E-Governance and Corruption in the States
Can Technology Serve the Aam Aadmi?

Jennifer Bussell

A comparative evaluation of one-stop, computerised citizen service centres in various Indian states has been carried out in this paper to assess their efficacy. It is found that the outcomes of policies related to e-governance in India are not correlated to conventional variables such as economic development. Instead the extent to which political parties in power expect such policies to affect their current and future electoral statuses affects implementation.

The potential to use information and communication technologies to improve public service delivery has been a key topic of policy interest in both the Indian states and the centre over the last decade. The central government’s National e-Governance Plan (NeGP), established in 2006, set out an impressive agenda for developing e-Government services, networking infrastructure, state data centres, and village-level centres for delivering core services to citizens (Government of India 2006a). This programme built on earlier efforts by a wide range of states to offer computerised services such as ration cards, income certificates, building licences, land records, and income tax payments. From eSeva in Andhra Pradesh, Nemmadi in Karnataka, and Friends in Kerala to e-Mitra in Rajasthan, Civic Centres in Gujarat, and Sugam in Himachal Pradesh, state governments have been leaders in computerised service centres.

Yet, as the central and state governments continue to implement the NeGP across the country, we have only a minimal understanding of how states approached the problem of computerised service delivery in the years leading up to the national plan, what types of services were made available to citizens, what obstacles were faced by politicians and bureaucrats in the implementation of these initiatives, and the extent to which these programmes are likely to benefit citizens. Analysts have evaluated individual computerisation initiatives (see, inter alia, Ahuja and Singh 2006; Bhatnagar and Singh 2009; Caseley 2004; Kuriyan and Ray 2009), but no comprehensive comparison of state activities has evaluated computerisation policy outcomes. Did all states implement computerised service centres in a similar manner? Did all states deliver similar types of services to their citizens through these centres? If not, what explains the variation in state government choices over e-Government programmes?

This article addresses these questions on the basis of a comprehensive study of state e-Government initiatives during the period 1999-2009. In particular, I evaluate state efforts to introduce one-stop service centres, similar to the common service centres promoted in the NeGP. This analysis offers two important findings. First, while nearly all major Indian states implemented some type of computerised service centre programme during this period, the programmes themselves differed significantly in terms of the number and type of services made available to citizens (Figure 1, p 78). This substantial diversity in strategies taken by state governments highlights the dramatic ways in which the potential benefits of reformed service
delivery are limited to those citizens in only a few states and only certain populations within the states.

Second, this variation in policy design and implementation cannot be explained based on variations in economic or social conditions, levels of pre-existing technology infrastructure, or the electoral conditions in a given state. Instead, in order to explain policy outcomes, it is necessary to understand the expected effect of these policies on the economic resources of incumbent politicians and in particular politicians’ expectations about the threat of more transparent service delivery to established sources of corrupt income. While there was considerable initial enthusiasm to use new technologies, the actual benefits offered to citizens are constrained in many cases by persistent efforts to retain access to a rich source of corruption: the bribes citizens pay to get the services they are promised by the state.\(^2\)

**Understanding Variations**

Erstwhile Chief Minister Chandrababu Naidu in Andhra Pradesh gained significant media attention for his efforts to computerise government services – everything from electricity bills and property tax payments to caste and income certificates – and to offer them in one location. The potential improvements to the quality of service delivery seemed vast, and chief ministers from across the country sent officials to learn about the “eSeva” model.\(^4\) Because citizens have often faced difficult circumstances when attempting to access public services, it is not surprising that many state leaders saw this as an opportunity to increase their standing in the eyes of citizens by improving service delivery.\(^5\)

But if politicians hope to use higher quality, technology-enabled services to improve their chances of re-election, then why did state governments differ so dramatically in their introduction of service centres? One answer might be that poorer states did not have the economic resources to purchase technology to automate processes and establish service centres. However, the cost of opening a single centre is relatively low (Toyama et al 2004) and the cost of basic software and technology infrastructure has decreased over the last 15 years. A service centre programme was within the economic reach of all states during this period and, as shown below, economic conditions are not correlated with any major characteristics of state policies.

