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 considered the potential instruments of rural development and empowerment. In line with this, the Government of India has undertaken to set up 250,000 common service centres (CSC) in rural India, under its National e-Governance Plan, however, the experience with the rollout plan has not been encouraging. The business model is perceived as weak and the initial enthusiasm of the private sector in participating as service providers is dissipating.

This paper proposes an alternative model for e-governance embedded rural telecenters (EGERT), envisaging e-governance as an important service to be provided and taking into account that any sustainable model has to deliver high volumes of services at low service charges so as to make them affordable to a large number of the rural poor.

At the same time, the paper raises several issues that may challenge the creation of a sustainable model for telecentres. These include — the role and extent of government involvement, specifically whether it should be restricted to a facilitative role with the provision of infrastructure such as space, power and broadband connectivity; choice of appropriate technology for rural telecentres — Should it be open source or a proprietary product? Is mobile technology preferable to kiosks?; the institutional design, particularly the viability of Public Private Partnership (PPP) models; location of telecentres so as to ensure accessibility to all — whether the gram panchayat office is the best location and whether existing structures such as schools can be used for the purpose; and the provision of skilled manpower.

IIMB Management Review invited a panel of stakeholder representatives from the government, the industry, the NGO sector and the academia to discuss these issues and make suggestions towards a viable model for service delivery. Ravi Rangan, Founder, Development Enablers, highlighted his experience with telecentres in Karnataka and brought to the fore the concern of viability, and that the question of infrastructure must be considered holistically with supporting infrastructure being as important as physical or electronic bandwidth. The government should provide transaction based support rather than follow a fixed revenue model.

Susheela Venkataraman, MD, Internet Business Solutions, Cisco, spoke of the transitions in Cisco’s technologies and modes of delivery with the company looking to apply telephony and video to Indian health, education and agriculture as relevant particularly to the rural areas. One of their learnings has been that products and solutions have to be built keeping in mind the requirements of the emerging market, and it is not a question stripping down products relevant for the developed world. Any PPP agreement should make it viable for private players to provide services and include an incentive clause.

S C Kalasad, CEO, Zilla Panchayat, Tumkur, Karnataka, detailed the experiment being carried out in Tumkur district, where rural telecentres are being rolled out at the hobli level, with a view to taking the same level of service delivery to the gram panchayat (GP) level. However, GPs would need to be trained extensively to handle the responsibility. Other than providing infrastructure, the government should actively involve the stakeholders in creating an environment for participation from the lowest levels, and for competing technologies to offer better services.

Prof Rahul De from IIMB pointed out that shared computing facilities have not been successful the world over, including in India. The corruption issues that dog the location of telecentres and the centralisation of decision making, and the want of an adequate need for such centres, are daunting challenges. Moreover, mobile phones with their deep penetration have greater potential than the kiosk based model.

HR issues that were discussed included training and motivation of rural workforce, and the breadth of skills required.