# Challenges of Common Service Centers of Rayagada District–Findings from a VLE centered analysis

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# Challenges of Common Service Centers of Rayagada District–Findings from a VLE centered analysis

Mr. Amiya Kumar Sahoo[1], Dr. Anita Patra[2], Dr. Dasarathi Sahu[3]

*Abstract*
The common service center popularly known as "Jana Seva Kendra" in Odisha is the authorized service provider of all e-Governance services in rural and urban India. The CSCs are operated in "PPP" mode, in India. The rural entrepreneurs who are the owner of these CSCs are known as Village Level Entrepreneurs (VLE). The Government of India and State Government are extending their services (G2C) and other business houses (B2C) to citizens through this information and communication technology (ICT) enabled e-Kiosks. The VLEs are also earning their livelihood by rendering the services to the rural citizens at an affordable price at a very close proximity. Even though the Government is working hard to provide these services to the citizens through the CSCs which are operated by VLEs, there are various challenges still exists. This study was conducted at Rayagada district of Odisha, where the researchers have tried to reach out 55 VLEs of 11 blocks of Rayagada. The primary data were collected through questionnaire and one to one interaction with the VLEs and this study reveals some insights about the various challenges faced by VLEs to operate the CSCs. In our final study report we will also suggest some solutions to the challenges faced by the VLEs to operate the CSCs.

*Keywords:* CSC, e-Governance, PPP, VLE.

## I. INTRODUCTION

This article is basically focusing, the various e-Governance services provided to the citizens through common service centers (CSCs), which are operated by private partners called as Village Level Entrepreneurs (VLEs) in PPP mode. A "public private partnership (PPP) is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature in a Public Private Partnership mode" (Hodge, G. A and Greve, C., 2007). The Central and State government agencies are the public and the VLEs are the private partners here to provide the digital services to citizens through CSCs. In these ICT enabled projects the way of reaching out to rural citizens has been through tele centers (R.Heeks, 2008) named as "Jana Seva Kendra" in Odisha , to provide shared public access through VLEs the CSC operators ,by using ICT via computers and Internet. In various Government setups, there is lack of qualified manpower and motive to provide faster solutions to the citizens, on the other hand the private setup puts

in efforts and resources to provide the solutions faster and in an innovative way. The citizens are also in demand of quality and faster services near to their doorsteps and hence the increasing demand of opening of CSCs in PPP mode.

In this study the researcher, conducted a survey amongst the VLEs of Rayagada district of Odisha. Rayagada district has 11 blocks and 195 rolled out CSCs till the end of 2018. We considered including 5 CSCs per block as sample, but the block like Chandrapur has only 2 CSCs so we took 6 each from Gunupur, Bisamcuttack and Rayagada blocks instead of 5. All together, 55 CSCs were participated in the survey.

The research questions we focused here in this paper are (1).To find out the influence of Common Service Centers in rural area for e-Governance and (2). To know the challenges faced by VLEs to operate the CSC. Of course to understand the acceptance of ICT by citizens of Rayagada, to avail e-Governance services is another objective of our study but we have not focused on that research

objective in this article. We prepare a questionnaire to collect the primary data from 55 VLEs and compiled the data and analyzed through some case studies too. This paper is basically to derive some findings about the challenges faced by VLEs to operate the CSCs, based on findings of primary data analysis.

## II. THE RESEARCH SCOPE

As per the data shown in the Table-1 the total number of functional CSCs at Rayagada district was 195 till 2018, where as the Govt. of India, sanctioned 445 CSCs in Rayagada district (source: https://csc.gov.in/statdistrictlist).

The district has 11 blocks and the researchers have decided to consider 5 CSCs from each block for the survey purpose, which is 55 in total. But there is one block named as Chandrapur had only 2 common

service centers in total till the time of survey. When enquired about the reason of less number of CSCs in the block, the reason was surprising. As the block is naxalite affected, no entrepreneur is ready to involve in any kind of government business. So to manage the number of CSCs to be surveyed as 55, we have increased the number of CSCs by one for Gunupur, Bisamcuttack and Rayagada blocks.