Alternatively, general political conditions might influence the likelihood that politicians would want to invest in a programme to improve service delivery. Those politicians who face the greatest electoral threat from their opponents might be more enthusiastic about introducing a new type of public good, in the form of improved service delivery, to increase their chances of retaining power. However, because politicians in nearly every Indian state face the threat of anti-incumbency bias (Uppal 2009), the pressure to perform is in important ways consistent across all states. As a result, it seems instead that all politicians would have an interest in improving services, and it is less probable that small electoral differences had a strong effect on the character of reform. Other characteristics of electoral competition such as the characteristics of political constituencies and vote blocs may instead play an important role in the implementation of policies, which are considered below.

Contrary to these arguments, it is posited that the primary cause of diverse computerised service centre policies is variation in the extent to which incumbent politicians expect these centres to affect their economic resources. As in other contexts, politicians weigh the expected costs and benefits of improving public services. Yet, the costs to Indian politicians of digitising public service delivery arise because new technologies can streamlines government processes, and so can also limit the ability of officials to generate and appropriate bribes from inefficiencies in service delivery. Where bribes are available in public service delivery – for example, when citizens find it necessary to pay “speed money” to access services – politicians are less likely to be supportive of policies to increase transparency in administration.

In the Indian political system, politicians have multiple possible sources of corrupt income, including bribes paid by citizens for services, kickbacks on contracts with the private sector, and funds skimmed from official state development programmes (Bardhan 2005; Davis 2004; Frankel 2005; Jenkins 2006; Oldenburg 1987; Wade 1985). While recent media attention has focused on major cases of grand corruption, such as in the Commonwealth Games (NDTV 2010a), the Maharashtra housing scandal (Financial Express 2010), illegal export of mineral resources in Karnataka (Pandey 2010), and 2G spectrum licensing (NDTV 2010b), it is corruption in the day-to-day activities of the state in interaction with the public that amounts to a Rs 21,000 crore (Transparency International India and CMS 2005) market in petty corruption that directly affects Indian citizens.

Whether the source of corrupt income is corporate kickbacks or bribes from individuals, politicians do not extract rents through the machinery of the state solely for personal pecuniary gain, but often to enhance their hold on political power (Frankel 2005; Iype 2004; Wade 1985). Access to bribes can...
serve as an important electoral resource for incumbents. Because there is no explicit funding mechanism for Indian state assembly elections, candidates often fund their campaigns without guaranteed support from the party (Wade 1985). While the Election Commission of India (ECI) limits candidate expenditure in state elections (ECI 2007), spending by political parties and supporters of candidates is not limited, thereby creating a loophole that indirectly allows for higher spending by the candidate, who can attribute expenditures above the limit to the party or friends (Lyte 2004). As one former candidate for a Lok Sabha seat in Kanpur noted, “I spent within the limit of Rs 1.5 lakh. But my friends and party put in Rs 20-25 lakh” (Jayant Malhoutra, as quoted in Rekhi and Shekhar 1996).

The potential for somewhat unlimited financial support has pushed up campaign spending. For example, in Karnataka’s 2008 assembly elections, one successful candidate stated that, “the quantum of money being used in elections has been increasing despite the restrictions. The ECI can’t contain it” (Kumar, as quoted in Sharma 2008). Analysts estimate that approximately Rs 4,000 crore was spent across Karnataka’s 224 constituencies (Sharma 2008). This increasing economic demand of campaigns places pressure on politicians to find lucrative sources of funding.

While politicians may not take bribes directly from citizens in order to accumulate resources, they can place pressure on bureaucrats to gain access to these funds. Because politicians control the movement of officials between positions within the bureaucracy, and because these postings are typically not regulated in a formal manner, the potential arises for manipulation of bureaucratic positions and appointments based not on policy requirements but on political connections (Bardhan 1997; Vithal 1997). A market for job postings can then emerge in which bureaucrats are incentivised to pay for job transfers, leading to an increased demand from politicians for illicit funds (de Zwart 1994; Wade 1985).

Where bureaucrats also have discretionary power over the provision of public services to citizens, as is often the case, bribes from citizens offer a source for acquiring the funds expected by politicians. Bureaucrats can channel a share of bribe income to politicians, either in hopes of a transfer or simply to satisfy a political boss’ demands (Bardhan 2005; Davis 2004; de Zwart 1994; Wade 1985). Politicians then have access to additional funds with which to finance future elections.

