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Good Governance for Poverty Alleviation: the Case of Malaysia

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Abstract: This paper addresses the issue of good governance for poverty alleviation, citing Malaysia as a case study. Malaysia has experienced sustainable growth along with impressive record of poverty reduction. This has been made possible through good governance and pragmatic pro-growth and distribution policies, strategies and programs for poverty alleviation which was implemented since the era of the New Economic Policy (NEP, 1971-1990), National Development Plan (1991-2000) and will be carried over to National Vision Plan (NVP, 2001-2010). The good governance incorporates an enabling policy framework for poverty alleviation which includes the supportive role of the state, effective delivery system embodying an efficient planning and implementation machinery, incorporating top-down and bottom-up processes of strategic planning, targeting and participation, effective implementation coordination, monitoring and evaluation. The public sector has to shoulder good governance by efforts to improve the public service delivery system to make it more efficient, transparent and accountable. Direct targeting of beneficiaries results from identification of the poor and hardcore poor by rural and urban strata and states, supported by a specialized delivery system of a microcredit program, minimizes leakages of poverty alleviation program's allocations and benefits. Pragmatic pro-growth and distribution policies and strategies in 5-year development plans ensures effective poverty alleviation.

P overty is still a serious issue facing the developing economies. The World Bank *World Development Report (1990): Poverty* stated that "the most pressing issue facing the development community: how to reduce poverty". The World Bank *World Development Report (2000/2001): Attacking Poverty* stated that "Poverty amidst plenty is the world's greatest challenge.

The global picture of poverty is not encouraging. In 1998, out of 6 billion people, 1.23 billion (21%) live under US$1 per day, 2.8 billion (47%) live under US$2 per day. Between 1965 and 1998, average income has doubled in developing countries, but widening global disparities has also increased the sense of deprivation and injustice for the poor. Globalization expects to burden the poor more than the non-poor.

The development paradigm has seen growth as the primary means of reducing poverty and improving quality of life. Reliance has been placed on market forces and the 'trickle down' process to achieve this aim. However, the phenomenon of "market failure" has placed emphasis on the role of government as the key determinant in poverty alleviation. But government, too, is burdened by expenditure deficits and inefficiency. Hence, some countries have relied on mixed-economy approach, emphasizing partnership between role of market and the government intervention in poverty alleviation. The debate has since moved to the importance of good governance and good coordination between government and the market.

Since the 1990s, the poverty alleviation and equitable income distribution form a one of the major aims of most government. The 1990s has also seen marked intensification of the process of globalization. Globalization ha led to the convergence and coordination of national and international policies. The impact of globalization has generally poor marginalized the poor, and also increases poverty and income inequality. For example, the 1997-1998 financial crisis has devastated and impoverished millions of poor and vulnerable men, children, women and families.

Status of Poverty in Malaysia

Generally, poverty is defined as the inability to meet basic needs as measured by income or consumption. Poverty and standard of living are closely linked. Poverty may be visible as shown by several indicators, such as lack of control over resources, lack of education and skills, lack of shelter, lack of access to water and sanitation, poor health, malnutrition, vulnerability to shocks, violence and crime.

In Malaysia, poverty is measured by the poverty line income (PLI), which states the minimum level of income or consumption expenditure on based human basic needs, such as food, clothing, shelter, basic services such as education, health, transportation, recreation and culture. A household is considered poor if its income or consumption falls below the officially determined PLI (Table 1).

Table 2 shows the level of PLI in years 1990 to 2002. The PLI is revised regularly to reflect change in cost of living and also difference in regions. In 2002, the PLI was set at RM529 for a household size of 4.6. Hardcore poor (very poor) is defined as households with incomes under ½ PLI (eg. RM264.5 in 2002). Beginning the Outline Perspective Plan 3 (OPP3) the measure of low income households of RM1200 per month was

introduced as eligibility government support programs, aimed to improve the income and quality of life of the bottom 30%. In addition, the Physical Quality of Life Index (PQLI) which measures the quality of life or standard of living based on composite indices of accessibility to amenities and standard of living is used to complement to use of PLI.

Table 1: Component of PLI (%), 1997-2002

Expenditure Components	Peninsular Malaysia		Sabah		Sarawak	
	1997	2002	1997	2002	1997	2002
1. Food	62.1	65.5	60.0	53.8	57.8	61.2
2. Clothings and Footware	7.7	5.6	6.0	4.7	6.6	5.1
3. Other expenditures	25.5	24.1	39.2	36.8	30.8	28.9
a. Rents, Fuel & Power	13.2	12.7	23.1	20.7	8.9	7.9
b. Furniture & Household items	2.3	2.0	2.9	2.6	3.1	2.8
c. Health & Medical Treatment						
d. Transportation & Communications	1.2	1.3	1.1	1.1	6.1	6.0
e. Education, Recreation & culture						
4. Safety margin (5%)	6.8	6.3	9.0	9.2	8.9	8.7
	2.1	1.9	3.2	3.1	3.9	3.6
	4.8	4.8	4.8	4.8	4.8	4.8
Total	100.0		100.0		100.0	

Source: Malaysia Plan (various Years)

Table 2: Poverty Line Income, 1990-2002, (RM/month)

Region	1990	1995	1999	2002
Peninsular Malaysia	370 (185)	425 (212.5)	510 (255)	529 (264.5)
Sabah	544 (272)	601 (300.5)	685 (342.5)	690 (345)
Sarawak	452 (226)	516 (258)	584 (292)	600 (292)

Source: Malaysia Plan (Various years)

Note: Figures in brackets are PLI for Hardcore poor. Household sizes have decreased from 5.1 to 4.6 for Peninsular Malaysia, 5.4 to 4.9 for Sabah and 5.2 to 4.8 for Sarawak.

Enabling Policy Framework for Poverty Alleviation
In the case of Malaysia, the enablers for effective poverty alleviation may include: the role of state in poverty alleviation, good governance, effective delivery system and direct targeting and participation.

1. The role of the state. The state has a major role to play in poverty alleviation. In the case of Malaysia, poverty alleviation has been a major policy thrust in it development plans, as evident in the New Economic Policy (NEP, 1970-1990), National Development Policy (NDP, 1991-2000) and National Vision Policy (NVP, 2001-2010) . Poverty alleviation has been a major thrust

in these policies, receiving strong policy, institutional and budgetary support at the federal, state and local level. Implementation of these policies is detailed in the five year development plans, covering First Malaysia Plan (MP1, 1965-70) to Eight Malaysia Plan (MP8, 2001-2005).

Strong policy support is embedded in pragmatic policies the state has to make to include:

(a) Interventionists, affirmative action and positive discrimination policies and strategies to assist the indigenous population, to correct the economic imbalances between the ethnic compositions of the population. This has been entrenched since the NEP, in the aftermath of a bloody racial riot which identifies poverty amongst the indigenous population and economic imbalances as the root cause of the racial conflict.

(b) Balancing market driven and interventionist policies and strategies. In addition to the role of government as facilitator, this policy includes giving emphasis to the role of the private sector as partners in the development process and also to meet the redistributive objective of government policies. In this way, the government has to balance growth and redistribution policies and strategies, so as to attain growth and poverty alleviation, which Malaysia has achieved a reasonable degree of success (see Table 3).

Table 3: Relations between Growth and Poverty Alleviation, 1970-2002

Year	GNP Growth (%)	Poverty Incidence (%)	Comments
1970	5.0	49.3	Beginning of NEP era, low growth and high poverty incidence
1980	7.4	37.4	Mid NEP era, export-led industrialization, changing economic structure, propelled economic growth, followed by significant poverty reduction
1985	-0.1	20.7	World recession, negative growth, damper on poverty alleviation
1990-1997	9.1 (average)	16.5 (1990)	Era of robust economy growth followed by significant poverty reduction. Focus on eradication of hardcore poor
1997		6.8	Financial crisis, damper on poverty alleviation
1998	-7.4	8.0	Negative growth. Poverty incidence increased due to financial crisis of 1997-1998
1999	6.1	7.5	Economy rebounded after financial crisis, slower impact on poverty alleviation
2002	4.1	5.1	Low growth, slower impact on poverty reduction. Focus on addressing pockets of poverty and reducing relative poverty.

Another feature of the role of the state may be viewed from the budgetary support for poverty alleviation. In Malaysia, government expenditure for poverty alleviation has been high throughout its five year development plans, averaging between 24-37% (see Table 4). During the NEP era (1971-1990), expenditures for poverty alleviation, except for the period of the Fourth Malaysia Plan (1981-1985) which coincides with the recession years of 1980s, exceeded 30%. The Fifth Malaysia Plan period, which marks the end of the NEP era saw the largest percentage of expenditure for poverty alleviation. The Sixth, Seventh and Eight Malaysia Plan periods saw a reduction in the percentage of expenditure for poverty alleviation; nevertheless it still forms a respectable percentage of more than 25%. The government expenditure for poverty alleviation is mainly spent on agriculture and rural development, social and infrastructure projects.

Table 4: Expenditure for Poverty Alleviation, 1971-2005

Malaysia Plans	Development Expenditure (RM Mil.)	Expenditure for Poverty Alleviation (RM Mil.)	% of Development Expenditure
Second Malaysia Plan (1971-1975)	7415.0	2350.0	31.7
Third Malaysia Plan (1976-1980)	21202.0	6373.4	30.1
Fourth Malaysia Plan (1981-1985)	46320.0	11238.5	24.3
Fifth Malaysia Plan (1986-1990)	35300	12970.4	36.7
Sixth Malaysia Plan (1991-1995)	54705.0	13900.8	25.4
Seventh Malaysia Plan (1996-2000)	67500.0	16084.8	23.8
Eight Malaysia Plan (2001-2005)	232442.0	62918.2	27.1

Source: Various Five Year Development Plans.

2. Good Governance. Governance is related to the activities of government, defined as the manner in which power is exercised in the management of the country's economic and social resources for development. The components of governance include public sector management, accountability, legal framework and transparency.

Good governance is characterized by open and enlightened policy making with sound economic management based on accountability, participation, predictability and transparency. In Malaysia, good governance is reflected in improved public sector management, sound financial management and public sector reform. In Malaysia, efforts to promote good governance are through improvements in the public delivery system to make it more transparent, efficient and accountable.

In Malaysia, good governance is reflected in improved public sector management, sound financial management and civil service or public sector reform. The public sector's attempt to enhance it efficiency and effectiveness of its administrative machinery is a continuous and serious process. Its seriousness is reflected in a special chapter entitled, 'Administrative Improvements for Development,' which was slotted in the Seventh Malaysia Plan (Malaysia, 1996) and also in the Eight Malaysia Plan documents (Malaysia, 2001). In the 1990s, major efforts were put in to institutionalize the culture of excellence, not only in the structure and systems of administration, but also a paradigm shift in the values and mind-set of public sector personnel. Many efforts were put in to improve the efficiency and effectiveness of the public sector to enable it to make a meaningful contribution towards national socioeconomic development. New initiatives/ reforms include a major shift toward a more pro-active and customer focused management paradigm, enhancement in the quality of service and effectiveness of the delivery mechanism and strengthening the working relationship with the private sector. The public sector reform programs include a) quality management; b) implementation of the client's charter; c) innovations; d) provision of quality counter services; e) improvements to systems and work procedures; f) productivity and performance measurement; g) wider use of information technology; h) strengthening of institutional structures; i) improvements in public personnel management; m) inculcating positive values and work ethics, n)establishment of an inspectorate system, and o) implementation of the Malaysian Incorporated Policy (Malaysia, 1996).

In the 2000s, continued efforts to improve service delivery and optimize resource utilization will be made, particularly through the extensive use of ICT, review of existing management structures, personnel policies and delivery systems to meet the requirements of a knowledge-based economy, strengthen management integrity to ensure greater accountability and transparency and to continue collaborating with the private sector and NGOs to enhance the process of governance (Malaysia 2001).

The present leadership reemphasized the importance of good governance in a recent statement. In the view of the Prime Minister: "I have always been a strong believer in the need to promote good governance. That is why I have vigorously pursued efforts to improve the public service delivery system to make it more efficient, transparent and accountable." Prime Minister Dato' Seri Abdullah Ahmad Badawi at the

Opening of the Regional Anti-corruption Conference for Asia and the Pacific, 3 rd December 2003.

3. Effective Delivery System for poverty alleviation is part of the good governance process. It includes sound planning and implementation capability and effective delivery system for poverty alleviation. Effective and efficient delivery system also entails efficient use of resources, constant monitoring, review and study impact. The capacity of the state to plan and implement development plans, and implement programs and projects contributes to the success of poverty alleviation.

In Malaysia, effective delivery mechanism in ensured through sound and rigorous planning and implementation process and implementation involving the Economic Planning Unit (EPU) and Implementation Coordination Unit (ICU) as key players and coordinators of poverty alleviation strategies and programs. Development Planning in Malaysia was accepted as a function of the government in the 1950's with the preparation of the First Five-Year Development Plan covering period from 1956 to 1960. This function was firmly institutionalized with the establishment of the Economic Planning unit (EPU) in 1961 as the central agency of the government for planning national economic development. At the federal level, the National Action Council (NAC) and the National Development Council (NDC) serve the Cabinet. All these Councils are chaired by the Prime Minister (Samsudin 1993; Nik Hashim 1994).

Figure 1 summarizes the present structure of planning and implementation machinery at the federal, state, district, and village levels. The NDC, which consists of key ministers, is the highest policy-making body in planning and is responsible for planning, formulation and co-ordination of long-term socio-economic development policies such as the Five-Year Plans. For the purpose of detailed deliberations, there is the National Development Planning Committee (NDPC), which is a committee composed of senior governmental officials, including the Governor of the Central Bank. The NDPC is responsible for formulating and reviewing all plans for national development and making recommendations on the allocation of resources. The EPU acts as the secretariat to NDPC, NDC and their sub-committees and hence provides the necessary linkages for the ministries and line agencies. The respective ministries and agencies maintain a close connection with EPU through their Planning and Development Division, especially on sectoral planning, development programs and budgeting. The EPU is served by the Inter-Agency Planning Groups (IAPGs) and the Technical Working Groups (TWGs), as a forum of different ministries, departments and other central agencies for inter-agency consultation and collaboration. Strategic planning on poverty alleviation Is coordinated by the EPU through Inter Agency Planning Groups (IAPG) and Technical Working Groups (TWGs) , incurs the involvement of federal ministries, state

governments, NGOs, private sector , Malaysian Business Council, and the academia. These plans need to be approved by the National Development Planning Committee (NDPC) and the National Development Council (NDC) and also has to be approved by the Cabinet, before being approved by the Parliament. This structure is not static but is changed according to the needs and situation at the time. For example, after the financial crisis of 1997-1998 the National Economic Action Council (NEAC) which was created with the main aim of putting the economy on the right track of recovery, features as an important component of the planning and development machinery.

The planning and implementation mechanism is followed through to the state, district and local levels, involving the translation of macro policies and strategies into micro projects and programs. At the state level, the State Economic Planning Unit (SEPU) coordinates the planning and implementation machinery through the State Development Committee (SDC). At the district level a similar process takes place, involving the District Office and the District Development Committee (DDC). At the local or village level, the Development and Security Committee (JKKK) provides inputs from the village/local levels (see Figure 2).

A participatory planning process involves both 'top-down' and 'bottom-up' processes, ensures the participation of key players, including government, private sectors, NGOs, and beneficiaries (see Figure 3).

The planning horizon extends from short-term (Annual Budgets), medium-term (Five Year Plans and Midterm Review of Five Year Plans) and long-term (10-20 years Outline Perspective Plans). Normally, a major planning exercise is conducted prior to the beginning of a Five Year Plan or an Outline Perspective Plan (OPP). Presently, there are eight Five Year Malaysia Plans, spread over three OPPs forming the thrust of the NEP, NDP and NVP respectively (see Figure 4).

The effective and efficient implementation of development plans form the crux of successful planning. The success of the plans and policies is evident in the effectiveness of the coordination and monitoring mechanism of project implementation at all levels. The Implementation Coordination Unit (ICU) of the Prime Ministers Department was created in July 1971 to monitor implementation of the five year development plans, to oversee implementation coordination and evaluation of development policies, programs and projects. In a project management concept, implementation involves mechanism how planned policies are translated into programs and projects. Another task involves evaluation, i.e. the analytical assessment of public policies, organizations or programs that emphasize reliability and usefulness of findings to improve information and reduce uncertainty.