One of the major findings is only 43.82% of CSCs are in operational stage in Rayagada District of Odisha (source: https://csc.gov.in) till December, 2018.

Table-I: Functional CSC details of Rayagada considered in the survey

| Slno | Block name | Total no. of functional CSCs as on 2018 | Nos of CSCs on survey |
|------|------------|------------------------------------------|------------------------|
| 1 | Gunupur | 28 | 6 |
| 2 | Bisamcuttack | 22 | 6 |
| 3 | Rayagada | 21 | 6 |
| 4 | Muniguda | 28 | 5 |
| 5 | Kolnara | 14 | 5 |
| 6 | Kalayansingh pur | 13 | 5 |
| 7 | Padampur | 22 | 5 |
| 8 | Ramnaguda | 18 | 5 |
| 9 | Kashipur | 17 | 5 |
| 10 | Chandrapur | 2 | 2 |
| 11 | Gudari | 10 | 5 |
| | **Total** | **195** | **55** |

(SOURCE: PRIMARY DATA)

## III. IMPORTANT OUTCOMES OF THE STUDY

Various questions were asked to the village level entrepreneurs (VLEs) through a questionnaire and while collecting the filled in questionnaire, we have

interacted with the VLEs on their answers to the questions. Based on the answers of VLEs which we have compiled and summarized, some outcomes have listed for analysis in the table-II.

Table- II: Some Important outcomes of the study on Village Level Entrepreneurs

| Slno. | The Parameters | Outcomes |
|---|---|---|
| 1. | Gender of VLE (Male) | 89% |
| 2. | No of dependents on VLEs income ( 2 or 3 ) | 83% |
| 3. | VLEs Highest Qualification (PG/Graduation) | 73% |
| 4. | Prior Computer Knowledge (Yes) | 66% |
| 5. | Occupation before CSC (Temp / Contract Job)/Business | 78% |
| 6. | CSC Only Source of Income (Yes) | 91% |
| 7. | The CSC premise belongs to (Rented) | 85% |
| 8. | Number of Counters in CSC(one) | 95% |
| 9. | Citizens allowed to do their work (No) | 95% |
| 10. | Number of revenue villages covered by CSC ( 6 or more) | 82% |
| 11. | Investments made to setup the CSC ( More than 1 Lakh) | 87% |
| 12. | Capital for business(Bank loan or extension of business) | 87% |
| 13. | Average monthly income before setting up the CSC( 5000 to 7000) | 83% |
| 14. | Rise in income level after CSC | 100% |
| 15 | Average number of transactions per day(20 to 40) | 91% |
| 16 | VLEs average income(Every month from CSC business)(15000 to 25000) | 82% |
| 17 | Standard time taken by the SCA to solve the problems at CSCs (3 to 6 days) | 87% |
| 18 | When the VLE usually visits the Service Center Agency(only if a problem arises) | 67% |
| 19 | Is the SCA provides materials for advertisement to create awareness about the CSCs?( Yes) | 100% |
| 20 | VLEs organizes some campaigns to make the CSC activities popular (Yes) | 100% |
| 21 | Important reasons behind the "poor usage" of services rendered by VLEs at CSCs. | • Internet related problems (58%) <br> • Low awareness (76%) <br> • Power/Electrical problems (49%) <br> • Equipment Problems (47%) |

| 22 | From VLEs point of view, what are the services must be included for the better viability, along with the existing services provided by the CSCs? | • Services related to revenue department (100%)<br>• Registration of land record (100%)<br>• Electricity and other utility bill payment (100%)<br>• Agriculture services (100%)<br>• Financial & Insurance services (100%)<br>• UIDAI Services (100%)<br>• Education & student related service (91%)<br>• Social welfare Service (71%)<br>• Selling product & services (87%)<br>• Data Collection services (82%)<br>• Entertainment Services (91%)<br>• Telecom Services (76%) |
|----|----|----|
| 23 | Will the CSC business adopted more by VLEs in future (Yes) | 100% |
| 24 | To make the CSCs more viable some other factors are to be considered by various stakeholders. | • More revenue share on service charges to VLEs. (87%)<br>• VLEs needs to deposit less for various services to get from SCAs (96%)<br>• Strong connectivity of internet services (100%)<br>• Shutting down the traditional way of delivering various services (83%)<br>• Subsidized operational costs (100%)<br>• More support on revenue by SDA or SCA to VLEs (100%)<br>• Loan or credit facilities to be availed by VLEs in reduced rate (91%)<br>• More share to VLEs, those who involved in marketing various services (100%)<br>• Providing more freedom to VLEs while they are offering various products and services (100%) |