**Petty Corruption**

As a result of these institutional dynamics, if greater transparency from computerisation plausibly disrupts politicians’ established sources of bribes, then this is a threat to their ability to be re-elected. Politicians in areas with lower pre-existing levels of petty corruption should anticipate that reforms will only minimally affect their access to income, as the availability of bribes is low from the outset. However, where there are higher levels of petty corruption, the opposite is the case. Political incumbents who are more dependent on corruption to run their re-election campaigns will perceive improved service delivery as a threat to their illicit income. Thus, politicians in areas with high petty corruption are less likely than their peers in lower corruption regions to support the initial introduction of reforms.

While all Indian states display some petty corruption, levels differ quite dramatically across the states. Figure 2 shows a measure of petty corruption calculated based on a survey conducted by Transparency International India and the Centre for Media Studies in which a random sample of Indian citizens was asked about their experiences paying bribes in 11 government departments (Transparency International India and CMS 2005). This measure is based on an index of corruption in all departments. The survey found substantial variation in the level of petty corruption across the Indian states: bureaucrats typically demanded bribes from fewer than 20% of citizens in states such as Kerala and Gujarat, versus more than 50% of citizens in Uttar Pradesh or Rajasthan (ibid). As a result, if the level of petty corruption is linked to computerisation policy choices, we should be able to evaluate this relationship across the states.

**Figure 2: Petty Corruption in the States**

The same motivations are likely to shape many elements of policy implementation. Politicians accustomed to higher levels of petty corruption, if they do implement reforms, should be less willing to implement a wide range of technology-enabled public services, so as to minimise the overall threat to incoming bribes. In particular, leaders should resist inclusion in computerised service centres of those services that offer the greatest potential for bribes, either due to their high demand by citizens, their typical value in terms of bribes, or both. These politicians are also more likely than their peers to resist the comprehensive automation of the service-delivery process, so as to retain non-computerised steps of service delivery that may offer opportunities for extraction of bribes.

The demand for economic resources can be magnified in states led by a coalition government. In single-party systems, party leaders, in particular the chief minister, can implement reforms according to expectations about the overall costs and benefits of reform to the ruling party. In coalition-led states,
however, the formation of the coalition may be based on expectations about ministerial posts for party members and the opportunities for bribe-taking associated with those posts. Any threat to the expected economic resources of participating in a coalition will change the incentives of coalition partners to participate in government. When coalition members have enough seats to destabilise the coalition, they can use this power to resist policy directives, by threatening defection from the coalition, and so can influence policy outcomes.

With these potential cost considerations in mind, politicians are also likely to attempt to maximise the electoral benefits of reform by targeting improvements in service delivery to their preferred constituents. Administrative reform in this context does not merely provide a “public good” enjoyed by all citizens; instead, the benefits of digitisation can be highly targeted. By making available services that will benefit particular groups – such as building licences for business elites or welfare benefits for those below the poverty line – policymakers can increase the chances that factions needed for their political survival are the beneficiaries of computerised centres. At the same time, politicians must balance their efforts to provide targeted goods with their desire to minimise the threat to existing rents, resulting in a trade-off between those services with the highest potential for acquiring bribes and those offering the greatest potential benefit to key constituents. As shown below, these political considerations strongly shape the particular services that are selected for inclusion in one-stop, computerised service centres.

**Analysing Policy Outcomes**

The effects of threats to corrupt rents from improvements in service delivery become evident in an analysis of policy characteristics. Of the 20 major Indian states,6 16 states implemented computerised service centres of some type during the period 1999-2006. However, politicians in those states with higher levels of petty corruption7 were more likely to delay the implementation of these policies, or not implement them at all, than leaders of less corrupt states (Bussell 2010). States led by coalition governments also implemented service centre policies later than their single-party-lead peers, all else equal. Other characteristics, such as state domestic product per capita, pre-existing technology infrastructure, and electoral competition, showed no strong relationships with the timing of policy implementation (ibid).

The implementation of policies can tell us even more about the quality of reforms. An initial measure of implementation quality is the number of services made available in state service delivery. For example, some states with service centres provide only a few services, implying that citizens must still go to myriad government offices to acquire any other public services. Generally speaking, when governments make more services available in one-stop centres, the benefits to a wide range of citizens should increase.