As the EPU, the ICU coordinates implementation of programs and projects at the federal, state and local levels. At the federal level, the ICU coordinates the work of the National Working

Committee on Development (NWCD), chaired by the Chief Secretary of the Government, and the National Development Council (NDC), chaired by the Prime Minister. At the state and district levels, a parallel mechanism is in place, linking with the State Development Council and the State Working Committee on Development and also the District Working Committee on Development respectively.

The main role of the NDC are to decide on the overall policies and implementation development strategies, to ensure the implementation of the National Development Plan and policies meet their objectives and to evaluate the implementation strategies of development projects. Among others, the role of the NWCD are to ensure the implementation of programs and project implemented by various ministries and agencies are in accordance with the objectives of the national plans and policies, to identify and overcome the major constraints and limitations faced during the implementation stage of the development projects and to monitor, review and evaluate analytically development plans and policies.

The project monitoring system in Malaysia has a long history, related to the establishment of an information system. It started in the First Malaya Plan (1956-1960) with the RED (Rural Economic Development) Book System, where information and progress of projects were kept and updated. The first computerized-centralized monitoring system, known as Project Monitoring System 1 (SPP1) was established in 1971, whereby all agencies sent project report to the ICU through a special form where the information was captured and processed in the ICU computer system. In 1981 an integrated information system of the Central Agencies (EPU, Treasury, ICU and Accountant General's Department) known a SETIA was implemented, focusing on the financial progress/performance of projects and programs. In 1991, an integrated scheduling system, focusing on physical progress, known as SIAP was implemented. In 1996, an integrated information system of SETIA/SIAP, focusing on the financial and physical performance of projects (SMBSS) was implemented, linking the ICU, EPU, Ministries, State, Treasury and Accountant General's Department. Using this system, the financial performance of projects during the plan period can be monitored, matching the original, midterm and final allocations with actual expenditures. For example, as of 31 July 2004, out of 48,639 subprojects monitored, ICU determined that the status of subprojects as completed (67.3%), ahead of schedule(0.9%), on schedule (24.1%), delayed (1.7%), planning stage (5.6%) and unenergized (0.4%) (Ahmad Shahrom 2004).

With regards to poverty alleviation, the monitoring of projects and programs include the *in-situ* development scheme, crop replanting subsidy, agricultural extension services, rural economic development program, housing assistance and rehabilitation program and attitudinal rehabilitation program.

4. Targeting and Participation. Effective and efficient delivery system also entails correct targeting to the poor. Identification of the poor and directing benefits toward the poor I considered as the bet solution to the problem of poverty alleviation. There are several motivations for correct targeting of the poor, including to ensure efficient use of resource, to avoid leakages, to reduce cost and to increase efficiency. In an era of budgetary deficits, with pressures to reduce expenditures, the need for correct targeting of the poor to increase efficiency of the delivery system is paramount.

In Malaysia, serious attempts to identify the poor started in the Third Malaysia Plan (1976-1980) with the identification of the poor into rural and urban target groups. The rural target groups were classified into paddy farmers, rubber smallholders, coconut smallholders, fishermen, and estate workers, while the urban poor were unofficially classified into squatters and low cost flat dwellers, petty traders, dwellers of urban traditional and new villages. Poverty data in official documents up to the Fifth Malaysia Plan period (1986-1990) were classified into rural and urban poor, with detailed classification for rural poverty.

With significant reduction of poverty at the end of the NEP era in 1990, the focus of poverty alleviation has shifted with emphasis on the eradication of hardcore(extreme) poverty, defined as individuals with household incomes less than ½ the PLI. The identification of the hardcore poor (HCP)involves a tedious exercise of establishing the Registry of the HCP, involving registering and accounting the HCP, verifying with other agencies and local authority, maintaining and frequent 'cleaning' the lists of HCP. The incidence of HCP was reduced from 4% in 1990 to 0.5% in 2000, and the government hoped to totally eradicate hardcore poverty by 2005.

In addition, direct identification and a specialized delivery mechanism for poverty alleviation was instituted via an NGO involving a micro-credit program implemented through Amanah Ikhtiar Malaysia (AIM). This replication of the Grameen type microcredit scheme was implemented since 1986, and up to June 2001 has outreached 75,000 beneficiaries in 61 branches with a total loan disbursement of RM582 million (AIM 2001). Various impact study of AIM's microcredit program has shown resounding success in terms of outreach, repayment rates, impacts and sustainability (Chamhuri and Quinones 2000).

The classification of poverty into poor and hardcore poor in rural and urban areas were maintained up to the present Eighth Malaysia Plan period (2001-2005). In view of the success in eradication poverty, in the Mid-term Review of the Eight Malaysia Plan (2003-2005) a new category of the poor, known as the vulnerable was included, defined as those with household incomes between the PLI and RM1200 per

month, which generally falls in the bottom 30% of income distribution. This act, although enlarging the target group of the poor, may affect the efficiency and effectiveness of poverty alleviation program, unless proper verification and monitoring Is done.

Participatory development is a crucial component of good governance, and good governance is a pre-requisite for a successful participatory process. Genuine participation embodies some form of empowerment of the population and participation in the development process. People should be involved through out the project or program cycle, involving the design, implementation, monitoring and evaluation. Participation could involve the private sector, NGOs, and the beneficiaries of projects.

5. Pragmatic Poverty Eradication Policies and Strategies. Essentially, Malaysia has followed the "Growth with Distribution" policy since the 1970s. This policy has been the thrust of macro-perspective policies such as the NEP (1970-1990), NDP(1991-2000), and NVP(2001-2010). In Malaysia, the uniqueness of this policy is in the affirmative action strategies, giving priority and emphasis to the indigenous or Bumiputra communities in terms of benefits of poverty alleviation and restructuring programs. Various socio-political and economic justifications may be given for this overriding strategy, which in the end benefits the nation in general in terms of creating a more balanced and just society. There was much debate on the possible trade-off between growth and equity, but Malaysia has shown that both growth and equity could be achieved with prudent and efficient management of financial, physical, economic and human resources. Here lies the critical role of state, especially through public sector management in ensuring good governance and effective delivery mechanism of poverty alleviation programs.

i) Growth Policies. Malaysia has always believed that growth is a pre-requisite for redistribution. Macro policies that have contributed to sustainable growth include (a) Structural Change and Diversification Policy that ensures smooth structural change of the economy from a commodity producer to industry and services producer. (b) Sectoral policies, including (i) Agriculture and Rural Development Policy with respect to food security and sufficiency, land development, land rehabilitation, rural development, National Agriculture Policies 1(NAP1, 1984-1991), 11(1992-1997), 111 (1998-2010),

(ii) Industrial Policy: Industrial Master Plan charting growth of industries, incentives, infrastructures, industrial zones, finance and banking, telecommunications, ports, taxes and subsidies, (c) Investment Policy: covering both foreign and domestic investment, incentives for investments, equity participation, etc. (e) Savings and Fiscal Policies: include Savings rate as % of GDP, financial services,

interest rates, microfinance, revenue and expenditure, fiscal allocation, tax burden, rebates. (f) Employment and Labour Policies: including sectoral employment, foreign labour, wage policy, minimum wage and subsistence, training and human resource development. (g) Price Policy: Low inflation rates, control of prices of food, basic needs and essential services, expenditure burden, etc.

(ii) Distribution Policies. Distribution policies include: (a) Poverty Alleviation Policies, Strategies and Programs - economic programs, agriculture and rural development, urban and industrial development, entrepreneur and small business development etc. (b) Affirmative-action Equity and Restructuring Polices and Programs - pro-poor and pro-indigenous strategies, education and human resource development, wealth restructuring, equity participation, special share schemes, etc. (c) Social Infrastructures - welfare, housing, health, education programs for the poor, pension, old age, etc. (d) Provision of basic Needs and Amenities- water, electricity, housing, food, clothing, infrastructures, services, etc. (e) Access to Resources - land, water, credit, legal aids, etc. Table 5 provides a summary of macro and poverty alleviation strategy and programs throughout the Five Year Development Plans.

Conclusion and Lessons
This paper highlights Malaysia's success in poverty alleviation, emphasizing the enabling policy framework, including role of the state, good governance, effective delivery mechanism, targeting and pragmatic pro-poor poverty alleviation strategies and programs. The role of the state is critical in balancing growth and distribution policies, especially in implementing the delicate affirmative action policies, along with other pragmatic poverty alleviation strategies and programs. The commitment of the state towards poverty alleviation is evident in its strong institutional and budgetary support, including a supportive and efficient public sector that ensures good governance, effective delivery mechanism(s) through planning and implementation coordination.

These are some of the important lessons from Malaysia's success in poverty alleviation. Not discounting the role of the private sector and NGOs that have complemented the implementation of the various poverty alleviation programs. Above all, political stability has ensured the continuity of the various policies, in the context of the perspective and visionary plans, and translated into pragmatic strategies and programs in the five year development plans.

Nevertheless, poverty will still be an issue and an important agenda for development. Even if absolute poverty may be eradicated, the issue of relative poverty, i.e. widening income and wealth gap between ethnic, sectors and regions will pose a critical challenge to poverty alleviation in the future.

Table 5: Summary of Economic Development and Poverty Eradication Strategy in Malaysia's Five-Year Plans:

Macro Economic Policy	Poverty Alleviation Strategy	Major Programs
First Malaysia Plan (1966-1970): Economic Development Strategy: – Employment generation – Reduction in unemployment – Promotion of new economic activities – Human resource development for effective participation in economic and social development – Diversification of economy (Reduction in dependence on rubber; expansion of timber, palm oil and manufactured goods)	Poverty to be tackled implicitly: – Increase in per capita income and consumption, especially of rural inhabitants – Increase in productivity and income-earning capacity – Provide infrastructure such as electricity, health, low-cost housing, transportation, etc.	RED(Rural Economic Development) Book Program, including: – Land development schemes by FELDA – Land consolidation and rehabilitation by FELCRA – Irrigation and drainage – Rubber replanting – Coconut rehabilitation – Modernization of small-scale fishery – Improvement in marketing system – Revision of credit facilities
Second Malaysia Plan (1971-1975) Economic Development Strategy:- Under the New Economic Policy (NEP): – Poverty eradication – Restructuring of Society – Stimulation of investment and consumption – Promotion of export – Employment generation through economic growth in the key sectors: agriculture, services, manufacturing, and wholesale and retail trading	Under the New Economic Policy (NEP), poverty was explicitly recognized as a core socio-economic problem: – Employment generation – Increase in income and productivity – Modernization of rural life – Improvement of living conditions among the urban poor – Reduction of inequality in income distribution – Creation of commercial and individual community for the Malays/indigenous groups – Restructuring of sectoral and occupational employment – Expansion of education and training facilities	Land development, consolidation and rehabilitation – Provision of complementary inputs, infrastructure and services Modernization of fishery through the provision of subsidies and facilities – National rubber price stabilization – Provision of basic facilities and amenities – Employment expansion in the manufacturing and construction sectors
Third Malaysia Plan (1976-1980) Economic Development Strategy: – Ethnic balance in employment – Expansion of education and training facilities – Use of public enterprise in achieving ethnically balanced employment – Establishment of trust funds for the Malays	Targets of anti-poverty programs clarified – Improvement in welfare and quality of life for both the rural and urban poor – Promotion of agricultural and industrial sectors for the generation of income and employment – Increase of Malay's participation in the ownership and control of wealth in the modern sector; reduction of employment in the traditional agricultural sector – Identification of the poor as target groups	Replanting for rubber small-holders – Replanting, rehabilitation and inter-cropping with other crops for coconut small-holders – Subsidized distribution of engines, nets and gears, relocation, and promotion of aquaculture and off-shore fishing for fishermen – Improvement of basic facilities for estate workers – Improvement of basic facilities, promotion of small-scale industries, and security of tenure for new village residents – Land settlement schemes for agricultural laborers – Special settlement schemes for Orang Asli – Promotion of labor-intensive and small-scale industries for the urban poor

Macro Economic Policy	Poverty Alleviation Strategy	Major Programs
Fourth Malaysia Plan (1981-1985): Economic Development Strategy: – Era of economic recession– Structural adjustment in government expenditure – Structural transformation of the economy by diminishing the role of agriculture and raising the contribution of the manufacturing, construction, banking and financial sectors	Introduction of the concept of hardcore poor – Employment generation in the manufacturing and service sectors – Improvement in productivity and income – Revitalization of agriculture by commercialization	Integrated Agricultural Development Program (IADP) – Irrigation and drainage – Rubber replanting – Land rehabilitation and consolidation – Crop diversification and livestock integration – Modernization of small-scale fishery – Land development schemes with the block system – Provision of agricultural support services such as training, extension, research, credit, marketing, processing and services – Disperse industrialization and building of new urban centers
Fifth Malaysia Plan (1986-1990): Economic Development Strategy: – Efficient use of resources – Minimization of governmental assistance – Privatization – Export-led manufacturing – Increase in domestic savings – Promotion of foreign investment – Revitalization of the agricultural sector under the National Agricultural Policy (NAP)	Increase in productivity and income – Improvement in the quality of life – Employment generation in the manufacturing and services sectors	Group farming – Rural urbanization – Established rural growth centers – Promotion of off-farm employment
Sixth Malaysia Plan (1991-1995): Economic Development Strategy Under the National Development Policy (NDP) – Economic growth with equity – Creation of Bumiputra Commercial and Industrial Community (BCIC) – Reduction in social and economic inequality among ethnic groups – Promotion of human resource development – Regionally balanced promotion	Concentration on the hardcore poor – Reduction in relative poverty (bottom 40% of households) – Minimization of leakage and improvement in delivery system – Great emphasis on human resource development – Generation of employment opportunities for low income groups – Improvement in skills and productivity	Special package for the hardcore poor (PPRT) – Loan scheme by AIM – Integrated Agricultural Development Program (IADP) Land consolidation and rehabilitation – Commercialization of farms – Economic and commercial linkages of rural with modern sectors – Growth of value-added activities from agriculture – Continued provision and improvement of facilities and services for the urban poor – Employment opportunities in manufacturing, construction and other urban activities

Macro Economic Policy	Poverty Alleviation Strategy	Major Programs
Seventh Malaysia Plan (1996-2000): Economic Development Strategy Under the National Development Policy (NDP): – Balanced development – Sustainable economic development – Equitable distribution – Shift from the input/investment-oriented to the productivity-oriented – Large-scale production for exports – Human resource development (increased investment in education and training) – Private sector-led growth with emphasis on privatization	Emphasis on the hardcore poor, including Orang Asli and the urban poor – Reduction in relative poverty – Employment and income generation in the non-agricultural sectors – Improvement in the educational level of the poor – Development of remote areas in the poorest states and districts	Special package for the hardcore poor (PPRT) to be continued – NGOs to complement governmental activities – Participation of the private sector in poverty alleviation – Provision of better education and training to low-income groups – Provision of low and medium-cost housing for the urban poor
Eight Malaysia Plan (2001-2005) Development Thrusts – Outline Perspective Plan 3 (OPP3- 2001-2010: National Vision Policy(NVP) with overall objective of strengthening national unity among the various races – Shift the growth strategy from input driven to knowledge driven – Accelerate structural transformation within manufacturing and services – Strengthening the socio-economic stability through equitable distribution of income and wealth **Key Strategies** – Pursuing sound macroeconomic management, prudent fiscal and monetary policies and knowledge based economy – Strengthening distributional programs for balanced participation among and within ethnic and income groups. Enhancing productivity driven growth through improvement in workers knowledge and upgrading R&D Increasing competitiveness in key economic sectors – Expanding the usage of ICT – Strengthening HRD to ensure availability of trained and	With success in poverty alleviation, further efforts will be made to eradicate absolute poverty and increase income and quality of life of the poor and low income groups (bottom 30%). Absolute poverty targeted to be reduced to 0.5% in 2005 – Increase the size of middle income groups – targeting to specific groups such as the hardcore poor among all communities, Orang Asli and minority groups, urban squatters and marginalized groups – Development of remote/interior areas and regions	Enhancing education of the poor and low income through educational support programs, higher education loans, improving performance of rural pupils, improving infrastructure of rural schools, reducing rural drop-outs, rural boarding schools – Improving quality of life of the poor and low income through better health and nutrition programs, accessibility to water, electricity, transportation and communication – Low cost housing projects for low income families – Microcredit and loan schemes by AIM to be expanded to all states – Improving quality of life of the aged and handicap, including facilitating public transportation, education, housing and sports, skills-training – Enhance income generating activities among the poor and low income group, especially in rural and agric sectors through integrated and commercial farming, land amalgamation, group farming, diversification of farming /aquaculture/livestock/fruits/vegetable activities – Enhancing education of the poor and low income through educational support programs, higher education loans, improving performance of rural pupils, improving infrastructure of rural schools, reducing rural drop-outs,

Macro Economic Policy	Poverty Alleviation Strategy	Major Programs
creative manpower – Adopting a holistic approach to attain balanced and sustainable development – Enhancing the quality of life by making social services more accessible – Strengthening positive and ethical values including through the educational system		rural boarding schools – Improving quality of life of the poor and low income through better health and nutrition programs, accessibility to water, electricity, transportation and communication – Low cost housing projects for low income families – Microcredit and loan schemes by AIM to be expanded to all states – Improving quality of life of the aged and handicap, including facilitating public transportation, education, housing and sports, skills-training – Enhance income generating activities among the poor and low income group, especially in rural and agric sectors through integrated and commercial farming, land amalgamation, group farming, diversification of farming /aquaculture/livestock/fruits/vegetable activities – Enhancing income and quality of life of estate workers/displaced former estate workers, minority groups in interior of Sabah and Sarawak, – Reducing the income gap between lower-higher income groups in rural-urban areas, e.g. through skills training, education, participation of women in workforce – Consolidating existing poverty alleviation programs under Peoples Development and Well-Being Scheme (SPKR) to address hardcore and general poverty, specific vulnerable groups in rural-urban areas – Peoples' Development and Well-Being Scheme includes formerly Hardcore Poor Development Program (PPRT), Rural Interior Development Program and Human Development Programs – Enhancing Government's role in eradicating absolute poverty, reducing relative poverty and imbalances among and within ethnic groups, regions and areas.