| 25 | In future will the VLEs continue with CSC business (Yes) | 100% |
|----|----------------------------------------------------------|------|
| 26 | VLEs are earning more respect as they are involved in CSC business (Yes) | 100% |

(SOURCE: PRIMARY DATA)

## IV. ANALYSIS OF DATA

Based on the survey findings present in Table-II, here are some analysis which shows the challenges of Village Level entrepreneurs (VLEs) to operate the common service centers (CSCs).

A. *Gender of VLE:* As per the data available in table-2 serial no 1, around 89% of VLEs under survey are male, and remaining 11 % are female. As CSC business is a citizen centric business and every time citizens are around the CSC to get their work done, most of the time female are not coming forward to be involved in this kind of business. But female citizens are more comfortable to be at CSCs when the VLE or any staff member is female. So the district administration and other authorities must encourage women entrepreneurs to come forward and participate in CSC business.

B. *No of dependents on VLEs income:* The data in table-2 serial no 2 shows that, most of the VLEs are having 2 or 3 dependants in the family, who depends on the income of the VLE. 83% of the VLEs are having either 2 or 3 dependents on the sole income of the VLE, which is really a major concern. That if the CSC business will not generate enough revenue then sustainability of the family is at stake. So during our research we are focusing more on services, which can generate more income and the same we can recommend to various authorities.

C. *Highest qualifications of VLEs:* According to the data available in serial no 3 of table no 2 most of the VLEs are educated. Almost 73% of VLEs are graduates and 11% of VLEs are post graduate and rests are 12$^{th}$ pass. This is one good sign that the business of CSCs are in the hands of educated people and hence they can provide better services to the citizens. But the

challenge here is for the Rayagada district, where the male literacy rate is 61.04% and female literacy rate is 39.19% and average is 49.76 %.( Census 2011) (www.rayagada.nic.in).

D. *Prior Computer Knowledge:* Computer knowledge is essential for all VLEs, though it is not mandatory to become one VLE. The operational training is given by SCA to all the VLEs before they start operation. But the data as per serial no-4 of table no 2, shows that 65% of VLEs are already computer literate, which is a good sign for this kind of business. It is also seen that those who are computer literate can earn more even by providing additional services. So the real challenge is to bring more and more computer literate in to the business.

E. *VLE before setting up the CSC:* As per the data available in table -2 serial no – 5 most of the VLEs were doing some work before opening CSCs. Only 9% of VLEs were unemployed, 6 % were self employed, 36% were in temporary or contractual job, and 42% were in some business and added or shifted to CSC business. And 7% were house wife before joining this CSC business. So the challenge here is to motivate more and more house wives to join the business with reference to point A of our data analysis.

F. *CSC as the Primary Business of the VLE:* When asked the question to VLEs that whether this is your primary business or not? we got around 91% VLEs said yes. Most of the VLEs have taken the business of CSC, very seriously. Only 9% VLEs are having other major business and they have considered the CSC business as secondary business. Therefore the challenge

here is to involve more VLEs who can consider the CSC business as primary business and hence work with full dedication.

G. ***The CSC Premise Owned by:*** As per data available in table 2, serial no 7, out of 55 VLEs under survey 85% of VLEs have started the business with rented house where as 15 % have their own house/property. It is observed that those who are doing their CSC business in their own house they also have some other additional business along with CSC. Also the VLEs face difficulties to shift the business premise frequently when started in rented house. So the challenge is how can the VLEs be allotted a government owned house or plot so that the business can run smoothly.

H. ***No of counters in CSC:*** Table-2 serial no 8 shows 95% of CSCs under survey are having only 1 counter, 3.63% CSCs have 2 counters and 1.8% has 3 counters. It is observed that the more is the number of counters more is the business opportunities. So the challenge is how to provide more computers and other accessories to the VLEs so as to increase the business.