Here we see that those states with higher levels of corruption tend to make fewer services available to citizens in computerised service centres (Bussell 2010). In contrast, measures of alternative explanations, such as state domestic product per capita and months since implementation, do not display statistically significant relationships with the quantity of services made available.

Perhaps more important than the number of services made available is the type of services offered by state governments in computerised centres. If politicians in higher corruption states are concerned with the threat of computerised service delivery to bribe-taking, then we would expect those services with high potential for corruption not to be included in computerised centres.

This is indeed the case, both for services that have the potential to deliver a high magnitude of income from bribes, based on the demand for the services and the average bribe paid (“high corruption potential” services), and for those services with high frequency of bribe payments (“high bribe” services). In a regression of high corruption potential services on the state level of corruption, using a Poisson model to account for the fact that the dependent variable is a count variable, I find a strong and statistically significant relationship. A move from below-average corruption states to above-average corruption states reduces the likelihood of providing a service with high corruption potential.

### Table 1: Provision of High Corruption Potential Services

<table>
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<tr>
<th>Model</th>
<th>Provision of High Corruption Potential Services</th>
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| Model 1 | Above average corruption: 38*** (p < .001)  
| Model 2 | 38*** (p < .001)  
| Model 3 | 36*** (p < .001)  
| Model 4 | 37*** (p < .001)  
| Model 5 | 34*** (p < .001)  
| Model 6 | 38*** (p < .001)  
| Model 7 | 29*** (p < .001)  

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<tr>
<th>Model 1</th>
<th>Provision of High Bribe Services</th>
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| Model 2 | Above average corruption: 37*** (p < .001)  
| Model 3 | 36*** (p < .001)  
| Model 4 | 37*** (p < .001)  
| Model 5 | 34*** (p < .001)  
| Model 6 | 38*** (p < .001)  
| Model 7 | 31*** (p < .001)  

*p < .05  **p < .01  *** p < .001.

Sources: Election Commission of India, Reserve Bank of India, Indian 2001 Human Development Report, Banerjee and Iyer (2005), and author’s calculations.

*p Poisson models with incidence rate ratios reported and z-statistic in parentheses.
potential for corruption by 62%. These findings hold in multivariate models, in which no measures of alternative explanations showed statistically significant relationships with high corruption potential services (Table 1, p 80). Among those high bribe services for which more than 25% of the population surveyed reported paying a bribe (Transparency International India and cms 2005), the level of corruption is also strongly related to the likelihood of provision. Above-average corruption states are 63% less likely to provide a high-bribe service than their lower corruption peers. These findings hold in multivariate models testing for the effects of alternative explanations (Table 2, p 80).

**Figure 3: Percentage of Services in Centres Targeted to Different Socio-economic Groups in the Indian States**

![Figure 3](image)

Services also provide differing benefits to citizens across socio-economic categories. For example, ration cards and welfare schemes are more likely to benefit poorer citizens, while wealthier individuals are likely to utilise passport applications or business licences. Policy choices over whether or not to offer specific services in computerised centres will affect the benefits for any given individual. Figure 3 shows the percentage of available services in each state targeting different socio-economic groups and highlights the diversity of service provision.

**Table 3: State Cases**

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<tr>
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<th>Lower Petty Corruption</th>
<th>Higher Petty Corruption</th>
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<tbody>
<tr>
<td>Single party government</td>
<td>Chhattisgarh</td>
<td>Tamil Nadu</td>
</tr>
<tr>
<td>Coalition government</td>
<td>Kerala</td>
<td>Uttar Pradesh</td>
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These cross-state analyses provide a general picture of the primary relationship between pre-existing petty corruption and the nature of service reforms, as well as the secondary effects of electoral incentives to target service provision. However, these dynamics, and in particular the effects of coalition government, are best illustrated through evaluations of individual states. Here I consider four states representing variation in levels of corruption and the character of the ruling government. In doing so, I am able to provide insights into the effects of both petty corruption and coalitions on the emergence and implementation of computerised service centres, as well as the ways in which ruling government support bases play an important role in choices over service provision.