Source: compiled from various Five Year Malaysia Plans

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E-Governance - A Carrier of Societal Development Developing Business Opportunities for the Rural Poor in the State of Uttar Pradesh A Province in India

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Abstract: E-Governance as a subject matter is discussed as a carrier of societal development in this paper. The objective of this paper is to highlight the role of e-Governance in the development of business opportunities for the rural poor, in the State of Uttar Pradesh. Further, a view is generated on how the development of business opportunities may support the process of societal development on the whole.

This paper as defined by Amartya Sen concentrates on the basic importance of freedom, associative and constitutive of freedom of market transaction, in assessing the market mechanism, along with the results in the form of incomes or the utilities it generates (Sen. A, 2000).

Therefore, this paper is proposing the role of e-Governance to be a facilitator and a mode to be utilized by the rural poor to
   a)   access the communication network,
   b)   to access the information,
   c)   for the development of business opportunities (enhancement in the freedom of market transaction)
   d)   leading to the subsequent development of the society as a whole.

Also see fig. 1

President of India Dr. A.P.J Abdul Kalam, in his keynote address at the International Conference on e-Governance at IIT Delhi on 18th December, 2003, suggested a highly integrative role of e-Governance for countries like India, simultaneously emphasizing the need for monitoring of the implementation process and the implementation system as well (http://www.iitd.ac.in/iceg/). E-Governance is perceived to reap in benefits of seamless connectivity and innumerable advantages on the part of the beneficiaries and would bring a regular information base to strengthen the rural poor economically as well as socially.

An overview of the extent of the usage of ICTs especially for the rural and the poor population
The role of Information and Communication Technologies (ICTs) has been exemplified through various efforts and ventures established throughout the country. Some of the prominent efforts (wherein ICTs are being used for the rural and the poor) include areas ranging from the dissemination of information to online trading of commodities to telemedicine to education. More specifically, other efforts include:

a)   Gyandoot. The Gyandoot project was launched on January 1, 2000 with the installation of a low cost rural bd.com/index3.asp?cnd=7/12/2004&section_id=16&newsid=15460&spcl=yes)

Intranet covering 20 village information kiosks (Refer to: http://gyandoot.nic.in/)
b)   Indiagriline. It is an attempt to catalyze e-commerce in rural agricultural and non-farm products and provide economic well being to rural areas. http://www.indiaagriline.com/english/corp/frame.html?future_plans.html&2
c)   Amul's Dairy Portal. The integration through .coop facilitates the connectivity and reflects the cooperative values, which make the organization democratically dynamic. (http://www.amul.com/kurien-annual02.html)
d)   Technology and Action for Rural Advancement (TARA). TARA is a unique social enterprise based in India. Its objectives are to improve the well-being of people and their communities. Its mode of operation is commercial (http://www.devalt.org/tara/)

A few widely known efforts in the field of telemedicine extensively using ICTs for the rural and the poor population are:
e)   Dr. Devi Shetty's Narayan Hriduyalaya in Karantaka: (http://www.hrudayalaya.com)
f)   Video Doctors of Asha Sanjay in Tamil Nadu: (http://news.bbc.co.uk/2/hi/south_asia/3871529.stm)(http://www.financialexpress-

Fig-1

APPLICATION OF e-GOVERNANCE FOR FACILITATING THE ENHANCEMENT OF
FREEDOM OF MARKET TRANSACTION-
-SUPPORTIVE OF DEVELOPMENT OF BUSINESS OPPORTUNITIES

E-Governance ———— A mode to ————→ ACCESS THE COMMUNICATION NETWORK

Leads to ↓

THE ACCESS TO THE INFORMATION

Which facilitates the ↓

DEVELOPMENT OF BUSINESS OPPORTUNITIES (ENHANCEMENT IN THE FREEDOM OF MARKET TRANSACTION)

Which subsequently leads to ↓

THE DEVEOPMENT OF SOCIETY AS A WHOLE

The preceding examples and especially the established ones, like e-Choupal by ITC, have become a matter of case study at Harvard Business School because of its wide network and implementation, which comprises 4,100 installations covering nearly 25,000 villages and serving 2.4 million farmers with a plan to connect 100,000 villages in this decade. (http://www.echoupal.com/, http://poverty.worldbank.org/files/14647_E-choupal-web.pdf) This suggests that the poor and the rural population welcome new technology (Reference: Prahalad & Hammond 2002). They can bring in social change as is said by Y C Deveshwar in his speech: "e-Choupal's primary focus revolves around creating markets by helping raise incomes before servicing such markets commercially. Indeed, these processes occur more or less simultaneously as a phenomenon that C. K. Prahalad so aptly refers to as "co-creation of value."

Prahalad and Hammond (2002) expressed, "What if it were possible to expand the global market system to include those who now have no stake in it to grow i.e. the market at the bottom (expressed as the Bottom of the Pyramid) providing direct benefits and expanded opportunities to the poor communities?" Further, Prahalad and Hammond have expressed two scenarios for the evolution of the global market in the coming 15 years differentiating the scenarios on the basis of the strengths of both of the markets in numbers i.e. the present 1 billion market where almost the whole of the manufacturing and marketing community is concentrating and the 4 Billion market i.e. the Bottom of the Pyramid market as they call it. They argue: "If we look at the 1 Billion Market, the global economy recovers from its current stagnation, but growth remains anemic. Deflation continues to threaten, the gap between rich and poor continues to widen, and repeated

incidents of economic chaos, governmental collapse, and civil war continue to plague developing regions. Terrorism remains a constant threat, diverting significant public and private resources to security concerns. Opposition to the global market system intensifies. Multinational companies find it difficult to expand, and many become risk-averse, slowing investment and pulling back from emerging markets. And the 4 Billion Market, driven by private investment in bottom of the pyramid (BOP) markets and widespread entrepreneurial activity, assisted by policy reform, developing regions experience accelerating growth, creating jobs and wealth, bringing hundreds of millions of new consumers into the global marketplace every year."

Further emphasizing the role of the private sector and the MNC organizations in the development of the business and the business opportunities with the help of ICTs, Prahalad and Hammond also suggest that "the public sector has neither the expertise nor the resources to provide goods and services on a scale sufficient to reach the approximately four billion people who currently earn less than $2,000 a year. The private sector has both. Why not put them to use addressing the real needs—and real opportunities—at the bottom of the economic pyramid? There is a central, profit-driven role for business in ICT-for-development. Generating the necessary investment for infrastructure and broader market development efforts, however, will depend on overcoming widespread misperceptions about the business opportunities at the bottom of the pyramid. (Reference: Prahalad &Hammond 2002). The preceding statement not only suggests the prominence of the role of MNCs in the said subject but also looks at need for initialization of a process so as to create a perception among MNCs about the business opportunities at the BOP (Bottom of the Pyramid) market levels.

This paper, on the one hand, takes lessons from the usage of ICTs as a mode of business opportunity development and market development by the MNCs while considering the extent of the infrastructure of the Government and its agencies. On the other hand, it perceives the role of e-Governance (the usage of ICTs) for the development in business opportunities in the form of development and enhancement of the opportunities in trading, acquisition of workforce for the job providers, jobs for the job seekers and other features leading to the 'market freedom' (Sen A., 2000) through enhancing the communication and the flow of information between Buyer to Customer, Government to Citizen (Ghosh Atanu, 2003) and Markets to Markets on the whole. And this flow of information and the enhancement in communication is further perceived to become facilitator of bringing in "comprehensive outcomes" instead of "culmination outcomes" (Sen A., 2000) and thus societal development at large. As a matter of support and explanation with regards to the proposition the case of e-Choupal is considered to suggest the extensive usage and adaptation of ICTs by the population (rural and the poor), this paper is primarily concerned with.

The state of Uttar Pradesh
The state of Uttar Pradesh has a population of 166 million out of which 111.5 million is the rural population distributed in 112,539 villages. About 80% of the poor households live in rural areas of the state whereas the poor population of the state as a whole constitutes around 8% of the poor population in whole of the world.

Apart from other issues ranging from uneven distribution of electricity, improper supply of drinking water, uneven disbursement of health facilities and medical supplies to social issues of gender inequality, casteism and political uncertainty, the state of Uttar Pradesh suffers from an infant mortality rate of 85 per 1000 births; maternal mortality of 767 deaths per 100,000 live births; and a literacy rate of only 57%; whereas, female literacy is trailing at 43%. Further, agriculture is economically and socially vital to Uttar Pradesh, and so is the associated produce of whether it is dairy products, the household produce or consumer goods, food products, handicrafts and so on.

The Present Scenario
"The state government has a defined framework in the form of Department of Rural Development, Department and schemes for Agriculture support and schemes like Development of Women & Children in Rural Areas (DWCRA), the Jawahar Rozgar Yojna (for development of employment) and many others, which subsequently are merged under one program, i.e. Swarnajayanti Gram Swarozgar Yojana (SGSY).

But (1) due to the absence of a proper communication and a follow-up system and (2) due to the absence of commercial orientation, profit planning, business strategy and non-involvement of business organizations, the state either could not run such schemes or has changed their framework as a whole. (As per author's observations during the period he worked there and has continued relations with the Department of Rural Development. For further related reference please also see http://www.adb.org/Documents/Reports/Annual_Report/20 01/ind.asp) As the objective of this paper is to express the role of e-Governance in Societal Development, it examines the role of communication and a follow up system in one of the schemes called Development of Women and Children in Rural Areas (DWCRA), which specifically elaborates on the proposition. This scheme was implemented in the State of Uttar Pradesh between the years 1983 and 1999 further to be merged with a program called Swarnajayanti Gram Swarozgar Yojana (SGSY). The paper also suggests the factors that may emerge due to the roles of MNCs in such efforts, but basically has concentrated on proposing the role of e-Governance along with suggesting its positive impacts on the schemes and programs directed towards Development of Business Opportunities, Poverty Alleviation and 'The Societal Development' on the whole with the help of learnings drawn on the basis of e-Choupal model being implemented for business development and looking at the rural and the poor as a market.

The DWCRA (Development of Women and Children in Rural Areas) scheme

The Department of Rural Development of Uttar Pradesh conducted this scheme between 1983 & 1999. Starting from the highest levels the Commissioner of Rural Development, an officer of the Indian Administrative Services, along with his team at the department level promoted this scheme. At the District levels, the Chief Development Officer again an IAS (Indian Administrative Services) or PCS (Provincial Civil Services) officer was responsible for the promotion and the execution of the scheme, with the help of the Project Director, an Assistant Development Officer (Women), a Village Development Officer and others for coordination at the village levels.

The methodology of execution was that groups of 10-15 women below the poverty line were identified and were trained in their desired trades with the required skills and the required tools. For example, weaving training would be given to the groups supposed to produce carpets and so on. (For further details on the scheme may also refer to: http://www.ap.nic.in/dwcra/ swamjayanti_gram _swarozgar_yoga.htm, http://rural.nic.in/book01-02/ch-6.pdf, http://rural.nic.in/sgsy.htm)

The produce then was sold in the open market by the groups themselves or with the help of the execution team. They were able to do this by creating channels at the district and state levels. This was similar to the Apex Marketing Society, which was organized by the Department of Rural Development with the support of UNICEF for developing markets and marketing avenues. (This was the organization where the author Sharma Vinay worked for about a year.)

The Problems associated with the effective execution of the scheme

The biggest problem associated with the effective execution of the scheme was timely and proper communication and freedom of market transaction, apart from the cultural, gender related, caste related and other social problems inclusive of corruption and red tape on the part of the Government machinery and work force involved.

The Lessons
e-Choupal: What Works Case Study: ITC's e-Choupal and Profitable Rural Transformation. (Kuttayan Namalai, Sachin Rao August 2003)

ITC is one of India's leading private companies, with annual revenues of US $2 Billion. The company has initiated an e-Choupal effort that places computers with internet access in rural farming villages; the e-Choupal serve as both a social gathering place for exchange of information (*Choupal* means gathering place in Hindi) and an e-commerce hub. What began as an effort to re-engineer the procurement process for soy, tobacco, wheat, shrimp, and other cropping systems in rural India has also created a highly profitable distribution and product design channel for the company—an e-commerce platform that is also a low-cost fulfillment system focused on the needs of rural

India. The e-Choupal system has also catalyzed rural transformation that is helping to alleviate rural isolation, create more transparency for farmers, and improve their productivity and incomes.

ITC has created and is maintaining its own IT network in rural India and has identified (the process is still going on) and trained local farmers to manage e-Choupal. The computer, typically housed in the farmer's house, is linked to the Internet via phone lines or, increasingly, by a VSAT connection, and serves an average of 600 farmers in 10 surrounding villages within about a five kilometer radius. Each e-Choupal costs between US $3,000 and US $6,000 to set up and about US $100 per year to maintain. Using the system costs farmers nothing, but the host farmer, called a *sanchalak*, incurs some operating costs and is obligated by a public oath to serve the entire community; the *sanchalak* benefits from increased prestige and a commission paid him for all e-Choupal transactions. The farmers can use the computer to access daily closing prices on local *mandis*, as well as to track global price trends or find information about new farming techniques—either directly or, because many farmers are illiterate, via the *sanchalak*.

They also use the e-Choupal to order seed, fertilizer, and other products such as consumer goods from ITC or its partners, at prices lower than those available from village traders; the *sanchalak* typically aggregates the village demand for these products and transmits the order to an ITC representative. At harvest time, ITC offers to buy the crop directly from any farmer at the previous day's closing price; the farmer then transports his crop to an ITC processing center, where the crop is weighed electronically and assessed for quality. The farmer is then paid for the crop and a transport fee. "Bonus points," which are exchangeable for products that ITC sells, are given for crops with quality above the norm. In this way, the e-Choupal system bypasses the government-mandated trading *mandis*.

Farmers benefit from more accurate weighing, faster processing time, and prompt payment, and from access to a wide range of information, including accurate market price knowledge, and market trends, which help them decide when, where, and at what price to sell. Farmers selling directly to ITC through an e-Choupal typically receive a higher price for their crops than they would receive through the *mandi* system, on average about 2.5% higher (about US$6 per ton). The total benefit to farmers includes lower prices for inputs and other goods, higher yields, and a sense of empowerment. The e-Choupal system has had a measurable impact on what farmers chose to do: in areas covered by e-Choupals, the percentage of farmers planting soy has increased dramatically, from 50 to 90% in some regions, while the volume of soy marketed through *mandis* has dropped as much as half. At the same time, ITC benefits from net procurement costs that are about 2.5% lower (it saves the commission fee and part of the transport costs it would otherwise pay to traders who serve as its buying agents at the *mandi*) and it has more direct control over the

quality of what it buys. The system also provides direct access to the farmer and to information about conditions on the ground, improving planning and building relationships that increase its security of supply. The company reports that it recovers its equipment costs from an e-Choupal in the first year of operation and that the venture as a whole is profitable.

