

*A brief note for a one-day workshop on*

## **Technology in governance**

### **- An agenda for centralisation, privatisation and depoliticisation?**

organised by

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Use of ICTs today is no longer peripheral to Indian governance systems. They are creating a basic transformation from within, in a manner not suspected by most. These changes are of a creeping nature, and therefore may not be very obvious. But they are of far-reaching implications. Indian governance systems are well on their way to be fundamentally transformed, as a consequence of new techno-social processes that are being developed and placed at the heart of these systems. And this is being done in manner that has almost entirely escaped political scrutiny. As Lawrence Lessig put it, in the digital space, 'code is law, and architecture is policy'. Little surprise then, that there has never been a clear e-governance policy of the government of India. The emerging digital architecture will dictate 'policy' rather than the other way around. Once the new 'system architecture' is in place, it would become very difficult, if not impossible, to displace it, even if it were politically so desired. ICTs have this gradual but deep-structural way of overtaking and transforming social systems.

In default of appropriate policy directions, certain ideologies and mindsets have driven e-governance in India, whereby its two central features are; increased centralisation of power (from PRIs to the state level, and from the state level to the centre) and privatisation of governance. It may be true that some degree of greater efficiency and improved transparency has been achieved in many areas. But, this may be coming at a huge long term cost. The current techno-managerial mode of e-governance in India requires an urgent political review, from the standpoint of democracy, equity and social justice. (The dominant mode of e-governance in India is even more unfortunate when ICTs can in fact be effectively employed to enhance decentralisation as well as community monitoring over various governance activities. Appropriately harnessed, ICTs can aid in developing a completely new bottom-up, community-centric, architecture of governance.)

The ongoing ICT-enabled system re-engineering is anchored at three distinct but interconnected levels.

1. ***Corporatising citizen-government interface*** – setting up chains of corporate-owned centres delivering both public and private services, at an average of one for every 6 villages;
2. ***Corporatising governance process/ system management*** – standardising and centralising *governance processes*, as they are digitised, and having them run as 'services' by corporates, with government departments as their clients;
3. ***Corporatising core governance units, other than of policy making*** – centralising implementation aspects of governance by setting up apex special purpose 'governance' companies that are privately owned, but work from within the concerned departments.

Each of these is briefly touched upon below.

#### ***Private citizen-government interfaces***

A systematic privatisation of the citizen-government interface is under-way through the corporatised model of ICT-based service delivery centres called the Common Service Centres (CSCs). Around one lakh such centres are claimed to have been set up. These centres are run by corporate bodies that

employ local entrepreneurs. Almost every conceivable state function – from delivery of food security to serving court challans – is sought to be transferred to this corporate-run system. Building over this private mode of service delivery, a complex re-engineering of the governance processes feeding the delivery system is taking place. Privatisation of governance and centralisation of power are the key features of this re-engineering. A whole lot of existing governance services, like agriculture support, may be replaced either by private services run by the CSC system or by some rather dubious mixes of public and private services. PRIs have little role to play, if any, in the CSC architecture. A centralised data driven governance system is being put in place whereby decision-making powers shift upwards, first to the district level, and then to the state levels. This is being accomplished, *inter alia*, through the 'e-district' project which is now being rolled out in all districts of India.

### ***Centralised governance process/ system management.***

The CSC and e-district initiatives are to be supported by considerable changes that are planned at the level of government departments. As the phase 2 of government digitalisation, technology architectures that centralise digital governance processes are being promoted by the Department of Electronics and Information Technology (DeitY), GoI. The phase 1, with all its defects, was at least managed by the state government departments themselves. Government cloud<sup>1</sup> (or, g-cloud) and government mobile apps are not mere buzzwords, they are serious propositions for far-reaching changes to Indian governance systems. Such Internet-based digital systems have a huge network effect, or positive economies of scale, and therefore can exhibit a strong centralising influence. (This is one of the main reasons that Google and Facebook are such successful global monopolies.) Last year, DeitY announced a proposal to offer customised cloud software for all key government functions – like treasuries, taxation, social welfare, and so on. The problem with a cloud architecture is that, unless deliberate counter measures are taken, it tends to centralise process design, which would thus curtail the powers of the states to manage their governance systems in the manner they want (It would of course not be mandatory, similarly as UID is not mandatory for people!) Further, these cloud software services are to be managed by private companies, which would nudge governance activities towards maximising their profits, and thus considerably distort them.