**Chhattisgarh**

Despite the diverse set of issues facing Chhattisgarh, including below average income per capita and the Naxalite movement, the state implemented one of the most comprehensive service centre reforms in India. During the initial Congress government, the information technology (rr) secretary, Sunil Kumar, and another rr department official, Amit Aggarwal, proposed opening citizen service centres for acquiring government certificates, similar to eSeva in Andhra Pradesh. The goal of the project was to reduce the burden on citizens of accessing services, because, as one bureaucrat put it, “people had to go to lots of different offices and pay lots of bribes in order to get their services from government”.10 The initial system put in place, called Chhattisgarh online information for citizen empowerment (Choice), was a relatively simple automation of existing service delivery processes that provided services in a one-stop shop.

Shortly after implementation, however, the Bharatiya Janata Party (bjp) took power in the state and Raman Singh was chosen to be chief minister. It was unclear whether Singh would continue to support the Choice centre initiative. The chief minister set out a strategic agenda of good governance for the state and according to people associated with service reforms, Singh saw the use of rr to reform service delivery as a key component of delivering governance reforms to citizens.11 Despite the fact that, “when the second state government came in they had apprehensions regarding continuing a project that had been started by the previous government” (ibid), Singh did not close down the Choice centres. Instead, he became a supporter of computerisation. When asked explicitly if the chief minister believed that the overall electoral benefits were greater than any potential electoral costs from transparency in service delivery, a top official in the information technology department replied, yes, the chief minister sees the benefits as greater than the costs... [because] the cm...is focused on good governance, on accountability, transparency, and responsiveness...he does not even question the political costs (ibid).

This support from the chief minister contributed to the state’s ability to offer more services in its Choice centres than nearly any other state. This includes high corruption potential and high bribe services such as ration cards and land records. The state also utilises private entrepreneurs to run Choice centres, a decision state representatives say is partially based on a desire to further reduce corruption in the state. As one official noted, this does not mean that citizens should not be able to access their government, but rather that they should not have to interface with a government officer for every service. This can only help with reducing corruption.

The cm is very clear on this, which sends a message to everyone (ibid).

At the same time, citizen service centres provided the ruling government with an opportunity to improve services for specific portions of the population. In contrast with the services made available under the Congress government, which reflected a strong preference for poorer constituencies, such as caste and income certificates, the services made available by
the BJP reflect quite different strategic priorities. In particular, the BJP shaped computerised service delivery to target its own core constituencies. Of the additional services made available, 42% benefit middle and upper class income groups (including building plan approval, passport applications, and driving licences) while only 16% target lower classes (including ration cards and information on government schemes) and 18% benefit all groups (e.g., electoral role status).

The BJP government also focused on urban areas of the state, where it has strong support. During the period of study, Choice centres had been opened in only six of the state’s 26 districts, those with urban municipalities. While the state is now implementing the national government’s common service centre programme in rural areas, and so should eventually have government service centres in all parts of the state, there was no plan for rural centres prior to the initiation of the national government initiative.

Overall, Chhattisgarh’s technology-enabled service reforms are some of the most robust in India. The programme is limited by its presence only in urban areas, but the high quantity of services made available reflects the strategic preferences of a chief minister with minimal need to maintain corrupt income from petty corruption and an electoral strategy that is aligned with the general goals of service reform. At the same time, the selection of specific services to be included in service centres also highlights the opportunity that these reforms offer ruling politicians to direct the benefits of computerisation to their preferred constituents.

Tamil Nadu

Now consider an above-average corruption state, Tamil Nadu, which was also ruled during this period by single party governments. The first service centre initiative in the state, the Sustainable Access in Rural India (SARI) programme, was launched in 2001 by a coalition of private actors and eventually implemented 51 “kiosks” in the Melur taluk of Madurai district (Srinivasan 2005). These centres provided both basic government documents, such as birth certificates, as well as computer education, email, and other private services.

In 2002, the state government, ruled at the time by the All India Dravida Munnetra Kazhagam (AIADMK), decided to expand the initiative as an element of state policy. In doing so, the government also changed the name to Rural Access to Services in India (RASI), which some observers felt was intended to ensure that the current government received credit for the project. Centres were planned for all areas of the state and by 2006 more than 2,000 had been implemented.