In mid-2003, e-Choupal services reached more than 1 million farmers in nearly 11,000 villages, and the system is expanding rapidly. ITC gains additional benefits from using this network as a distribution channel for its products (and those of its partners) and a source of innovation for new products. For example, farmers can buy seeds, fertilizer, and some consumer goods at the ITC processing center, when they bring in their grain. Sanchalaks often aggregate village demand for some products and place a single order, lowering ITC's logistic costs. The system is also a channel for soil testing services and for educational efforts to help farmers improve crop quality. ITC is also exploring partnering with banks to offer farmers access to credit, insurance, and other services that are not currently offered or are prohibitively expensive. Moreover, farmers are beginning to suggest—and in some cases, demand—that ITC supply new products or services or expand into additional crops, such as onions and potatoes. Thus farmers are becoming a source of product innovation for ITC.

Key Lessons
The case of e-Choupal is suggestive of the following factors and learning:

1) The model is suggestive of enhancing
    a) the connectivity
    b) the communication levels
    c) the flow of information
2) which is suggestive of people gaining more freedom (Sen A, 2000)
3) The model is looking towards the rural and poor population as market (Prahalad & Hammond, 2000)
4) This model thinks of and have strongly planned for an integrative, multiple level usage of Information & Communication Technology.
5) Preliminary success of the model and multiplication of business suggests the motivation levels of the beneficiaries and the organization also (the reason being that ITC has planned for multifold replication of the project by connecting more than 100,000 villages with in this decade).
6) Interests of MNCs, like ITC, in rural markets and the kind of business proposition is not only suggestive of them being profitable in such markets but also support the aspect that on one hand they are generating business in such markets supporting the raise in the income levels and hence enhancing buying powers of these markets by providing a proper market structure to them.

While on the other hand, they are supporting market freedom and subsequent Societal Development.

4. Proposal
This paper, is proposing a broad framework and a model on the following lines:

a) Most of the existing infrastructure can be utilized with enhanced efficiency with the help of e-Governance.
b) There are schemes and programmes running in relation to Market Development and Business Opportunity Development primarily by Government, which may speed-up with the help of e-Governance.
c) As primary constraints in relation to the effective execution of the Market Development and Societal Development efforts is improper communication which leads to the demotivation of the programme execution teams and the beneficiaries as well. Motivation through communication may be restored through e-Governance.
d) Further, looking at this part of the population i.e. rural and the poor as markets, their status as a market can well be established through the usage of e-Governance.
e) Here, market development is looked at with the perspective of not only being part of a Development of Market Mechanism but also in terms Development of Market Freedom (Sen. A, 2000) and therefore the paper proposes for achievement of further Capabilities especially in terms of Freedom to interchange words, goods, gifts or Freedom of Transaction (Sen. A, 2000) and thus Freedom for the said populace through effective e-Governance.
f) Further, as seen in the learning section MNCs like ITC and many more like Hindustan Lever Limited, like Mahindra Finance are multiplying their strength and business in rural and the poor population itself, the paper also proposes for:
    1) further integration of the market development, business opportunity development and the poverty alleviation efforts of the government with the business strategy and acumen of these organizations
    2) and primarily it proposes for the usage of technical and IT infrastructure/network as a support these MNCs are building in the state for at least the initial execution of the efforts for effective e-Governance.
g) The paper also wishes to look upon effective Non-Government and Government supported programmes like SEWA (Self Employed Women's Association) and propose for an integration of rural and poor population (also seen

as workforce) with efforts like SEWA and that of MNCs like ITC (e-Choupal) through e-Governance.

h) It proposes for selling income (income generation efforts) through government supported or private microfinance to this populace, secondly it proposes for poverty alleviation through the same and through the usage of e-Governance.

i) Finally, Market Development and Business Opportunity Development is foreseen, so as leading to the achievement of further Capabilities and Freedom (Sen. A, 2000) subsequently leading to an encompassing 'Societal Development' all through e-Governance.

Incorporation of e-Governance in the process

e-Governance the facilitator
Now, comes the part of answering the question of 'How' things should be implemented? Incorporation of e-Governance has to be seen in two parts at the levels of implementation i.e.

a) physical and infrastructural establishment and

b) establishment at the levels of actual usage of ICTs by the people involved in the process of Governance.

Separately, there are several efforts and initiatives being taken at the levels of usage of ICTs as well as for the generation of infrastructure. Computer literacy seems to have been incorporated as a part of daily life, but still much has to be done especially in the cases of states like Uttar Pradesh, where population is definitely on the rise as compared to the rise in the levels of literacy and the budgetary constraints involved in the implementation of e-Governance as "diversion of scarce resources towards ICTs could be at the expense of basic services such as water supply, sanitation, health and education for the poor. Also investment in ICTs cannot be sustainable unless basic needs are met, as the knowledge society demands skilled labour and therefore, investments in health and education must come first (Devyani Mani 2003) .

Therefore, at first there is an intense need of integrating all the efforts and programmes being implemented by Government, Non-Government or Business organizations like the cases of ITCs e-Choupal, Gyandoot, Tarahaat, en-Logue and others (Prahalad & Hammond 2002), (M J Xavier, R P Pilllai 2003), (Atanu Gosh, Saurabh Lahiri, 2003), because capacity for the use of ICTs in rural market development, business opportunity development and poverty alleviation concerns several different agencies. Heeks (2002) identifies these as ICT intermediaries who are "organizations (or individuals) who own ICTs and who can act as gatekeepers between cyberspace and the organic, informal information systems of those on the wrong side of the digital divide" (Devyani Mani 2003). Secondly, at the infrastructural levels looking at the complexities and expenses involved in the e-

Governance solutions, Government and the agencies involved, need to build it brick by brick over a period of time, involving multiple solution providers, and needs to adopt architecture standards that are common across the entire solution (S K Gupta, Jaijit Bhattacharya et all 2003). Adoption of technical and architectural standards can be customized as per the needs of the recipients involved and several models can be studied or even initiated as in the cases of Sustainable Development Networking Programme (SDNP), Jamaica, Estonia's Tiger leap to the technology, Citizen Assistance Service Centers (SAC) programme at Bahia in Brazil and the Drishtee project in India itself. Technologies based on complex innovations and inventions, (discussion on the details of such technologies is beyond the scope of this paper) related to satellite-linked networking, and involving the usage of hand-held devices for connectivity and smart cards of data storage and access are already being utilized and can be expanded to establish the redundancy factor. Literacy, Language and Training can be the remaining three factors which seemingly may come as hindrances at the implementation levels, but the technological innovations in the field of software generation is taking care of these problems as such problems can very well be solved by the voice-based software usage and by the integration of efforts like that of 'Bhasha' by Microsoft and the Universal Networking Digital language project by Prof. Pushpak Bhattacharya at IIT Mumbai, India.

The expected issues
E-governance is suggestive of its effectiveness, but definitely with customizations in generating a suitable model and its implementation process with respect to the issues, which may arise in the case of Uttar Pradesh.
Foreseen issues with which the proposed model would be expectedly confronted with may come up in the terms of:

a) Lower literacy rate of the state.

b) Cultural and perceptional barriers in relation to the acceptability towards technology and social changes accompanying the same.

c) Caste discrimination, as technology does not disseminate information with segregation.

d) Social structure, as the politically and the socially powerful people would be required to be adaptive of the technological changes.

e) Role of women in the society, as, efforts with regards to e-Governance may require an active role from women.

Some of the issues that would emerge relate to the facilitation of the process. Those issues may come up in the form of:

f) The availability of the Manpower, i.e. if sufficient, technically equipped manpower would be available.

Fig 2.
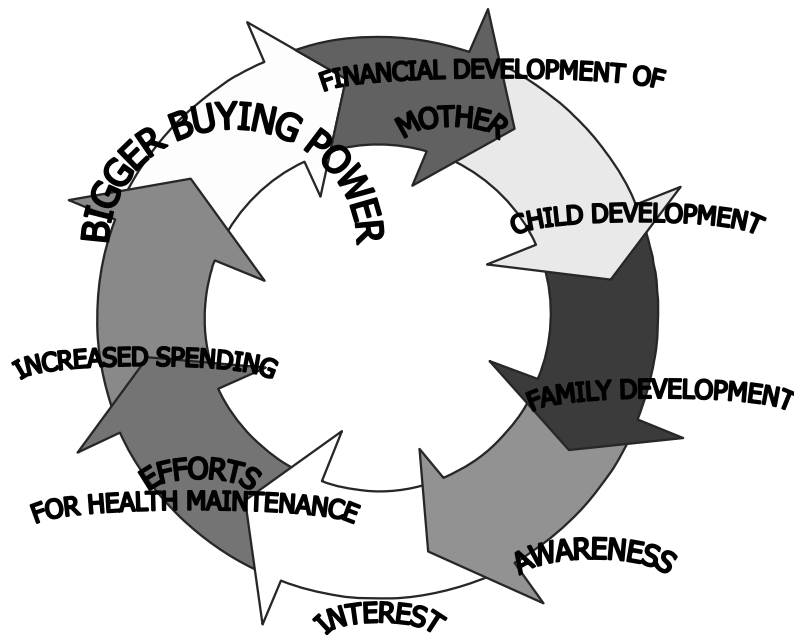
ONCE A MOTHER IS CAPABLE OF GENERATING REVENUES OR BECOMING ECONOMICALLY INDEPENDENT its BENEFITS IN THE FORMS OF HEALTH AND EDUCATION PASS ON TO THE CHILDREN & SUBSEQUENTLY TO THE FAMILY. HERE, THE AWARENESS COMES IN, INCREASING THE INTEREST LEVELS GOING ON TO THE BIGGER EFFORTS FOR HEALTH MAINTENANCE
HENCE INCREASING THE SPENDING ON HEALTHCARE AND FURHTER GOING ONTO THE BIGGER EFFORTS FOR INCREASING THE BUYING POWER FURTHER, WHICH IS AN INDICATION OF ECONOMIC DEVELOPMENT.

g) The adaptability levels of the available manpower, i.e. if they perceive the process to be beneficial for them.

h) The work culture of the manpower available.

i) The prevalent problems of corruption in the state.

5. E-Governance a facilitator to the freedom of market transaction and a mode of business opportunity development

In the preceding sections the paper has tried to put up an example of scheme of Development of Women and Children in Rural Areas, wherein incorporation of e-Governance, which would have helped in the development of business opportunities for DWCRA groups from their places would have also helped in the overall development of the children and the women of these groups and hence the overall societal development. **See fig. 2**.

The role of e-Governance in such schemes and on the whole for market development and business opportunity development may also support the reduction of child labour as this menace of society has some of its roots in the economic deprivation of the families from which they came (Sen A., 2000). One of the major issues of partial efficiency and effectiveness of schemes like DWCRA, is the cultural barriers women face in this part of the world, wherein women are culturally prohibited to interact much with the external world. Then comes the question of searching buyers for their

products, which definitely can be addressed by e-Governance and subsequently may also bring in few liberties on their part and hence 'Societal Development'. Here we may refer to efforts like SEWA (Self-Employed Women's Association) in India for effectively bringing about a changed climate of thought (Sen A. 2000).

Conclusion

Government and their stakeholders, such as donor agencies and international organizations, have enthusiastically embraced the claim that the IT usage can enhance public-sector efficiency (Efficiency gains in information system studies are measured along three dimensions, namely quantity, time and accuracy (see: Heeks, 1999b; Te'eni 1990; and Dery, 1981) and effectiveness (Effectiveness gains in information system studies are described as improvements in the way information is filtered, integrated and presented to decision makers (see: Te'eni, 1990)) (e.g. Heeks.1999b; Bedi 1999; Hashim Allan, 1999; and Mansell and Wehm,1998). Consequently, IT initiatives have been designed around technical infrastructure investment, education and training projects, and change management initiatives to achieve the efficiency and effectiveness benefits associated with IT deployment and usage in clerical activities, government decision-making service delivery (see: Mansell and Wehm, 1998; Heeks, 1999b).(Kulchitsky Roman D., 2001) but there are so many factors to be evaluated and many research

questions have to be raised for evaluating the developmental impact of e-Governance initiatives. (Shirin Madon, 2003), (Shivraj Kanungo, 2003).

Though the paper has proposed and tried to establish the role of ICTs in the development of business opportunities and subsequently the 'Societal Development'. It has tried to take support from the concept of Freedom of Market Transaction from the chapter 5 of Development as Freedom by Prof. Amartya Sen and have tried to suggest the role of e-Governance in the enhancement of development process of business opportunities, the market development and 'Freedom of Market Transaction' as a whole, also suggesting about the "Societal Development" which may emerge subsequently, through the example of DWCRA scheme. The paper has tried to emphasize on the remarkable achievements made by the efforts like e-Choupal and has proposed a similar approach. It emphasizes that the replication of the process will bring in its vitality and will attract the attention of more Entrepreneurs also, because in the implementation of the technology its economic viability should not be neglected as in the longer run "IT business with social benefits will still make economic sense, as Dr A P J Abdul Kalam, the president of India in his address at IIIT, Pune (2003) also said that tremendous market potential that is available in our country in the area of tele-education, tele-medicine, infotainment and e-Governance needs to be given business. If IT touches every one of the billion Indian people, the IT market will become phenomenally large and this will ensure robustness".

The point of view of using ICTs as a mode for market development is to establish e-Governance and ICTs as a social system, as this would enhance communication and flow of information and subsequently would bring in freedom on the part of market transaction, hence, positively supporting market mechanism on the whole bringing in the element of mutual benefit and finally 'Societal Change" at large. As Peter F. Drucker says "Instead of analysis, integration and synthesis are needed. Justice dominates as the principle, economy is secondary, and Integrity is of much of greater importance than the analytical ability".

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A Critique of the Local Poverty Diagnosis and Planning System

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Abstract: The paper discusses the strengths of the Local Poverty Indicator Monitoring System (LPIMS) Guidebook which was advocated as a platform in formulating local poverty reduction action plan for local government units (LGUs) in the Philippines.   The strengths of the LPIMS Guidebook include: (1) the formulation of a rational plan by the LGUs through the use of the set of indicators, (2) ; the application of convergence principle as local government executive officials, local legislative officials, technical staff of different sectors from the local government and the national government, community volunteers, people, organization groups and marginalized groups are represented in the local planning committee; (3) enabling local government units to identify relevant projects on the basis of the indicators; (4) identification of local capabilities through self-reflection process that could respond to the unmet needs; (5) identification of various resources that could support local government unit initiatives; and, (6) the importance of linking poverty alleviation with the comprehensive development plan.

Weaknesses identified with respect to the Guidebook include: (1) lack of emphasis on community mobilization, (2) emphasis on municipal-level planning instead of the lowest level of the barangay; and (3) failure to provide strategies on how to implement focused targeting of individuals and families at the barangay level.

Recommendations to enhance the utilization of LPIMS include: emphasis on barangay-level planning for poverty alleviation, community mobilization, implementation of focused targeting of individuals and families using indicators, the need to formulate basic needs for facilities to match basic needs for services, training of local officials on LPIMS, and the use of poverty indicators in allocating resources.

The Local Poverty Diagnosis and Planning System (LPDPS) is a methodology for formulating a poverty alleviation plan advocated to local government units (LGUs). This was formally adopted by the Department of the Interior and Local Government (DILG), together with the National Economic and Development Authority (NEDA) and National Anti-Poverty Commission (NAPC), through the support provided by the United Nations Development Programme (UNDP) under its project called *Strengthening Local Government's Capacity for the Formulation of Poverty-Focused Plans*.   The methodology, institutional mechanisms and indicators to assess poverty advocated to LGUs are embodied in a *Guidebook on Local Poverty Diagnosis and Planning* issued in December 2002. The *Guidebook* was formally launched by President Gloria Macapagal-Arroyo in July 2003.   The *Guidebook* was formulated with the assistance of Dr. Celia M. Reyes, who serves as the Leader of the Community-based Monitoring System International Network by the International Development Research Center of Canada; and, Ms. Ma. Loreto M. Padua, former Executive Director of the Comprehensive and Integrated Delivery of Social Services (CIDSS) and currently a faculty member of the College of Social Work and Community Development of the University of the Philippines.

This *Guidebook* is advocated to LGUs as a management technology which could guide them in the formulation of local plans for poverty alleviation. It responds to the call for Local Chief Executives to undertake local programs on poverty reduction and local economic transformation issued by the Department of Interior and Local Government (DILG) on August 21, 2001 through Memorandum Circular No. 2001-109 (DILG 2002: 6).   This was supplemented by another directive by the DILG that called for the appointment of a Local Poverty Reduction Action Officer (LPRAO) in all municipalities, cities and provinces to oversee the poverty reduction efforts in their respective localities through Memorandum Circular 2001-105 by the DILG issued on August 31, 2001 (DILG 2002: 6).

Laudable Features
The LPDPS bears some features which projects many laudable features that foster good governance.