I. ***Citizens are allowed to do their work of their own:*** Based on the data available in the table 2, serial no 9, only 5.45% of VLEs are allowing citizens to use the system of their own to do different activities, and the owners of this kind of CSCs said they got more business in comparison to other CSCs as they allow citizens to access the computers. Whereas some other VLEs said most of the customers do not know how to use the system and hence they do not allow the customers. This finding has the challenges on both the VLEs and citizens too.

J. ***Number of revenue villages covered by CSC:*** As per the CSC regulations every CSC must cover 6 revenue villages to provide services. Out of total 55 CSCs under survey 3.63% CSCs are covering only 4 villages and 14.54% CSCs cover only 5 villages and rest of the VLEs (82%) are covering either 6 or more villages. So

the real challenge here is to motivate more VLEs to open CSCs.

K. ***Investments made to setup the CSC:*** To setup one CSC a minimum investment is 100,000 rupees but as per the data collected from the survey as per table – 2, serial no 11, more than 48 CSCs or 87.27% VLEs have spend more than 100,000 rupees to setup the CSCs. Those who have converted their existing data processing centers had spend less for the setup as they were having computers, printers and other equipments. So the challenge is to provide more subsidy or assistance to the VLEs by government, the service center agency(SCA) or the state designated agencies (SDAs).

L. ***VLEs average income (monthly) before CSC business:*** The average monthly income is ranging from 3000 to 10000. Out of 55 VLEs in survey 49% are having the average earning of 7000 rupees per month. 34.54 % of VLEs have 5000 rupees as average monthly income. Whereas, only 12.72% of VLEs are having the monthly income of rupees 3000. To increase the average monthly income of the VLEs is a challenge which can be looked upon.

M. ***The total capital for the business:*** The total capital for the business is arranged mostly from the extension of existing business. 45.5% of the VLEs have arranged the capital from their existing business. 41.81% has setup their business by taking loans from banks. 10.9% of VLEs started the business from their own savings. Those who have started the CSCs with bank loan the challenge for them is repaying the loan along with their livelihood.

N. ***Average monthly income of the VLE from CSC operations:*** The average income of VLEs is different, but 49% of VLEs have average monthly income between 15000 to 20000 rupees. 32.72 % of VLEs have a monthly income as 20000 to 25000 and 12.72 % has an income between 10000 and 15000 rupees. Now the challenge is to find out some means by

which the average income of each class of VLEs should increase.

O. ***The average number of transactions per day:*** AS we can find the data in table 2 , the total no of VLEs whose transaction is between 20 to 40 is 50 and the percentage is 91%. So the challenge here is to increase the number of transactions and hence increase the income of VLEs.

P. ***Standard time taken by the SCA to solve the problems at CSCs:*** As per data available in table no 2, serial no 17, the SCA normally takes 3 to 6 days to fix the problem which is the view of 87% of the VLEs. Our study will focus and suggest some measures to reduce the time of fixing the problem.

Q. ***How many times the VLE visit SCA:*** At times the VLEs are visiting the SCA for different reasons and the data in the table-2 and serial no 18 shows only 33% of VLEs are visiting the SCA occasionally and 67% are visiting only when there is a problem. The challenge here is to develop a mechanism so that the visit of VLEs to SCA and vice versa should be more frequent and hence the problem fixing time should be reduced.

R. ***SCA providing promotional materials to VLE****:* All the VLEs are agreed that the SCA provides promotional materials from time to time to the VLEs. But the challenge is to increase the visibility of promotional materials to the citizens.

S. ***The SCA organizes campaigns to promote awareness about the CSCs:*** 100% VLEs are agreed that the SCA is conducting promotional campaigns at different occasions to popularize and promote the CSC activities. But still the popularity of CSCs is not encouraging which a major challenge is for the SCAs and VLEs as well.