The allocation of centres in the state, however, reflects the specific preferences of the ruling party. While results of elections during the period show that the AIADMK and its main opposition the Dravida Munnetra Kazhagam (DMK) had generally consistent support across economic groups (Prasad et al 2004), votes for the parties were divided across geographic regions with the AIADMK typically doing better in rural areas (Thirunavukkarasu 2001). The AIADMK’s RASI programme provided services that were focused on the needs of rural citizens, with many non-governmental services such as telemedicine and veterinary advice provided at the centres. No similar initiative was launched in urban areas and it seems clear that the ruling party politicians used this technology-enabled service centre initiative to appeal to their rural base.

The number of centres introduced in Tamil Nadu also belies the relevance of RASI to citizens. While many citizens may have found a RASI centre near to where they lived, very few government services were available in the centres. Only some information on government schemes, in addition to bill payments and basic certificates, was provided.

This failure to offer comprehensive government services through the RASI centres is somewhat surprising, given analyses in recent years that highlight Tamil Nadu as a technologically advanced state (Government of India 2006b). In contrast, a representative of the state information technology department posited that RASI had “failed” because the state had not been ready at the time to provide technology-enabled services.

One explanation for the discrepancy between the views of analysts and state officials is that while the state has implemented a number of e-Governance initiatives across multiple departments, these projects have rarely been fully completed or maintained. Computerisation of some services, such as land records, was initiated, but these projects were rarely followed through to full computerisation, making it difficult to offer the services in RASI centres. Politicians seem to have made no effort to pressure departments to include their services in service centres, even in those cases where initial computerisation of government processes was already initiated. Politicians may have promoted technology initiatives to the public and analysts, but they felt little need to risk any possible income flows through comprehensive reforms.

There is evidence for this same trend in the RASI centres themselves. An assessment in early 2008 found that the majority of the centres had stopped operating. While the public had responded positively to the centres, state representatives did not provide the necessary support to ensure their success. “The setting up of RASI Centres...virtually eliminated harassment and corruption in government offices as it avoided the people-staff interface” (Manikandan 2008). As a result, “the e-Governance project became a hit among people, much to the annoyance of government staff, elected representatives and political bigwigs” (ibid). Government officials failed to support continued operation of the centres, leading to a reduced number of applications from citizens, forcing most centres to shut down.

Overall, the introduction of computerised service centres in Tamil Nadu failed to live up to the expectations of both analysts and citizens in terms of improving service delivery through computerised, village-level access points. Despite the government’s perceived interest in utilising information technology to improve service delivery, the largely failed implementation of initiatives highlights underlying interests in support of the status quo.

Kerala

Kerala has received much positive media attention as a result of its initiatives in the areas of RR and governance, but the effects of the state’s one-stop centre initiatives on the quality of
public service provision to citizens are minimal. The services offered in Kerala’s two main service centre initiatives, FRIENDS (Fast, Reliable, Instant, Efficient, Network for Disbursement of Services) and Akshaya, pale in comparison to their counterparts in many other states. Through FRIENDS centres, only 10 government services have been offered, and just three were available in Akshaya centres.

The limited introduction of computerised services in Kerala is initially surprising, given low levels of petty corruption relative to other states. However, the explanation for Kerala’s policy outcomes lies in the relationship between corruption and the dynamics of coalition politics. Kerala’s government is renowned for the persistence of a bi-polar coalition party system (Heller 2000; Kumar 2004; Nirmala 2006). Between 1996 and 2001, the Left Democratic Front (LDF), led by the Communist Party of India (Marxist) (CPI(M)), controlled the Kerala state assembly. This government’s eventual emphasis on IT was unexpected. During the mid-1990s, leftist parties in the state opposed computerisation of the bureaucracy, expecting it would lead to job losses in the state (Mathew 1998). However, in 1998 the government introduced its first IT policy, which included an e-Governance mandate, “to identify the government departments that have a high level of public interface and to introduce Information Technology to ensure effective delivery of citizen services” (Madon and Kiran 2002: 2). Not only did the LDF want to promote the growth of an IT sector in the state, it also wanted to ensure that these technologies were used in ways that benefited the “masses”.