Rational Decision-making
One is the advocacy of a set of indicators which could guide and steer *rational decision-making* in local planning process and in targeting localities and families/individuals that can be given priority attention. The set of indicators which totals 13 in all is reminiscent of the key dimensions in the Minimum Basic Needs (MBN) set of indicators that is advocated through the CIDSS, a program institutionalized under the Social Reform and Poverty Alleviation Act passed in 1997, as the service delivery mechanism for MBN. As of April 2004, an additional indicator was added (on maternal mortality rate) to capture the commitments in the

Millennium Development Goals. (See Appendix A for the list of LPIMS and MBN indicators.) This set of indicators was also advocated to LGUs by the DILG, in localities that were not supported by the CIDSS under the Ramos Administration and with its own *Guidebook* formulated to set up the Community-Based Information System (CBIS). The difference between CIDSS and CBIS is that CIDSS deploys a CIDSS Worker that takes care of preparing the community to get involved in the different steps of the management cycle as situation analysis, planning, implementation and monitoring/evaluation (SAPIME).

MBN was also adopted and modified through NEDA and National Statistics Office project supported by the UNDP in pilot areas where a Community-Based Poverty Monitoring Information System (CBPIMS) was set up. CBPIMS only used 23 out of 33 MBN indicators in the household survey. The rest were culled from community informants because of the sensitivity of asking questions from the households themselves. These indicators that were culled from the community informants were questions on families victimized by crimes against person and property, armed conflict, domestic violence and calamities; with 0-6 children left unattended and children engaged in hazardous occupation; who participated in the last elections; with solo parents who availed of health care services; and, having three sets of clothing. CBPIMS also corrected the weakness of MBN in using the family as the unit of analysis by counting the actual number of persons affected by a given unmet MBN (i.e., number of children who were not immunized instead of whether or not families have children who were not immunized).

The dimensions in LPIMS number three in all such as *survival,* including such dimensions as health, nutrition and basic health/nutrition amenities; *security* through shelter and peace/order; and, *enabling* such as income, employment and education. MBN indicators also number three such as *survival*, but includes clothing plus health, nutrition and water and sanitation (with water and sanitation labeled as health and nutrition amenities); *security*, that includes income/livelihood other than shelter and peace and order; and, *enabling*, that includes people participation in community development and family care/psychosocial welfare, other than education.

As the set of indicators has been trimmed down, this could facilitate data-collection process, unlike collecting 33 indicators.

Furthermore, the indicators are more focused on initial impact or long-term effect of services delivered unlike MBN set of indicators which incorporates *outputs/services* (i.e., pregnant and lactating mothers provided with iron and iodine supplements, infants exclusively breastfed for at least 4 months, deliveries attended by trained personnel, 0-1 year old infants fully immunized, pregnant mothers given two doses of tetanus toxoid, couples with access to family planning services, and no child below seven

years old left unattended) and *initial effects* (i.e., not more than one diarrhea episode per chjld below 5 years of age, no child below 15 years old engaged in hazardous occupation and couples practicing family planning).

An edge of LPIMS over MBN is its *objective of counting the number of per*sons affected by a given indicator such as for instance, determining the number of malnourished to the total number of children in the 0-6 years of age *vis-à-vis* looking at whether or not there were severely or moderately malnourished children per family. This is reminiscent of the intention of CBPIMS.

In addition, LPIMS also gives an *opportunity for peculiar needs of certain sectors to be added* to the list of indicators such as proportion of households with access to ancestral domain for indigenous communities; proportion of farm households who are landless, among agricultural barangays; and, proportion of households affected by natural disaster, in localities that are prone to natural disasters.

Like the MBN set of indicators, data on LPIMS are to be collected at the level of the barangay, with suggestions to collect the data in smaller patches in the community such as puroks. Having information gathered at the community-level ensures that the data capture the peculiar requirements of the community and lead to the formulation of plans responsive to the needs of the community.

Having a set of indicators could also ensure transparency in terms of the performance of the LGU as data are available to track down the progress on quality of life.

Convergence Principle
Another feature of the methodology is the adoption of the convergence principle which is a feature that is also prominent in CIDSS and in MBN-CBIS advocated by the DILG. This is to be translated by setting up an interagency committee called the Local Poverty Reduction Action Team (LPRAT) at the barangay and municipal levels, normally composed of officials performing executive functions in LGUs, officials of the local legislative body, local technical staff, community volunteers, and representatives from the different basic sectors that compose 12 (i.e. farmers, agrarian reform families, fisherfolk, formal labor, informal labor, children, youth, women, senior citizens, persons with disabilities, victims of calamities and indigenous people). The basic sectors are often marginalized, depressed or underserved groups in the community, officially recognized in the Social Reform and Poverty Alleviation Act. The involvement of the basic sectors is significant because it stresses the importance of these groups to be actively involved in the local teams that oversees the overall effort in poverty alleviation. Furthermore, people participation in governance is also encouraged by enabling *sitio* leaders to take part in the barangay LPRAT. Unlike basic sector representatives,

sitio leaders have a holistic view of the requirements of their respective localities, and could cut across the needs of the different basic sectors.

Convergence is advantageous as it assures that services are maximized since different workers operate as a team that could avoid duplication and overlap of functions. Convergent effort also fosters camaraderie among the members of the team and facilitates diffusion of information about the concerns of every stakeholder.

Members of the barangay LPRAT are from the 1) LGU officials with executive functions such as the Barangay Captain and the Barangay Secretary; 2) the local *sanggunian* that includes the Chair of the Appropriations Committee of the barangay; 3) local technical staff (such as the Chair of the committees of education, health, water and sanitation of the Barangay Development Council), 4) representative from the national government such as the School Principal/Head Teacher); 5) barangay volunteers such as the Barangay Health Worker, Barangay Nutrition Scholar, Day Care Worker, Community Environment and Natural Resources Officer and other community volunteers; 6) basic sector representatives; and 7) other PO groups such as *sitio* leaders.

At the municipal level, the members of the LPRAT include: 1) local government officials represented by the MPRAO, Municipal Planning and Development Coordinator, Municipal Local Government Operations Officer, barangay captains of all barangays, and barangay secretaries; 2) the local *sanggunian* through the Chair of Appropriations Committee, 3) local technical staff through Chair of the various committees of the local development council and the Department Heads of the municipal government offices; 4) national government representative through the School Principal/Head Teacher; 5) basic sectors through their barangay sectoral representative; and 6) nongovernment organization and PO representatives of the local development council. (See Appendix B for the list of members in the LPRAT at the municipal and barangay levels.

Thus, it is important for basic sector representatives at the barangay level to be organized to ensure that they are represented in the barangay. This is necessary for them to identify their representative in the municipal LPRAT.

Empowerment Principle
An important feature of the LPIMS is the inclusion of basic sector representatives in both the barangay and municipal LPRATs. Their interface enables marginalized groups to have a role in the different phases of the management cycle—in identifying the indicators to assess poverty, in the visioning process, in the identification of programs/projects, and, in the identification of resources needed to undertake projects. The involvement of the basic sectors provides an opportunity for marginalized groups to make decisions

about how their respective problems could be solved, avoiding mendicancy or dependence on government, and ensuring relevant intervention in addressing their problems. *Sitio* leaders could also supplement the perspective of the basic sector representatives.

Management Approach as Against Program-based Strategy
Considering the advocacy of the LPDPS *Guidebook* for each municipality to go through the process of tracing the root cause of each unmet basic needs, based on the indicators on LPIMS or similar tools, the approach highlights the importance of making each local poverty alleviation team to focus on their own perception and understanding of the problem, rather than the perspective of the national government. What is encouraged is for each team, particularly the municipal LPRAT, to identify programs and projects that could respond to the root cause of the problem. The *Guidebook* does not impose or even recommend specific programs and projects to respond to these problems. Each team is encouraged to identify appropriate programs and projects to address the root cause of the unmet problems. Thus, the approach ensures responsiveness of the programs and projects since the direct beneficiaries participate in their identification.

Assessment of Capabilities/Opportunities
One of the laudable features of the *Guidebook* is the identification of possible "coping mechanisms" to deal with each problem and the identification of opportunities, indicating resources available in the locality, in preparation for the identification of concrete measures or programs/projects that can be undertaken to respond to the problem. By mapping these opportunities, projects that can be undertaken can be assessed for their feasibility. Thus, plans do not remain as desired states but realizable instruments.

Resource Mobilization
Another important feature of the *Guidebook* is the inclusion of information on the possible ways to raise local resources that can be tapped to finance the local poverty alleviation plan. Financing options identified do not only include local (i.e., internal revenue allotment, local taxes and revenues, and loans) and national financing schemes (i.e., national funds and loans). They also include private sector funds through such mechanisms as having the private sector build, own and operate projects (BOO); having the private sector apply Build-Operate-Transfer option as it is given an opportunity to invest in a local government project, and recover from the investment before it is transferred to the LGU; and, having the private sector partner with government for commercial and business undertakings. Tapping official development assistance (ODA) is also suggested as an option with a listing of projects being provided to give the user of the *Guidebook* an idea of different projects which are extended grants or loans.

Indicating opportunities to generate resources empowers LGUs to take the initiative to support its projects, fostering the principle of autonomy.

Opportunity for other Methodologies to be Used. Another important contribution of LPDPS is its relative openness in recognizing existing indicator systems which are operational in the LGUs. The *Guidebook* compares four indicators, apart from the LPIMS. The first three are indicators advocated by the national government at one time or another such as MBN-CBIS, CBPIMS and the Integrated Rural Accessibility Program (IRAP). As the name suggests, the indicators adopted in IRAP focus on the "accessibility" of the facilities/services of each basic need dimension (i.e., number of schools in each barangay, travel time to reach a health service) rather than focusing on the condition of individuals/families on basic needs, which MBN and CBPIMS are able to do. The fourth set of indicators is used by the MIMAP Project that targets selected localities in the Philippines.

These four set of indicators are compared on such dimensions as survival, security and enabling needs. Apart from LPIMS, a comparison of the four sets of indicators reveals that MBN-CBIS is the most participatory in data collection. MIMAP and CBPIMS rely on paid enumerators, while IRAP depends on key informants whose views could be "parochial" in character (DILG 2002: Annex IIB).

It can be deduced that the set of indicators adopted in the LPIMS has been largely influenced by the set of indicators of MIMAP.

Linking Poverty Alleviation with the Comprehensive Development Plan. An important feature of the LPDPS is that it links the visioning exercise with the Comprehensive Development Plan, ensuring that there is consistency between the two. The existing programs are revisited and tied up with new programs, and then prioritized according to agreed upon criteria. Some suggested criteria include, replicability, sustainability, participatory process and number of people benefiting from the program/project.

Deficiencies
Considering all these laudable features, the gaps and deficiencies of LPDPS are as follows:

Municipal-based Planning
One weakness of the LPDPS is its emphasis on the role of the municipality in the preparation of the poverty alleviation plan. The mechanism for the formulation of the plan highlights the role of the municipality in consolidating the different barangay LPIMS data or other related data; in assessing coping mechanisms and development opportunities; in conducting cause analysis of the key unmet MBNs; in the preparation of the development plan for poverty reduction; and, in the

identification of resources to undertake the program/projects prioritized. However, the role of the barangay in the formulation of a poverty alleviation plan is not indicated. It is unlike the MBN-CBIS which utilizes the data at this level for both planning and targeting purposes, like in MBN-CIDSS.

Focused Targeting of Individuals and Families
Unlike the MBN-CBIS, the modalities in processing data for identifying individuals/families that can be given priority attention is not given much attention in LPDPS. This could be attributed to the fact that the consolidation of the data occurs at the municipal level. Hence, responding to the needs of individuals and families is not clearly spelled out in the LPDPS, which defeats the purpose of seeking out the most marginalized in a poverty reduction agenda.

Community Mobilization/Preparation
While the LPDPS recognizes the importance of the basic sector interface in governance, there is a need to ensure that the community is prepared to operate as organized groups. Setting up the LPDPS without due regard to community organizing will only pay lip service to people participation in governance. Our evaluation of the CIDSS in 1999 (Bautista 1999) has shown the impact of community preparation on the depth of involvement of the community in the different phases of governance compared with the advocacy of MBN through setting up CBIS, that did not give due emphasis on community mobilization.

Recommendations
In the light of these weaknesses and gaps, the following are my recommendations in order to strengthen the LPDPS, which for me should be pushed more aggressively:

1. **Role of community mobilization.** There is a need to incorporate community mobilization in order to ensure that participatory governance principle permeates the crafting of the poverty agenda. This should also include advocacy of the principle to the local chief executive, who can give the directive to a community mobilizer, possibly from a nongovernment organization or a Social Welfare and Development Officer, in undertaking this task.

2. **Barangay-led Planning.** There is a need to revise the *Guidebook* to take into consideration the important role of the barangay in the planning process. To ensure that the information system is community-based, the LPDPS should not only consider the barangay as a source of information but that the data collected at this level could be analyzed and processed by the community, and from which, cause analysis can be undertaken, and ultimately, the identification of relevant plans and projects. The municipality can serve as a venue for

negotiation among the members of the barangay LPRAT regarding the projects that can be prioritized by the municipality, considering the concerns/problems of the different barangays. Planning should be *barangay-led* and not municipal-led. Hence, there is a need to advocate the full cycle of the methodology of LPDPS to the barangay and not only to the municipality.

3. **Focused Targeting of Individuals/Families.** There is a need to strengthen the system of focused targeting for affected individuals, families or basic sectors. The technology of dealing with the marginalized, depressed, deprived and underserved individuals and families should be incorporated in the *Guidebook* and not taken as a matter of course. Experiences in CIDSS can be included or other local initiatives to apply the methodology of targeting to ensure that users of the *Guidebook* can demonstrate how targeting can be done.

4. **Formulating MBN for Facilities.** I may sound like a broken record but I wish to reiterate a point I have raised in different fora on the need to formulate basic facilities indicators. If there are basic needs indicators for individuals and families, there is also a need to define the standards needed for facilities to respond to individual needs. Human needs can be effectively addressed if there are enough facilities to address these needs. For instance, a day care center per barangay cannot sufficiently address the needs of children if there are many of them. The IRAP is a good starting point since it has already incorporated access to facilities, but standards for these facilities have not been formulated yet.

5. **Role of Local Chief Executives.** Local Chief Executives (LCEs) have a critical role to play in steering and directing the formulation of plans for poverty alleviation, being the key person who could appoint the Local Poverty Reduction Action Officer. He is also the key person responsible in advocating for and directing the allocation of resources for poverty alleviation. Hence, it is important to have a separate advocacy for the LCE in order for the whole effort on poverty reduction truly successful.

6. **Consolidation of Development Plans.** There are several plans expected to be crafted by LGUs. Aside from the regular plans like the Comprehensive Development Plan, Comprehensive Land Use Plan, Provincial Physical Framework Plan and Annual Investment Plan, the LGUs are expected to produce the Local Public Safety Plan, Gender Plan, Local Enterprise Plan, Sustainable Integrated Area Development Plan, apart from the Local Poverty Plan (Garganera 2004: 119). There

is a need to consolidate these different plans to avoid confusion and to present an integrated view of the needs of the locality, rather than parceled out in different documents. The Comprehensive Development Plan can consolidate all these plans, with a poverty perspective permeating the other plans, due to the fact that poverty is an overriding concern.

7. **Adoption of Poverty Indicators in Allocating Resources.** There is a need to market to national implementers of the executive branch of government to consider the set of indicators as the bases for the identification of localities that can be given attention and the programs that can be prioritized for support. Even the legislature can be steered to adopt the set of indicators as a basis for making decisions in terms of the localities and the services that they can provide allocation from their pork barrel funds. The indicators provide rational criteria to ensure that priority attention is extended to the marginalized by key decision-makers.

Conclusion

The LPDPS is a management technology that can be harnessed to ensure that local government units formulate a plan with a poverty perspective. Poverty alleviation should not only be a responsibility of the national government but should be lodged in local government units where the poor are located. Innovative local government officials can be directed by the LPDPS framework in responding to the plight of the poor in a more innovative way—capitalizing on such principles as people participation, focused targeting, convergence and human development. Having a poverty focus in a development plan actually ensures that the resources are channeled to people who are marginalized, to lift them from the burden of deprivation and ultimately, equip them with capacities to be liberated from the bondage of poverty.