T. ***Important reasons behind the "poor usage" of services rendered by VLEs at CSCs:*** Even though there are many promotional activities are carried out by government agencies, SCA etc. still the citizens are not using the CSCs for all their e-governance activities. As per the data shown in the table no – 2 and serial no 21 there are four main reasons of poor performances shown by CSCs. This is one of the most important challenges needs to be addressed.
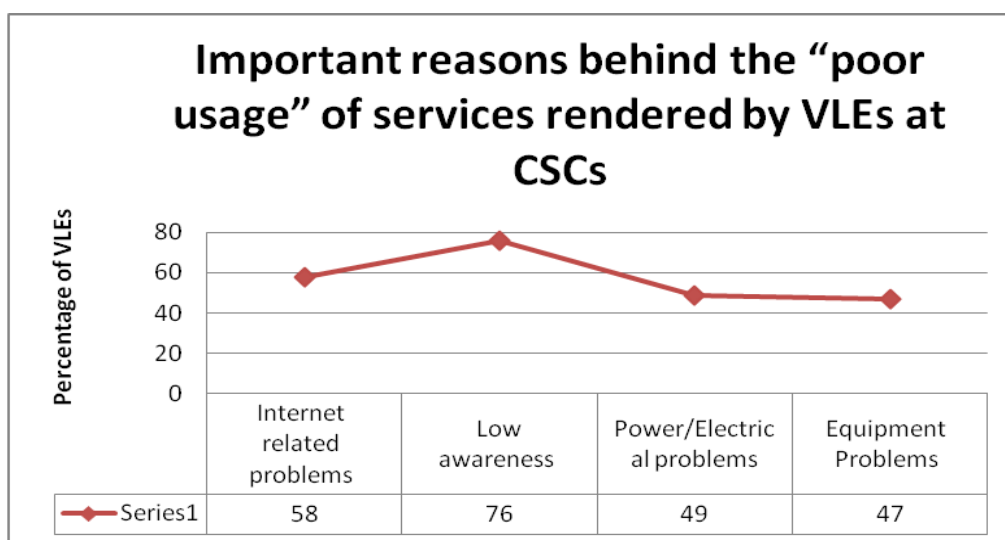


Figure1.    Reasons behind the "poor usage" of services rendered by VLEs at CSCs

The graph in figure-1 shows the main reason for poor usage is low awareness about the CSC and services provided by them to citizens. Further the graph shows that internet related problem in this

tribal district is another reason of poor usage of CSC services. In addition to the above problem power and electricity related problems and other equipments problems are also matter of concern.

U. ***From VLEs point of view, what are the services must be included for the better viability, along with the existing services provided by the CSCs:*** As it is shown in the figure -2 various services to be included by government agencies for better viability of CSCs. During the survey 100% VLEs have suggested the services related to revenue, registration of land record, agricultural services UIDAI services, financial and insurance services etc. to be included in the existing services list so that the CSC can be viable.
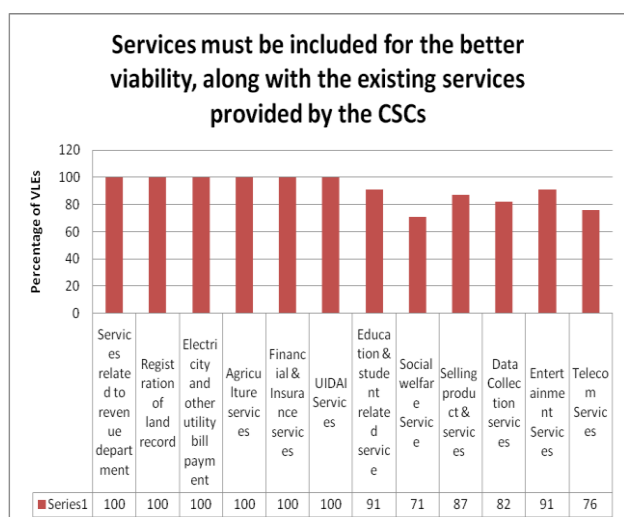


Figure 2. Services must be included for the better viability of the CSCs

(Source: Primary data)

V. ***Whether CSC will pick up in future:*** The answer to this question is yes by 100% VLEs, which is a good sign. Though we find many challenges of VLEs to operate the CSCs, still people are motivated and expecting the government agencies must work on the suggestions provided by the VLEs.