The Kerala State Information Technology Mission (IT Mission) was tasked with implementing government technology programmes. The first major services initiative was FRIENDS, a set of computerised centres implemented in district headquarters during 2000-01. These were “single window” service centres where “citizens have the opportunity to pay all taxes and other dues to the Government under one roof at no extra cost” (Kerala State IT Mission 2009). Thus, like most service centre reforms, FRIENDS centres were intended to reduce the time and cost to citizens of interacting with multiple different government departments.

The potential electoral benefits of this improved service delivery seemed obvious to politicians. As one analysis notes, “The project was launched at Thiruvananthpuram [the capital of Kerala] in 2000, in a rather hasty manner, just before the Assembly Elections” (APDIP 2003). Then, when the LDF government lost control of the assembly in those elections, the incoming United Democratic Front (UDF) coalition, led by the Indian National Congress, further implemented the initiative in other district headquarters.

Political support for the FRIENDS centres, however, had its limits, as is clear when we consider the services made available. First, despite Kerala’s relatively low level of petty corruption, FRIENDS emphasises bill payments, which typically involve the lowest levels of corruption.20 Even where payments can be made for certain types of certificates, citizens at least initially had to go to the relevant department to pick up the certificate (Sreekumar 2002). Second, the selection of specific services reflects coalition dynamics within both the LDF government and its successor UDF government. As one analyst argues, the difficulty associated with negotiations between departments over provision of services through service centres “was particularly evident in Kerala, which is ruled by a coalition government, with different political parties in charge of different departments” (Kiran 2002).

The importance of coalition politics implies that the allocation of ministerial posts should be related to the selection of services provided in technology-enabled centres. The CPI(M) led the LDF coalition with its partner the Communist Party of India (CPI) holding the next largest number of seats in the state assembly. The coalition in total held 76 seats, five more than the necessary majority of 71. When FRIENDS was launched, the centres offered six main services, bill payments for electricity, telephone, water, property tax, driving licences, and vehicle registration. Of these services, two of the responsible departments were overseen by supporting coalition members, the water department and transport, held by the Revolutionary Socialist Party (RSP) and an independent member of the legislature, respectively. However, because the RSP held only five assembly seats and the independent held only one, neither minister had the power to bring down the coalition government on their own: even defection by all five RSP legislators would leave the coalition with sufficient seats to maintain its majority. The remaining services were delivered by departments overseen by CPI(M) ministers. No services controlled by the CPI – the only party with enough assembly seats to threaten coalition stability – were made available. This is despite the fact that the CPI controlled 15 services that have been offered in other states.

During this same period, a second major service centre initiative, Akshaya, was launched to provide more affordable access to information technologies in rural areas of the state, through the implementation of village level computer centres. The government’s primary agenda for Akshaya was “to achieve the twin goals of social development through access to computers in rural areas and financial viability through market-driven entrepreneurship” (Ministry of Information Technology 2005). e-Governance, or computerised services, was a secondary goal. In the first phase of the project, centres were to focus on providing “e-literacy” to at least one member of every household in the state while e-Governance was to be incorporated as a service offering in the second phase, which began more than a year after the first centres were opened.

Despite the fact that computerised services were not the primary goal, it was expected that this would be a core element of the initiative as it evolved. By 2008, however, Akshaya centres had virtually no public services in its network of more than 1,000 centres, and all of these were services available in FRIENDS. Many other services demanded by rural citizens remained unavailable, limiting the relevance of centres to citizen needs and reducing potential income for the Akshaya centre owners.

Key to understanding the implementation of the Akshaya initiative is the nature of the ruling coalition when it was launched. The UDF, led by Congress, was primarily supported
by the Muslim League with 16 seats and the Kerala Congress (M) with nine seats. The lack of public services in Akshaya centres is viably linked to the politics of this coalition in two ways. First, the important Kerala Congress (M) controlled both the revenue department and rural development, which together account for a large number of citizen-facing services, but none of these were provided through Akshaya.

Second, a number of services provided by FRIENDS were not provided in the Akshaya centres, such as payments for water bills, property taxes, driver's licences, and vehicle registration. Other coalition parties controlled the departments overseeing these services, with the Kerala Congress (Jacob) and the Kerala Congress (B) overseeing water and transport, respectively, while Kerala Congress (M) oversaw revenue, which controls property taxes. Even though the basic infrastructure was in place to extend these services through Akshaya outlets, this was not done under the Congress administration. Instead, citizens must either go to the district FRIENDS office or avail of these services through traditional department-based offices.