Author

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Appendix A. MBN indicators

Basic Needs	MBN Indicators	LPIMS
Survival		
A. Food and Nutrition	1. Newborns with birthweight of at least 2.5 kg. 2. No severely and moderately underweight children under 5 years old 3. Pregnant and lactating mothers provided with iron and iodine supplements 4. Infants breastfed for at least 4 months	1. Malnutrition prevalence-Proportion of children 0-5 years old who are moderately and severely underweight
B. Health	5. Deliveries attended by trained personnel 6. 0-1 years old fully immunized 7. Pregnant women given at least 2 doses of tetanus toxoid 8. Not more than 1 diarrhea episode per child below 5 9. No deaths in the family due to preventable causes 10. Couples with access to family planning 11. Couples practicing family planning in the last 6 months 12. 12. Solo parent availing of health services	2. Proportion of children aged 0-5 years old who died to the sum of children 0-5 years old
C. Water and Sanitation	13. Access to potable water (faucet/deep well within 250 meters 14. 14. Access to sanitary toilets	3. Proportion of households without access to safe water 4. Proportion of households without access to sanitary toilet facilities
D. Clothing	15. Family members with basic clothing (at least 3 sets of internal and external clothing	5. Proportion of households who are squatters 6. Proportion of households who are living in makeshift housing
Security		
A. Shelter	House owned, rented or shared 18. Housing durable for at least 5 years	
B. Peace and Order/ Public Safety	19. No family member victimized by crime against person 20. No family members victimized by crime against property 22. No family member displaced by natural disaster 23. No family member victimized by armed conflict	7. Proportion of households victimized by crime
C. Income and Employment	24. Head of family employed 25. Other family members 15 years old and above employed 26. Families with income above subsistence threshold level	8. Poverty incidence—Proportion of households who have income greater than the poverty threshold 9. Subsistence incidence – Proportion of households who have income greater than the food threshold 10. Proportion of households who eat three meals a day 11. Unemployment rate

Basic Needs	MBN Indicators	LPIMS
Enabling		
A. Basic Education and Literacy	27. Children aged 3-6 attending day care/preschool 28. Children 6-12 years old in elementary school 29. Children 13-16 years old in high school 30. Family members 10 years old above able to read and write and do simple calculation	12. Elementary participation rate 13. Secondary participation rate
B. People's participation	31. Family members involved in at least 1 people's organization 32. Family members able to vote at elections	
C. Family Care/Psycho-social Needs	31. Children 18 years old and below not engaged in hazardous occupation 32. No incidence of domestic violence 33. No child below 7 years old left unattended	

Appendix B. Suggested Members of the Local Poverty Reduction Action Team

Institutions Represented	Barangay Poverty Reduction Action Team	Municipal Poverty Reduction Action Team
LGU Key Officials in Executive Function	Barangay Captain Barangay Secretary	MPRAO Municipal Planning Devpt. Coordinator Municipal LG Operations Officer Barangay Captains Barangay Secretaries
LGU Sanggunian	Chair of Appropriations Committee Members of the Sanggunian	Chair of Appropriations Committee
LGU Technical Staff	Chair of Committees in Education, Health, Water and Sanitation	Chair of Committees in Education, Health, Water and Sanitation Dept. Heads of the municipality
National Government	School Principal/Head Teacher	Chair of Committees in Education, Health, Water and Sanitation
Basic Sectors	Representatives of the Basic Sectors	Barangay Sectoral Representative
Other POs/Civil Society Groups	Purok or Sitio Leaders	NGO/PO representatives in the municipal devpt. council
Barangay Volunteers	Barangay Health Worker Barangay Nutrition Scholar Day Care Worker Community Environment and Natural Resources Officer Other Community Workers	
Private Sector		Private sector representative in the municipal devpt. council

Toward Digital Equality: The Study of ICT and the Effective Public Service Delivery in Taiwan

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Abstract: Our society has undergone several transformations with the coming of the information age, one of which is the method of public service delivery. Nowadays, some governments provide services through new technologies, such as Internet, BBS, or IC cards. These e-techs will inevitably propel the mutation in org structure, adv process…and so on.

From the public administration perspective, obviously, NPM is also a force underpinning the e-governance. In the early 1980s, G. Caiden described that administrative reform came of age. Under the Thatcherism and Reaganism, the core values of government reform are entrepreneurship and competition, and these will be helpful to the formation of E-government.

In this paper, some points will be discussed. First, the formation of the society of Information under the development of Information and Communication Technology（ICT）. Second, the transformation of public service delivery in e-government context and the approach of New Public Management（NPM）, and of course, the issues of equality, such as digital divide, and digital democracy will also be discussed under the context. Finally, the case of public service delivery of digital equality in Taiwan will be analyzed.

O ur society has undergone several transformations by the coming of information age, one of which is the method of public service delivery. Nowadays, some governments provide services by new technologies, such as Internet, BBS, or IC cards. These e-techs will inevitably propel the mutation in org structure, adv process, … and so on.

Information and communication technologies are undoubtedly powerful, but they are not so autonomously (Scarbrough and Corbett 1992). On the contrary, the deployment of computers, telecommunications and information systems is the consequence of human choices which are themselves constrained and shaped by social context. The importance of ICTs derives from the potential for supporting new informational capabilities, as well as for introducing changes in the way that information is communicated. By the same token, much of the resistance to ICT-induced innovation lies in the political and cultural significance of information and communications processes.

As use of the internet and world wide web by citizens has increased, a number of scholars have touted the web as a means to increase democratic participation and strengthen political community. It has been argued that new information technologies will transform the nature of political activity by infusing representative democracy with the direct democratic ideals of the Ancient Greek city state, or by fostering local communitarian political structures.

In this paper, some points will be discussed. First, the formation of the society of Information under the development of Information and Communication Technology（ICT）. Second, the transformation of public service delivery in e-government context and the approach of New Public Management（NPM）, and of course, the issues of equity （such as digital divide）and democracy （such as digital democracy） will also be discussed under the context. Finally, the case of public service delivery of digital equality in Taiwan will be analyzed.

New Public Management Movement and Information and Communication Technologies (ICTs)

The proponents of New Public Management advocated that political system(s) should shift from the inward-facing mainframe computer systems of bureaucracy (in the 1960s) to the outward-facing networks framework of public sectors, and make it easier for citizens to become involved in public affairs. Government becomes an opening and learning organization and is expected to respond to the needs of its citizens by the way of email and web sites rapidly. In this view, citizens are perceived mainly as the "consumers" of public service (Jan, Wang, and Hsu, 2004）.

Terry 1998） pointed out that the public management includes four approaches, that is quantitative/analytic management, political management, liberation management, and market-driven management:

a. Quantitative/analytic management has its intellectual roots in policy analysis and the discipline of economics. Its emphasis is on the strategic use of sophisticated

analytical techniques, such as forecasting and cost-benefit analysis.

b. Political management focuses on the politics of public management, and it rejects outright the politics/administration dichotomy.

c. Liberation management is guided by the idea that public managers are highly skilled and committed individuals who already know how to manage. Consequently, the supposedly poor performance of public bureaucracies is not the result of managerial incompetence or malfeasance.

d. Market-driven management is influenced by two fundamental ideas. The first of these, competition, is guided by the neo-classical economics belief in the efficientcyof markets. The second idea relates to the universal or generic character of private-sector management.

Ho （2002） pointed that the reinventing government movement, which started in the late 1980s, is an effort to reorient the focus of government operations from an inward-looking approach to an outward-looking one by emphasizing the concerns and needs of the end user. Under the model proposed by Osborne and Gaebler（1992）, citizens are regarded as "customers" who become the central focus in designing government service delivery.

A scholar in the field of digital government in Taiwan, Shiang（2001）, pointed out that free flow of information promotes the creation and utilization of added values, and makes the distribution of resources more even and utilization more efficient and effective. Ultimately, it raises competitiveness of the society and nation, and enhances people's welfare.

In putting forward those argument(s) about the movement of New Public Management and the development of ICTs, Ferlie, et al. （1996） postulated the view that transformational change involves multiple processes of change from different sources occurring simultaneously. In "The National Performance Review" report （Gore, 1993）, it suggests that e-government will allow citizens broader and more timely access to information and service through an efficient, customer-responsive process-thereby creating a fundamental revision in the relationship between the federal government and everyone served by it.

Combining the major ideas of New Public Management and the development of ICTs, there are some transformations of public delivery system in many countries, and "One-Stop Service Centers" is an example. Just like Ho（2002） pointed out that "A one-stop service center is an umbrella organization that operates on top of existing functional departments and is intended to maximize the convenience and satisfaction of users through service integration.

Meeting the challenges of the 21st century, Taiwan's government believes that it is vital for Taiwan to sharply enhance its overall national competitiveness, put its economy on a sound footing, accelerate industrial upgrading, foster full participation in civil life, enrich the cultural substance of democratic society, and establish a just, humane, and culturally progressive society（RDEC, 2003）. To all the goals mentioned above, Taiwan's government has prepared for more than one decade. In 1993, the Former Premier of Executive Yuan, Lien Chan had carried out the program of "Administrative Reinventing." It stressed three main goals: efficiency, honesty, and customer-oriented. In 1998, the following Premier Vincent C. Siew established the Committee of Government Reform, and implemented organization reform, human resource and public service reform, and juridical reform. In 2001, in response to a suggestion made by the "Economic Development Advisory Committee" at a meeting, the Office of the President in Taiwan set up a "Government Reform Committee," which has charged with the task of improving government efficiency. Reviewing the missions, goals, and actions of these program or committees, we can find that the theoretical base of them are "new public management," which means looking for the value of competition, free choice, and efficiency in Taiwan's public sector.

The promotion of government reform in Taiwan aims to build an energetic government that is globally competitive. Facing critical international challenges and significant diplomatic difficulties, Taiwan relies heavily upon its economy and competitive commercial advantages to ensure prominence in the international arena. Over the past decade, however, statistics showed that Taiwan had lost some of its prevalence to rivals who worked harder and faster. This is the only way that Taiwan can consolidate its existing socioeconomic progress, realize the national vision of an "economically-sustainable, fair, peaceful, and contented homeland," and respond to the intense global competition of the future （RDEC, 2003）. In order to make an effective government in Taiwan, developing e-government becomes a key to an open and transparent Taiwan government.

To further broaden the scope of e-government applications, RDEC （Research, Development, and Evaluation Commission） in Taiwan issued the E-government Program (2001-2004) in April 2001 and expects to enhance the depth and breadth of government online applications during the four-year period of this plan. The ultimate goal of the program is to raise national competitiveness by promoting Internet applications throughout society and industry （RDEC, 2003）. To make a brief summary here, we can find that the administrative reform in Taiwan was influenced by the movement of NPM. Besides, we can also

understand that using information and communication technologies (ICTs) is one of the important approaches to realize the goals of Taiwan's administrative reform, and there will be a deliberative analysis of Taiwan's case in the following part.

ICTs, Equality, and Democracy
Features of ICTs
The digitalization of information and their communication should be the core focus of social scientific inquiry of the information age. While the physical machinery has become the common-sense focus of attention, this process has meant that we have become purblind to the distinctive properties of these technologies. What are the specific properties of information and communication technologies which have lent themselves to such a dichotomized view of the information age? What is it about these technologies that leads commentators to adopt such definite, but contradictory, convictions about their social implications? To address these questions we will refocus our discussion on the information and communications capabilities associated with ICTs (Jan, 2000).

In fact, there are two interrelated qualities of ICTs which help us to answer these questions. Each of these qualities is concerned with information. The first highlights the significance of "informatization." The second relates specifically to new capabilities for communicating information（Jan, 2000）.

The key features of information and communication technologies (ICTs) are claimed to the potential for the development of a new variety of democracy. The reasons are as follows (Hague and Loader, 1999):

    a. Interactivity - users may communicate on a many-many reciprocal basis.
    b. Global network - communication is not fettered by nation-state boundaries.
    c. Free speech – net users may express their opinions with limited state censorship.
    d. Free association – net users may join virtual communities of common interest.
    e. Construction and dissemination of information – net users may produce and share information that is not subject to official review or sanction.
    f. Challenge to professional and official perspectives – state and professional information may be challenged.
    g. Breakdown of nation-state identity – users may begin to adopt global and local identities.

From these points of view, we can find that the importance of ICTs derives from the potential for supporting new informational capabilities, as well as for introducing changes in the way that information is communicated. By the same token, much of the resistance to ICT-induced innovation lies in the political and cultural significance of information and communications processes.

Digital-divide and Equality
Knowing how to search, access, and use the potential opportunities created by new telecommunication technologies and available resources, the quality of life and social-economic position of people would be improved. However, due to different social backgrounds, it has created uneven opportunities on availability of information and telecommunication technology. Consequently, the unequal phenomenon in Taiwan information system society — called "Digital divide"（Reduce Digital Divide）. As the Internet has become increasingly central to life and work, it becomes even more important if certain groups are systematically excluded. Much of the discussion and debate around the digital divide had emphasized the gap between "information haves" and "information have-nots" with respect to either technology access or equitable access to benefits associated with technology (US Department of Commerce, 1999）.

From the report on 2000, these data provide concrete evidence that the Internet is being used by an increasing number of Americans. More than one-third of Americans go online from any point, either at home or outside the home. Approximately one-quarter access the Internet at home. For those households with a computer, approximately two-thirds have Internet access. Households that do not have Internet access most frequently explain that they either do not want it or that it is too expensive; for those households that have dropped off the Net, cost is the most important reason （NTIA, 2000）.

The "digital divide"-- the divide between those with access to new technologies and those without -- is now one of America's leading economic and civil rights issues. The report of 2000 revealed that the number of Americans connected to the nation's information infrastructure is soaring. Nevertheless, 2000's report found that a digital divide still exists, and, in many cases, is actually *widening* over time. In the experience of the U.S., there was 63% of the population online in 2003, and the government expects that the digital divide will be alleviated in 2008（NTIA, 2000）. Johnson（2004）pointed out that even today, some 40 percent of citizens do not use e-mail. Over time, the figure will undoubtedly drop, but there will be a persistent minority of individuals untouched by e-mail, Internet, and electronic communication. Lawmaker must be able to communicate with them from the old-fashioned, non-technical means of letters, post cards, and face-to-face conversation.

In order to realize the digital government, there should be several values stressed, and we can call them the 3 "es" of e-government. First of all, the ICTs help

government enhance its "efficiency", and secondly, we should make use of ICTs to improve the "effectiveness" of public administration. Finally, and it might be the most important, the government should pay much attention to the "equality" of digital government, such as accessibility, digital literacy, and so on.

Digital Democracy
Shiang (1999) thought that the "base on the development of modern information and communication technology and computer-mediated communication (CMC), electronic democracy is argued to be a help in realizing openness of the government, removing barriers of citizen participation, achieving interactive communication and Habermas' ideal speech situation, and arriving at an authentic consensus." Besides, "Democracy and democratic administration assisted by CMC has been a recent trend in modern governments. With the democratic ideology and development of modern ICT, digital democracy seems to be a new paradigm of – government-citizen relationship(s) of the next century" (Shiang, 1999).

Digital-democracy can be understood as the capacity of the new communications environment to enhance the degree and quality of public participation in government（Kakabadse et al., 2003: 47）. To explore how the Internet and the World Wide Web might be used to improve the democratic process, the focus will be put on three types of improvements, which enhance citizen participation. First, we examine the contention that citizens do not have the civic education necessary to act meaningfully in the political process; technology might provide citizens with better information, elucidate values and contribute to public debate regarding public issues. Second, we consider the perception that there is a general apathy towards civic affairs among the general public, and a decline in the 'social capital' required to build political community and encourage participation. Third, we discuss the idea that citizens are disconnected from their government. Also we will examine the extent to which technology might bridge the gap between the government and ordinary citizens（Jan, 2000）.

The civic education required for democratic decision making involves not only the dissemination of information but also the building of the values underlying democratic decisions. Effective democracy requires that the public reconstruct value choices in civic or collective, rather than individualistic, terms. Democratic renewal required not merely information, but a shift in values at the most fundamental level. Also civic education must develop the public's ability to understand and confront the value trade-offs inherent within policy choices (Hale, Musso and Weare, 1999).

One line of criticism holds that citizens lack the basic education and decision-making skills necessary to be active participants in the political process. Without civic education, democratic choice is little more than the expression and aggregation of private prejudices' (Barber, 1984: 278). Barber echoes a

common view among media scholars and political scientists that ignorance on the part of the American voter severely constrains their ability to develop consistent political positions, 'to understand and evaluate policy options, and hence, to participate meaningfully in democratic politics' (Yankelovich, 1991). Importantly, Barber（1984）appears to equate information and education with "good" political judgment. From this perspective, polls that consistently find that most people cannot name their Congressional representative, let alone state or local representatives, might be considered proof that citizens are unable to participate effectively in the political process. Whilst information may be necessary to engage the public in policy decisions, many argue that it is not sufficient.

