functioning, this statement would bear some truth. The requirements to be a VLE are solely based on possessing adequate capital. There is no enforcement of domicile, and no oversight from Panchayati Raj Institutions, or the Block Administration. This is leading to situations where the VLEs have a captive market

and can charge as they please for essential government services. As one irritated citizen in Lohardga, who missed a job opportunity because the CSC delayed making his income certificate, said, “Who can say anything to them?”

Ideological Foundations

Observing the roll out of this scheme, one is reminded of the Adventures of Tom Sawyer, Mark Twain’s 1876 novel. In one instance, the eponymous Tom Sawyer is told to whitewash a fence by his Aunt Polly. Instead of doing it himself, he manages to persuade his friends to trade him their beloved treasures for the ‘pleasure’ of whitewashing the fence. The parallels of this tale with the CSC scheme lie in lose-lose situation that citizens find themselves in. The supposed benefits for citizens were convenience of services, transparency in their functioning, and a reduction in corruption and bribes. Instead, citizens are now whitewashing the fence as the states sit by by shelling out money for erstwhile free services and, in the process, being overcharged, by queuing up in the few centres that do have the required connectivity, adding “digital signatures” to “physical signatures”, requiring an Aadhaar card where it wasn’t required earlier, by being charged for application forms and other free information, and by having less information about the performance of public functions such as our local Pragma Kendra.

To be clear, this is by design and the outcome of a long sighted vision is being operationalised; to digitise services, to make Aadhaar cross cutting and mandatory, and to do this through pooling private capital on a large scale, of the VLEs and of citizens. Whether the state should at all be privatising its basic functions of providing its citizen identity documents and regulatory functions through licenses and so on is a debate that must be urgently had.

Conclusion

Ideological underpinnings aside, before stream rolling ahead, it will do well to course correct based on the evidence emerging from the implementation of the scheme. As a CSC operator in Khunti district said, “people won’t complain against us because if they do, where else will they go?” Addressing this growing dependence of citizens on VLEs to their detriment will be crucial to the long-term sustainability of this project. Correcting information asymmetries on charges and commissions, penalising overcharging, building a public transaction portal and improving accountability of the CSCs to citizens are clear policy recommendations that can be quickly adopted. A deeper thinking on the fundamentals of this architecture and the compatibility of public services and profiteering is a required debate of our times.

Reference:

1. **Electronic Transaction Aggregation & Analysis Layer, 2017.** "[National e-Transaction Count](#)", Ministry of Electronics & Information Technology, Government of India. Last accessed September 30, 2017.

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