Chapter VI
Impact of E-Government Implementation on Poverty Reduction in Rural India: Selected Case Studies

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ABSTRACT

ICTs in general and e-governance in particular offer tremendous opportunities for improving demand-driven transparent and accountable service delivery targeting the underprivileged. The objective of this chapter is to examine the effects of E-government implementation in the context of widespread poverty in India through an extensive secondary data analysis on selected pro-poor initiatives in reducing poverty and improving rural livelihoods. Analysis also includes various contexts in which these ICT based interventions operate. Specific recommendations are made to involve the socially excluded groups in the design, implementation and access to e-government services. Governments to design appropriate public policies in implementing socially inclusive e-government strategies in the emerging information society draw the conclusion.

1. INTRODUCTION

The new information and communications technologies are among the driving forces of globalization. They are bringing people together, and bringing decision makers unprecedented new tools for development. At the same time, however, the gap between information 'haves' and 'have-nots' is widening, and there is a real danger that the world's poor will be excluded from the emerging knowledge-based global economy. (Kofi Annan, Secretary-General, 2002).

Mahatma Gandhi's vision of the true India in its villages has led several central and state governments to emphasize on grassroots governance for

bridging a growing rural-urban digital divide. ICT impact on the poor is at an early stage, but the potential is being demonstrated at the micro, intermediate and macro levels (Hanna, 2003), thus providing enormous opportunities in remote areas in health care, education, other forms of public services.

India is home to 22% of the World's poor with 35% of its billion plus population living on less than US $1 per day; more than 900 million people surviving on incomes less than US $2 per day and poverty being more concentrated among SCs/STs (24 % of the total population of India - 252 million people). Thus, poverty reduction is considered fundamental for the achievement of international goals (Planning Commission, 10th Five Year Plan [2002-2007], Chapter 3.2, Page No 293). The Human Development Report (2005) ranked India 127th among 177 countries; 58th among 103 developing countries on the Human Poverty Index (HPI-1). This call for an extensive and continued efforts from government and international agencies in terms of sound macroeconomic policies; open trade relations; increases in human and physical capital; good governance; sound legal, incentives and regulatory frameworks; an adequately regulated and supervised financial sector; health, education and social services that reach the poor, women effectively; quality infrastructure and public services to promote rural development and livable cities; and policies to promote environmental and human sustainability, thereby, helping in the delivery of social and economic benefits across a broader base of the populace.

Indian ICT sector is witnessing a rapid expansion in telecom markets in the world with a target of 500 million telephone subscribers by 2010; PC penetration of 65 per 1,000 (from the existing 14 per 1,000) by 2008. **ICTs empower the people at the grassroots level to access information and service delivery effectively** is the underlying philosophy of the National e-Governance Action Plan of India (2003-2007) launched by the Central Government at a cost of Rs.12,400 crore ($1.3 billion) to connect 600,000 villages through 100,000 broadband-enabled multipurpose computer kiosks or CSCs by March 2008 through participation by states, government agencies and corporates. This will enable services like e-learning, e-teaching, ehealth, telemedicine, e-farming, e-tourism, e-entertainment and e-commerce in all of India's 600000 villages (Chandrasekhar, 2006).

Country has witnessed an explosive growth in E-governance projects to nearly $1,300 million in 2007 with increase in the government's IT expenditure to over Rs. 5,000 cr. in 2007 (Second Skoch E-governance report, 2005). UN E-governance Readiness Report (2008) ranked India 113th with an E-government Readiness Index Score of 0.3814 against a World Index of 0.4514. According to E-government Readiness Data (2005), India had a Web Index Measure (0.4783), Infrastructure Index (0.0435) and Human Capital Index (0.6195). India ranked 49 in terms of E-participation Index (0.2500). Indian ICT sector is marching towards achieving the MDGs in areas such as literacy, education, gender equity and employment to benefit larger sections of the population. But the basic service delivery challenges include limited access to social services; economic opportunities to rural poor; lack of efficient local service delivery; lack of budgets for services in rural and remote areas; lack of information about entitlements and availability of services; lack of effective communication channels; lack of accountability and transparency.

A country's overall progress in E-government closely correlates with its social, political or economic composition. Weak governance structure of a nation seriously obstructs poverty reduction towards achieving development goals (Country governance assessment for the Asian Development Bank, Asia Foundation, 2003-04). Countries such as India could benefit from E-government if literacy and basic infrastructure can be improved (UN Study, 2003). Only a few developing countries have implemented pro-poor E-governance strate-