Effective democracy requires that the public reconstruct value choices in civic or collective, rather than individualistic terms. Etzioni (1988), Putnam (1995) concur that democratic renewal requires not merely information, but a shift in values at the most fundamental level. Finally, Yankelovich (1991) believes that civic education must develop the public's ability to understand and confront the value trade-offs inherent within policy.

No one can deny that the main issue of democracy is about equality. In the discussion of digital democracy, how to improve digital divide is also an important issue. The U.S. government has noticed the phenomenon about ten years ago. The National Telecommunications and Information Administration, U.S. Department of Commerce, has issued the report on "Falling through the Net" from 1995. From above, we can agree that digital democracy might be the "last mile" when we discuss digital government.

Toward Digital Equality—The case in Taiwan
A survey of the state of e-government in 196 nations published by the World Market Research Center in August 2001 ranked Taiwan second, behind only the United States. This survey primarily assessed the service content and functionality of government websites. Taiwan ranked first in the item of diversity of government website services, and was one of the few nations worldwide that had actually used electronic certificates in e-government services. In addition, Taylor Nelson Sofres conducted a survey of public use of e-government services in 27 of the most progressive nations in September 2001. Taiwan was ranked ninth in this survey, indicating that Taiwan's e-government efforts are delivering real benefits and have attracted a degree of international recognition (RDEC, 2002).

To enhance the quality and efficiency of government services by taking the advantage of the benefit offered by the ICT, the government has established an "Electronic Government Program (2001~2004)" in April 2001 (RDEC, 2003). The vision of the E-government is (RDEC, 2002):

a. To employ information and communications technology in support of government re-engineering, provide innovative services, improve administrative efficiency, and raise the quality of public service.
b. To reform civil servants' operating procedures and re-engineer the handling of public business so as to take advantage of modern computer and network communications technology, thereby making government agencies dramatically more flexible and responsive, accelerating service speed, extending service time, broadening geographical service scope, enriching service options, and lowering costs.
c. To enable government agencies, businesses, and the public to conveniently obtain a variety of government services via a broad range of channels at any time and place, and to provide integrated, innovative interdepartmental services such as "exemption from need for physical transcripts," "paperless applications," "one-stop services," "multi-point, multi-channel, 24-hour services," and "service to the home," etc.

From these visions, we can find that the E-government in Taiwan expected to improve government operational procedures, promote service efficiency and quality, cut-down service cost, and provide private sectors and individual citizens with many innovative and convenient services. In the program of Taiwan's governmental reform, RDEC （2003） realize that developing an e-government is a key for open and transparent government. It is an inevitable trend in government informatization to use the open, high-speed online environment to provide the public convenient information and services.

Framework of Measures

Figure 4.1 The Program of Taiwan's E-government
Resource from: RDEC, 2002

In figure 4.1, we can find the framework of Taiwan's E-Government Program. There are three themes of the program: improve service effectiveness, enhance clerical efficiency, and improve decision-making quality. Additionally, there are four levels of the program, and they include infrastructure, computerization, information sharing, and finally, the two-way on-line service. For example, in order to improve the effectiveness of public service, the on-line services will provide the model of government to customer（G2C） or government to business（G2B）.

There were several studies about information infrastructure and digital democracy, and this research also point(s) out that there were some aspects which can be improved in Taiwan's e-government. Chen, Huang, and Hsiao（2000） examine the information circulation and aggregation function of the web sites of Taiwan's Legislative Yuan（LY） and 23 city （county） councils. In the results, they found that the information functions of web sites of Taiwan's legislative bodies has reached world average, however, the LY web sites focused on the provision of academic and professional information and neglected the information need of common people. Table 4.1 shows the rate of online population in Taiwan from 1996 to 2001.

Table 4.1 The Rate of Online Population in Taiwan

Date	Number	% of POP	Survey Source
July 2001	11.6 million	51.85	Nielsen Net Ratings
July 2000	6.4 million	28.84	Iamasia
December 1999	4.79 million	21.66	Computer Industry Almanac
September 1998	2.8 million	12.9	Institute for Information Industry, Taiwan
December 1997	1.66 million	7.7	Institute for Information Industry, Taiwan
December 1996	441,000	2.5	Institute for Information Industry, Taiwan
June 1996	365,000	1.7	Institute for Information Industry, Taiwan

Resource form: http://www.nua.ie/surveys/how_many_online/asia.html, visited on 2004/9/7

Table 4.1 points out the rate of on-line population in Taiwan rose from 1.7% in 1996 to 51.85% in 2001. The on-line population has increased almost 30 times in those 5 years. Furthermore, we can also find that the on-line population has increased 5 million since 2000 to 2001. To respond to the on-line population, Taiwan's government will focus more on digital government in the nearest future.

Take e-taxation, for an example. We can find that Taiwan's government uses ICTs to help public service delivery:

Figure 4.2 The On-line Tax Payers in Taiwan
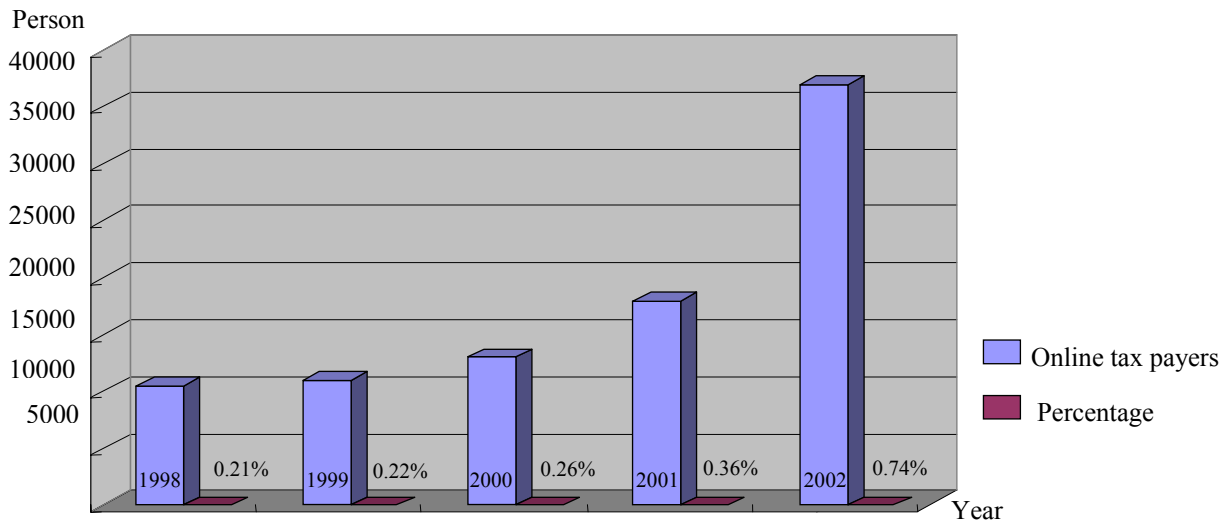
Resource from: Resource from: RDEC, 2002

From figure 4.2, we can find that the population of on-line tax payers has increased gradually from 1998 to 2001, from 0.21% to 0.36 between 1998 and 2001. However, Taiwan's government implemented the E-government Program since 2001, and the population of on-line tax payers has doubled from 2001 to 2002. Although we do not have direct surveys to verify the causal relationship between Taiwan's E-government Program and on-line tax payers, we do believe that they should be related.

As for the practice of digital democracy in Taiwan, Shiang （1999） points out that digital-democracy has opened a new page for democratic administration. But after his investigation of on-line forums of Taiwan's municipal web sites, he found that it doesn't reach a high standard in terms of democratic practice. Lin and Kuo (2000) used a analytical framework of WAES (Website Attribute Evaluation System), which was developed by the Cyberspace Policy Research Group （CyPRG） of Arizona University to explore the local government of Taiwan by three criterion （openness, transparency, and interactivity）. In their research, they found that many web sites of local governments of Taiwan corresponded with the criteria of openness; however, many web sites do not realize the value of democracy. In other words, these sites cared most about the skills or technologies, and not the democracy.

Chen, Tseng, and Huang （2005） investigated the digital divide in Taiwanese governmental agencies, which include different levels, such as executive yuan, department of executive yuan, county government or bureau of central government, bureau of county government, and local governmental agency, and found that the level of agencies shows a significant effect on on-line civil service. There might be three factors. First, the higher level governmental agencies tend to have more resource. Second, the top-down promotion of the new public management （NPM） might enhance those upper agencies' on-line web service by product. Finally, the effect might reflect citizens' needs of information transparency and surveillance toward upper governmental agencies.

Table 4.2 shows that the status of PC uses in different counties and cities in Taiwan in the end of 2000, and this also shows the nature of digital divide in those districts. Some points can be discussed from table 4.2:

a. The comparisons of different districts.
From table 4.2, there are 7 districts in Taiwan, those are northern, middle, southern, eastern, Taipei City, Kaohsiung City, and Lienchuang District. Compare with those different districts, we can find that both the lowest rate of PCs and connections to Internet are in the eastern district. In contrast, the highest is in Taipei City. There might be two factors related to this data: the resources and the information literacy.

Besides, some people may argue that Lienchuang district is far from Taiwan main Island, and why does it have a higher rate? We can find that there are Kinmen Kaoliang Liquor companies in Lienchuang and Kinmen county, and those companies high taxes to the two counties. Therefore, the resources of this district might be enough to develop E-government.

b. The comparison of different counties.
In the northern district, the highest rate of PCs is in Hsinchu City, however, it is not the highest rate of connection to the Internet, but Taipei County is. A reasonable factor is that the urbanization of Hsinchu City is higher than Taipei County, however, the people who live in Taipei County might be influenced by its neighborhood, Taipei City, which has the highest rate of connection to the internet in Taiwan's main Island, and therefore they get a higher rate of connection to the internet than Hsinchu City.

In the middle and southern district, we can find that the highest rates of PCs and connection to the internet are in Taichung City and Tainan City, and each of them has the highest urbanization of its district.

c. The comparison of different counties among different districts.
From table 4.2, we can find that Penghu county has the lowest percentage of people connected to the internet (7.35%); while Taipei City has the second highest rate (55.79%） and Lienchuang county has the highest rate (60.05%). First, both of Penghu County and Lienchuang County are islands of Taiwan. However, the main industries of these two counties are different.

As mentioned above, there are liquor companies in Lienchuang County which will pay high taxes to the government, and the main industry of Penghu County is fishery. Comparing them, we can find that Penghu County is poor than Lienchuang. Besides comparing Lienchuang County and Taipei City, we can also find that Taipei City has much more population than Lienchuang, and therefore, the population might influence the rate between Lienchuang County and Taipei City.

In order to improve digital divide and enhance digital democracy, for instance, the Taiwan government continued on the work of E-voting which seems to be an extension of digital-democracy in public elections. Jan, Wang, and Hsu （2004） viewed as tinkering around the edges of digital democracy, having the technical capacity to work and making voting more convenient for citizens. With such a proliferation of the method, we should stress the participation of citizens. Furthermore, we should focus on the groups of young people and others who were seldom involved in political activities before.

Table 4.2 Status of PC Uses in Families in Taiwan and Its Surrounding Areas

District Item	Number of Family	Popularization Ratio (%)	PC number in every 100 households	Connection to Internet (%)
Total	6,681,685	46.02	49.75	33.58
Taiwan	6,588,644	46.49	50.27	33.91
Taiwan Province	5,211,413	42.82	46.53	29.81
Northern District	2,096,641	50.63	55.73	36.99
Taipei County	1,115,962	52.76	57.39	41.85
Keelung City	128,073	42.72	44.35	30.17
Ilan County	131,604	35.32	39.42	21.00
Hsinchu City	110,400	57.01	67.79	33.28
Hsinchu County	114,249	46.70	50.96	26.93
Taoyuan County	496,353	51.41	57.67	35.22
Middle District	1,504,563	41.28	44.73	26.00
Miaoli County	144,591	31.87	34.59	22.24
Taichung City	302,877	56.67	59.76	35.35
Taichung County	393,351	47.02	51.62	30.16
Changhua County	316,168	39.44	42.76	26.00
Nantou County	149,363	34.46	38.77	16.64
Yunlin County	198,213	21.31	23.12	13.29
Southern District	1,432,033	34.56	36.78	25.30
Chia-I City	79,151	39.62	42.33	24.81
Chia-I County	153,673	24.27	25.30	16.59
Tainan City	227,223	46.91	51.07	33.64
Tainan County	322,909	36.72	39.70	24.43
Kaohsiung Country	374,419	31.82	33.11	23.72
Pingdong County	247,300	31.06	32.49	27.17
Penghu County	27,358	18.57	21.13	7.35
Eastern District	178,176	30.37	31.90	15.82
Taitung County	72,483	25.44	25.84	13.79
Hualian County	105,693	33.75	36.05	17.22
Taipei City	885,492	67.48	71.19	55.79
Kaohsiung City	491,739	47.63	52.24	37.91
Lienchuang District	19,493	61.13	61.13	49.04
Lienchuang County (note)	17,985	62.28	62.28	60.05
Kinmen County (note)	1,508	47.44	47.44	38.44
Source: Survey of Families Plan in 2000 by Directorate General of Budget, Accounting, and Statistics, EY				
Note: Computer popularization, amount of computers in every hundred families and the percentage of Internet connection are the estimations by the data from the investigation business department.				

Resource from: Reduce Digital Divide

Lin, Hwang, and Chang（2003）pointed out that an electronic voting system makes it possible for the voters to cast their ballots over the computer network. Hence, voters can participate in elections without having to go to the polling places, which is more convenient and efficient. However, E-voting in Taiwan has issues in security; that is, some voters may still double vote without being detected and may even reveal information they should not.

Not only Lin, Hwang, and Chang's research suggested the security system is not sufficient in the development of E-voting in Taiwan, but Liaw and Fan（1998）also analyzed e-voting from the technology standpoint in Taiwan. Norris（2004: 6-7）also believed that "the theory suggests that rational citizens will be less likely to vote if they face major electoral costs in registering as electors, in finding suitable information about the issue, parties and candidates that is useful in making voting decisions, or in casting a ballot to express their voting choice." So there are some problems that should be resolved in E-voting facilities when Taiwan develops E-voting. Besides the technology, Fong (2002) addressed E-voting from the law perspective. However, from the discussion of e-government and e-democracy above, it is more important that we should ask the question about the role of government and the democracy in Taiwan's E-voting development.

Conclusion

As was mentioned above, information and communication technologies are undoubtedly powerful, but they are not so autonomously. On the contrary, the deployment of computers, telecommunications and information systems is the consequence of human choices which are themselves constrained and shaped by social context.

Combining the major ideas of New Public Management and the development of ICTs, there are some transformations of public delivery systems in many countries. "One-Stop Service Centers" are an example.

In this paper, we examined the development of e-government in Taiwan. The e-democracy, especially the research of e-voting was also discussed in the paper. Finally, the phenomenon of digital divide in different counties in Taiwan was explored, in order to move toward digital equality, several steps need to be taken: (1) Regard users' needs as the principle, classification and rearrangement on various topic contents; (2) Establish a complete and ordering digital divide database, in order to provide public on-line information referencing and searching; (3) Setup the information platform in the far and poor districts; and (4) Improve the information literacy to the information poor.

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Poverty Alleviation and Peace Building in Multiethnic Societies: The Need for Multiculturalist Governance in the Philippines*

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Abstract: This paper is about the twin challenges of poverty alleviation and peace building in multiethnic countries. It argues that alleviating poverty and achieving peace require the transformation of their politics and governance in multiethnic societies to become multiculturalist. This means making their governance responsive to the challenges and requirements of cultural diversity. Moreover, focusing on the Philippine situation, the paper stresses the urgency of evolving a cultural diversity-friendly political formula for the government to achieve the twin goals of peace and development, particularly in relation to its ethnocultural minorities like the Bangsa Moro of Southern Philippines.

Part II of this paper discusses the inextricable link between peace and development, while Part III elucidates some of the political, socio-economic, cultural and security determinants of ethnic conflict. Part IV presents some features of governance warranted by the ethnocultural diversity of multiethnic societies, while Part V analyzes the Philippine situation using the multiculturalist governance framework. Part VI provides some concluding statements.