The Unique Identification Authority of India (UIDAI) proposes to go even beyond. As per their plans, private companies providing digital governance applications will not just be software or process utilities. They will get access to the data that the UID system accumulates to be able to perform as governance information utilities<sup>2</sup>, with government departments as their customers. Meanwhile, the CSC system is also becoming adept at micro-data collection – from farming insurance related details, to village wise meteorological data. The stage seems to be set for, hugely 'profitable', data-driven governance led by the private sector, with the role of political entities becoming increasingly marginal.

### ***Corporatising core governance units***

Such a process of depoliticisation of governance is being furthered by privatising some core governance structures deep inside the government machinery. At the apex of the CSC system is a private company, CSC e-Governance Services India Limited, with most of its shares held by corporates who run the CSCs. The headquarters of this company is located inside the DeitY. In the corridors of DeitY, it often becomes difficult to distinguish the company from the e-governance policy making apparatus. CSC e-Governance Services India Limited is seen as the main vehicle for pushing e-governance in India and the official apparatus largely seems to be focused on ensuring its 'success'. Taking cue from the central government, the state of Maharashtra has set up a similar business entity at

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1 When most software and applications are on the Internet, and provided as a service by a service provider, and not inside the computer/laptop of the user. Google docs versus regular word processing software is a good example.

2 Governance work after all basically is about processing information and taking decisions based on it.

the heart of its e- governance operation, called MahaOnline, owned largely by Tata Consultancy Services. In other states too, the e-governance units, populated by private consultants, openly speak about turning into profit-centres. Meaning, that they should soon become self-sustaining by themselves charging service fees for supporting various kinds of downstream services.

(CSC e-Governance Services India Limited can be a trail blazer for similar 'governance' companies in other areas of governance. For instance, a considerable extent of education and health related obligations of the state are being passed on to private players who are compensated by state funds. One may soon see similar apex education and health companies inside the respective departments which would be co-owned by the big private players in the respective spaces.)

### ***Need for a political audit of e-governance***

That India's governance system is headed along an extremely perilous path should be evident. As it aids in centralising power and privatising governance, the e-governance architecture has done little to enhance the effectiveness of PRIs and thus enable further devolution of power, or to empower communities, like by providing them automated access to governance process information that could help effective social audits. The reason for this is perhaps obvious. Privatisation and centralisation do not go with increased community control and devolution of power. It appears from the current directions of ICT-enabled system re-engineering that India is moving towards a highly privatised governance model. Here, the state will assume an ever shrinking regulatory role, setting the outer limits for a largely private governance regime. E-governance in India urgently requires a thorough political review of where it is headed, and the long term implications of the structural changes that it is leading. ICTs are a powerful tool, and almost any application of them does show some promise to begin with. CSCs, for instance, do initially seem to deliver in many ways, This tends to hide the larger dangers behind systemic privatisation of governance that are involved in the process. It is therefore for serious actors in the social change space to take up a deep review of what is happening in this area.

It must, however, be said that neither community based service centres, nor involvement of private players, nor g-cloud or mobile apps, nor data-driven governance, are necessarily bad. The real problem is the manner of employing these ICT-based possibilities which, under the cover of technology neutrality, is driven by a certain ideology that has little belief in either the public sector or community-owned processes.

### ***The immediate context – Electronic Services Delivery Bill***

This issue of wider ramifications of the dominant mode of e-governance in India takes a special urgency because the government is planning to bring in the Electronic Services Delivery Bill. The Bill mandates that “all public services shall be delivered in electronic mode within 5 years from the commencement of this Bill”. It is indeed useful to digitise delivery of those services, or some aspects of such services, that are amenable to effective digitalisation without any distortion in the manner in which they are intended to be delivered. This could not only improve efficiency but also enhance transparency and accountability. However, the proposed Bill should not become a way to try and fit everything into a digital form, which can greatly damage the framework of governance in India. This is especially so because, as discussed above, the extensive enabling architecture of e-governance that is being put in place is highly problematic. The Electronic Services Delivery Bill is an effort to put flesh over this e-governance architecture. It would hasten and entrench the processes of deep structural changes in the Indian governance system, the extent of which goes much beyond the stated description of 'delivering public services in an electronic mode'. The Bill should, therefore, be kept in abeyance till India's basic e-governance architecture, and its design principles, are reviewed in terms of their impact on democracy, equity and social justice.