Coalition politics, then, played an important role in shaping technology-enabled service provision in Kerala. While the state can be seen as an innovator in service reforms, at least in terms of early service centre implementation relative to other states, the characteristics of the centres themselves reveal the power, and interest, of supporting coalition members to retain direct control over the services in their domain.

**Uttar Pradesh**

Uttar Pradesh provides a final case for evaluating the effects of both petty corruption and coalition politics on computerised service centres. During the period in which centres were initiated, the Samajwadi Party (SP) ruled the state in coalition government. This government supported the expansion of a district level rural service centre initiative and also launched computerised centres in urban areas. However, in both cases the number of services offered is highly limited and, particularly in the urban case, the implementation of services within centres led to limited benefits for citizens.

A district collector initiated the rural “Lokvani” project and was subsequently moved into the department of information technology in order to lead the extension of the initiative into other districts. The main goal of Lokvani was to offer an improved platform for citizens to submit grievances to the government. Additional services were those that were relatively easy to offer once the centres were online, such as information about schemes, which was already published online by relevant departments.24 The other services made available are those most commonly offered by the district collector, such as certificates. Additional services overseen by the rural development department, which was overseen by a minister from the supporting Congress Party, were not made available through Lokvani.

A second service centre initiative, e-Suvidha, was later launched to serve urban areas. In this case, it is difficult to evaluate the effects of coalition politics, because the SP retained control over nearly all of the departments providing services directly to citizens. Food and civil supplies was the only department overseeing a service frequently provided in service centres, ration cards, that a minister from the SP did not hold, and this service was not made available in e-Suvidha. The independent MLA holding this position was seen as a key supporter of the lead party but he also had a criminal record (he was released from prison on terrorism charges when the government came to power) and it is perhaps not surprising that the opportunity to increase government transparency in this department has not translated into any tangible results.

Within the SP itself, or its successor the Bahujan Samaj Party, there also seems to have been little interest in providing comprehensive computerised services in urban areas. The e-Suvidha initiative was initially met with great optimism, with one media report claiming that, “People can now look forward to a redefined concept of public service that obviates tediousness of long queues moving from one department to another to procure routine departmental information or pay public utility bills” (“Now, e-Suvidha to Redefine Public Service”, *Times of India*, 11 November 2005), but this was not to be.

Only a short time after the urban centres were launched, reports began to emerge about poor quality service delivery. Citizens still have to jostle for space to pay their bills, apart from having to undergo an endless wait while in queue. And more often than not, some arrive at the centres only to find out that some of the facilities are not available, as claimed otherwise by the government (“E-Suvidha: Residents Resent Snag-Fraught Facility”, *Indian Express*, 26 February 2008).

As one citizen lamented,

I don’t understand how the initiative has been serving its purpose. The queues are still long, and most of the facilities that the centre claims to offer are not available here (Kumar quoted in “E-Suvidha: Residents Resent Snag-Fraught Facility”, *Indian Express*, 26 February 2008).

Given problems with additional services provided in the e-Suvidha centres, including railway tickets and mobile phone payments, the future of the initiative is highly uncertain (*Times of India* 2009). Though e-Suvidha was launched with great hope for improving service delivery in urban areas, the state government has failed to provide a range of high quality, computerised services. The combination of high levels of petty corruption and the need to maintain a delicate coalition balance resulted in service centres offering little more to citizens than a new location for inefficient, and most likely corrupt, service delivery.

**Conclusions**

This discussion has highlighted the risks associated with promoting technology-based reforms without due attention to the threats and benefits these policies may present to established interests in the political system. If politicians depend on access to corrupt income to support their re-election campaigns, then we should expect them to resist any policies that threaten this economic resource. Even where politicians promote reforms, they are likely to do so in a way that primarily benefits their preferred constituents. Efforts to improve the quality of service delivery to all citizens must take the broader causes of problems in service delivery, and in particular the underlying causes of demands for bribes, into consideration in order to achieve significant and long-term improvements in the quality of public services.
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