W. ***To make the CSCs more viable some other factors are to be considered by various stakeholders:*** Figure -3 shows various factors

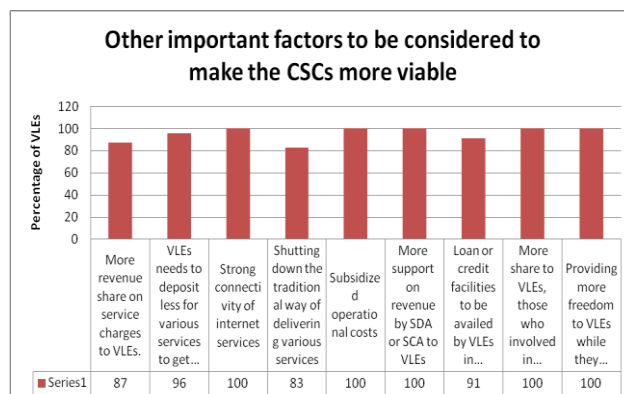which can be taken care so that better viability of CSCs will be there.



Figure 3. other important factors to be considered to make the CSCs more viable

(Source: Primary data)

X. ***Will the CSC business adopted more by VLEs in future:*** When the above question asked to the VLEs during the survey each and every VLE said that yes, they wish to be in the CSC business. As day by day the CSCs are getting popular for providing all necessary services to the citizens at the door step in affordable cost, many new entrepreneurs are also interested to be part of the CSC chain and enjoy the benefits.

*VLEs are earning more respect as they are involved in CSC business: Yes, is the* answer of all the VLEs. As per the data available in table-2 and serial 26 it can be seen that all the (100%) VLEs are proud, and they believe that they have started earning respect in all their family and friend circles too. But at the same time they also mentioned that, the challenged faced by them need to be addressed and resolved by various stakeholders.

## V. CONCLUSION

CSCs are the one stop solution for providing various government services in rural India through government supported kiosks and are driven by educated rural entrepreneurs called as VLEs. The above data analysis (from A to Y of section IV) shows various facts regarding the day to day

challenges faced by the CSC owners and it also highlights some positive aspects of the CSC business. This analysis is basically conducted based on certain parameters and the findings from the survey results. Many VLEs are happy with this kind of business setup as their earnings and social status has increased in their locality, but a large number of VLEs are unhappy as they are facing many difficulties to run the CSCs in a profitable manner. So in our final report we will be suggesting some measures to overcome the difficulties and challenges faced by the VLEs to make the CSC as viable and profitable one.

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## AUTHORS PROFILE

**First Author**: Mr. Amiya Kumar Sahoo is a research scholar at Centurion University of Technology & Management (CUTM), Bhubaneswar, Odisha and currently working as Associate Professor at GIET University, Gunupur, Odisha, in School of Engineering (Computer Science & Engineering Department.). Seven research papers were published on e-Governance, during the PhD work in various journal of repute in international journals of repute. Attended and presented many papers in International conferences. Is a life member of Computer Society of India (CSI) , Indian Society of Technical Education (ISTE) and life member of All India Oracle Users Group(AIOUG). The author can be contacted through mail amiyasahoo@giet.edu

**Second Author:** Dr. Anita Patra, working as Registrar of Centurion University of Technology and Management (CUTM). Prior to this she was working as Dean at CUTM and Dean at Jagannath Institute of Technology and management. She has completed her Post Graduation and Doctorate from Berhampur University, Odisha. She has published many research papers in various international reputed journals. Guided many Post Graduate students to submit their thesis and she also produced many doctorates under her guidance. She can be connected through anita@cutm.ac.in

**Third Author:** Dr. Dasarathi Sahu, currently working as Head of the Department (HoD), in the department of Business Administration, Utkal University, Odisha. He has completed his Master degree in Computer Application and also in Business Administration. He has completed his PhD from Berhampur University. He has guided many PG, MPhil and PhD students to complete their degrees. He has presented many research papers in various conferences. He also published more than 30 research papers in various international journals. He can be connected through d_sahu2000@yahoo.com