Presently, the United Nations has three top priorities: eradicating poverty, preventing conflict and promoting democracy. UN Secretary General Kofi Annan stressed:

> Only in a world that is rid of poverty can all men and women make the most of their abilities. Only where individual rights are respected can differences be channeled politically and resolved peacefully. Only in a democratic environment, based on respect for diversity and dialogue, can individual self-expression and self-government be secured and freedom of association is upheld.[1]

Reflective of UN's concern for preventing conflict is the special focus on cultural liberty and ethnocultural conflict of UNDP's *Human Development Report 2004*. Its main emphasis is the global imperative of "accommodating people's growing demands for their inclusion in society, for respect of their ethnicity, religion, and language."[2]

Ethnocultural conflict or ethnonationalism confronts countries of varied circumstances, big and small, developed and less developed, old and new, authoritarian and democratic, socialist and capitalist. It afflicts even the advanced industrialized countries of the West like the United Kingdom, the United States, France and Canada.[3]

It should be noted that most of today's armed conflicts are internal, not inter-state as in the past, and the great majority are in states with two or more component nations or cultural communities. And considering that almost all of the world's nearly 200 countries are multicultural or multiethnic, with two-thirds having one substantive minority group (ethnic or religious) and the likelihood of ethnic challenges to grow, effective management of the challenges of cultural diversity becomes an urgent imperative of survival at both national and international levels.

It should be stressed also that addressing the phenomenon of ethnocultural conflict is indispensable not only to the promotion of democracy but also to poverty alleviation. There is a strong link between poverty alleviation and cultural diversity management. The said UNDP's report emphasizes the primacy of cultural diversity management to poverty alleviation, viewing the former as a precondition to the latter. The report states:

> "If the world is to reach the Millennium Development Goals and ultimately eradicate poverty, it must first successfully confront the challenge of how to build inclusive, culturally diverse societies. Not just because doing so successfully is a precondition for countries to focus properly on other priorities of economic growth, health and education for all citizens. But because allowing people full cultural expression is an important development end in itself."[4]

Addressing cultural diversity should be given top priority in contemporary reform initiatives in public administration. Effective management of cultural diversity is a first-order governance imperative affecting the nature, content, quality and implementation of public policies and programs. Hence, public

administration scholars in multiethnic societies need to reexamine some of their ideas, views and assumptions, like those pertaining to the societal context of public bureaucracies. In particular, they need to rethink their views about the ecological or culture-bound nature of public administration. While it is true that, "public administration is embedded in the surrounding society,[5] scholars in the field have neglected or trivialized the cultural heterogeneity of the society wherein public administration is embedded. Even scholars who are strong advocates of the cultural perspective in public administration (i.e., that emphasizes fitting management or administrative ideas to the cultural context) have ignored the cultural heterogeneity of the societal context of public administration.[6]

For multiethnic countries, the said neglect or trivialization of the cultural heterogeneity of the societal context is a fundamental flaw. This erroneous view is disastrous to multiethnic societies for spawning political structures, processes and policies which are more parts of the problems of peace and development than reforms therein. In particular, we refer to assimilationist or monoculturalist states, which are hostile to cultural diversity, many of which function as "ethnic democracies," with the virulent version of ethnonationalism.

This paper is about the twin challenges of poverty alleviation and peace building in multiethnic countries. It argues that alleviating poverty and achieving peace therein require the transformation of their politics and governance to become multiculturalist. This means making their governance responsive to the challenges and requirements of cultural diversity. Moreover, focusing on the Philippine situation, the paper stresses the urgency of evolving a cultural diversity-friendly political formula, for the government to achieve the twin goals of peace and development, particularly in relation to its ethnocultural minorities like the Bangsa Moro.

Peace and Development Nexus
Peace is not just the absence of direct physical violence as in a military confrontation between armed groups. Peace of this kind is short-term, fragile and unstable. Some scholars refer to it as "negative peace." But strictly speaking, this kind of peace is a mere break or interruption in violence or military confrontation.

In the context of the contemporary world characterized by the increasing number and intensity of violent conflicts, the peace we mean or aspire to bring about is one that is authentic or enduring, or what many scholars refer to as "positive peace." It is peace characterized by the absence of the three types of violence in Johan Galtung's "violence triangle," namely: direct/personal violence, structural violence and cultural violence.[7]

The first, *direct violence,* refers to physical acts of violence such as those in actual military confrontations. The second, *structural violence*, refers to

violence built into the very social, political and economic structures and processes governing societies, states and the world. This type of violence is far more difficult to recognize and understand, but is far more destructive than the other two forms of violence. The third form, *cultural violence*, refers to violence associated with Manicheism, i.e., the presentation of one party (an individual or group) as evil and the other as good, denying the `evil' a voice, resulting to the demonization or dehumanization of the other, making them seem somehow `less', `unworthy', and ascribing to them entirely negative, self-serving or evil motives.[8] This concept is similar to what Bikhu Parekh calls "moral monism" of much of traditional moral philosophy, including contemporary liberalism – its tendency to assert that only one way of life or set of values is worthwhile and to dismiss the rest as misguided or false."[9]

What constitutes development or the good life? To address this question would require describing each of the major dimensions of development.[10] First, development has an *economic* component that includes the creation of wealth and improved conditions of material life, equitably distributed. Second, development has a *social* ingredient measured as well being in health, education, housing and employment. Third, it has a *political* dimension that includes such values as human rights, political freedom, enfranchisement, and some form of democracy. Fourth, it has a *cultural* aspect that embraces respect for cultural and religious differences and recognition of the fact that cultures (including religion) confer identity and self-worth to people.

What is the relationship between peace and development? According to Parekh, "peace is the first desideratum in every society, particularly multicultural whose tendency to provoke acute conflicts is further compounded by its inability to rely on a shared body of values to moderate and regulate them."[11] And if "to work for peace is to work against violence,"[12] and if we adopt a more comprehensive view of violence that embraces Galtung's three types of violence (direct, structural, and cultural), then a responsive and holistic development administration is indispensable to the achievement of peace in multicultural societies. Addressing the asymmetrical, unequal and exploitative economic, social and political structures and processes (structural violence) and respecting cultural and religious differences (cultural violence), in addition to initiatives directed to physical acts of violence (direct violence), are indeed significant in the achievement of an enduring or authentic peace in multicultural societies.

The integral link between peace and development is best captured in the following statement by Pope John Paul II:

> It must not be forgotten that at the root of war there are usually real and serious grievances: injustices suffered, legitimate aspirations frustrated, poverty, and the exploitation of

multitudes of desperate people who see no real possibility of improving their lot by peaceful means.[13]

Determinants of Ethnic Conflict

The multicultural character of a society per se does not automatically lead to some form of intercultural animosity or violent conflict. There are many countries in the world that are multicultural or multi-ethnic, but they do not have ethnicity-based political mobilization or ethnonationalist movements like the case of the Moros in the Philippines, the Tamils in Sri Lanka, the Chechens in Russia, the Basques and Catalans in Spain, the Acehnese in Indonesia, and the Catholics in Northern Ireland. There are also countries that have experienced violent forms of ethnic mobilization in the past, but succeeded in resolving them after making some appropriate adjustments in their policies and governance and other aspects of society.

Ethnic conflicts, like the Moro armed struggle in the Philippines, are attributable to several causes or determinants. These factors may be classified into political, socio-economic, cultural and security.

Political

One major political determinant of violent conflicts in multicultural societies is the nature and character of the state. The unitary state, with its assimilationist and monoculturalist features, is obviously unresponsive to the cultural diversity of said societies. In the words of Galtung, the state in societies with two or more component nations functions as a "prison" for the nations other than the dominant one.[14] Another factor is the concept of "vertical ethnic differentiation" which is defined as "the near perfect ethnic stratification in which different ethnic groups occupy different social classes."[15] In such a vertical system, members of a minority ethnic community are consigned to menial or lower level positions, while those from a dominant ethnic group monopolize the important political posts.

According to Reid Luhman and Stuart Gilman, "ethnic stratification is not an inevitable occurrence when two or more ethnic groups share the same society. It occurs only at the instigation of a particularly powerful ethnic group in that society.[16] Echoing the significant relationship of the ethnic-based differentiating role of the state and ethnic mobilization, Bhikhu Parekh argues:

> When a majority community defines itself as a nation and seeks to monopolize the state, it provokes its minorities to define themselves as nations or ethnic groups. Minority ethnicity is often a defensive reaction against majority nationalism.[17]

It should be noted that it is the dominance or monopoly of political power by one group (the dominant one) and the relative political inferiorization

or peripheralization of a minority group (as perceived by its members) that leads to political organization and mobilization. As UN Secretary-General Kofi Annan pointed out, "unequal access to political power forecloses paths to peaceful change."[18]

The importance of the above points is indicated by ethnic minorities' political grievances like lack of control over local affairs, lack of participation or representation in the central government, and discrimination in the access to political and administrative positions. These grievances are the bases of demands for secession or other self-determination formulas like federalism, regional autonomy, power-sharing, proportional representation, etc.

Socio-Economic

The problem of poverty or socio-economic marginalization is a central issue in most ethnic conflicts. The Center for War and Peace Research in Sweden reported that poverty was the major cause of about 80 percent of today's wars.[19] Poorer countries tend to be three times at greater risk of war than richer countries. And a big number of violent ethnic conflicts occur in highly backward or underdeveloped regions of multi-ethnic states. As pointed out in the Human Development Report 2004:

> Ethnic minorities are often the poorest groups in most parts of the world…[T]hey have shorter life expectancy and lower education attainments and other social indicators. They also are most likely to suffer socio-economic exclusion. [20]

Another economic driver of conflict is the perception of relative deprivation by members of an ethnic group. Poverty acquires an additional politicizing force when members of an ethnic group perceive themselves or their communities to be relatively deprived vis-à-vis the dominant ethnic group. Moreover, their propensity to mobilize is heightened when they perceive their socio-economic marginalization as a by-product of government neglect and discrimination in access to basic services (e.g., health, education, credit assistance, and livelihood opportunities).

In many conflict areas, the issue is about the asymmetrical and exploitative relations between the rich/imperial center and the backward ethnic communities in the periphery. Many ethnic minorities resent the use of their areas as the "milking cow" of the center and the whole country. Moreover, awareness by members of an ethnic group of the adequacy of their region's natural resources for their own (ethnic group or regional) survival and development is another known cause of ethnic advocacy for secession in some cases.

Another major economic driver of ethnic conflict is rivalry over control of certain strategic resources (like oil and natural gas). Many ethnic conflicts involve areas or regions with vast deposits of

important minerals. The involvement of domestic and foreign capitalist interest in the efforts to exploit these important resources is certainly a major conflict factor.

Capitalist globalization is another major cause of ethnic conflict. Although it is undeniable that globalization "succeeded in producing unprecedented amounts of goods and services, It is equally clear that capitalist growth proceeded unevenly between countries and within regions, creating great disparities of wealth and income, and that it has always proceeded cyclically, through euphoric booms and painful busts in every country and region."[21] The positive/negative or boom/bust consequence of capitalist globalization was demonstrated in the spectacular economic growth in identified economic growth centers within capitalist countries, while those in the periphery are falling far behind. Given the weak political and economic power of ethnic minorities, it is likely that they will be among the big losers, not among the winners that globalization creates. This means that ethnic minorities in general will be at the receiving end of the predatory or destructive aspects of capitalist globalization. Hence, the socio-economic disparities between ethnic minorities and dominant ethnic communities will most likely widen further.

According to Robertson, globalizing or universalizing pressures trigger particularistic responses that include "the current upsurge in various forms of religious fundamentalism and ethnonationalism which, to him, is part of what he calls "globalization syndrome."[9] To Vicky Randall and Robin Theobald, "the upsurge in religious fundamentalism and ethnonationalism may highlight the state as the potential focus for resistance to globalizing trends."[23]

Another important socio-economic underpinning of ethnic conflict is the competitive relationship between militarization and development.[24] The strong emphasis on the military-oriented national security paradigm by many poor Third World countries is certainly limiting their performance in development administration, particularly in the delivery of basic social services like health, education, etc. Many Third World governments, including those facing severe scarcity of resources with no external security threats, are preoccupied with military reputation building and modernization, instead of waging a serious war against poverty that continued to cripple many of their citizens and communities.

Cultural

By definition, a multicultural society "consists of several cultures or cultural communities with their own distinct systems of meaning and significance and views on man and the world."[25] This organizational character suggests that the principal dilemma of governance in multicultural societies is the need to reconcile the legitimate demands of unity and diversity. Effective governance in multicultural societies requires addressing the need for unity and giving due recognition

to cultural diversity or differences. In other words, the demands of unity and diversity are not mutually exclusive.

If we look at the situation in multicultural societies, impressionistically the demands of cultural diversity are substantially neglected in many of them. This explains the upsurge or resurgence therein of agitational or revolutionary movements based on ethnicity, culture, religion or identity. Parekh posits that:

> A multicultural society cannot ignore the demands of diversity. By definition, diversity is an inescapable fact of its collective life and can neither be wished out of existence nor suppressed without an acceptable degree of coercion and often not even then. Furthermore, since human beings are attached to and shaped by their culture, and their self-respect is closely bound up with respect for it, the basic respect we owe our fellow-humans extends to their culture and cultural community as well.[26]

The importance of recognizing cultural differences in preventing, regulating and resolving inter-ethnic conflict is a major theme of numerous scholarly works in the social sciences, including the new discipline of peace studies. It is my view that the continuing neglect of the legitimate demands of diversity or the non-recognition of cultural differences in many multicultural societies is the major cause of the seeming intractability of conflicts therein which, according to one scholar, involve "non-negotiable" items like identity.[27] According to Parekh, "minorities have a right to maintain and transmit their ways of life, and denying it to them is both indefensible and likely to provoke resistance."[28] Similarly, Taylor argued that multicultural societies "can break up, in large part because of lack of (perceived) recognition of the equal worth of one group by another."[29] And if we are looking for a legal basis of the demand for recognition of cultural differences, the following argument of Hurst Hannum is instructive:

> A fundamental state obligation under international human rights norms is to eliminate discrimination, not to destroy all differences. Recognition of the right to personal autonomy and group identity is essential to ensure that the principles of self-determination, participation and tolerance are allowed to flourish.[30]

Among the major cultural demands of ethnic or cultural communities are the use of own local language, the grant of government support for local schools (including religious schools), the adoption of separate judicial/legal system (e.g., Islamic Law), the designation of a traditional homeland, the recognition of local practices and other cultural identity-related items. Moreover, discriminatory practices and prejudicial relations of

member of dominant group(s) against ethnic minorities are indeed among the cultural precipitants of ethnonationalism.

Security

For purposes of emphasis, the issue of security which is a subject under human rights is treated separately in this section. Security is a fundamental human need, like physiological, identity, control and participation needs. When members of an ethnic group perceive their individual and collective security to be threatened, or not assured by the government's military and police forces, which are usually headed and manned mostly by members of the dominant ethnic community, mobilization to address the resulting insecurities ensues.

Security acquires importance as a conflict factor in conflicts that went through violent or large-scale military confrontation. As demonstrated in some armed ethnic conflicts, the issue of security is of the second-order problem category. It emerges as a problem largely when a particular conflict graduates to the violent phase. When this happens in combination with some of the other conflict factors discussed under the other categories, like government failure to redress basic minority complaints about discrimination, then the formation or revival of minority security forces is likely.[31] And as the state emphasizes the repression of ethnic insurgents ("freedom fighters" to the ethnic community, and "terrorists" to the government) then the state-ethnic group interface gets more and more militarized, often times brutal. As John McGarry and Brendan O'Leary observed, "repression sidelines moderates, bolsters extremists and obstructs prospects for future accommodation."[32]

It should be noted that the physical insecurities that stem from the militarization of the relations between the state and an ethnic group account for the importance given to the establishment of local/regional security forces and other related arrangements in many of the peace negotiations in the contemporary period.

Governance in Multicultural Societies

There are two broad approaches by which multiethnic societies deal with their cultural diversity. One is to recognize and accept the fact of their cultural diversity or ethnic heterogeneity and evolve appropriate political and economic structures, processes and policies. This is the multiculturalist response of contemporary multiethnic countries like Switzerland, Belgium, Canada and Australia. Even the United States started moving in this direction, indicating its abandonment of the "melting pot" concept. The second approach adhered to by majority of multiethnic countries is to assimilate their diverse constituent cultural communities into the mainstream culture. This entails forcible subordination or inferiorization of minority ethnic communities to the dominant group not only culturally but also politically and economically. This is the monoculturalist response.

The increasing number and intensity of ethnocultural conflicts in the contemporary world can be taken to suggest that the majority of multiethnic countries are factually of the assimilationist mold. This also suggests their adherence to the liberal view that the ethnic or cultural attributes of minority ethnic communities would disappear as they gradually integrate to the more "advanced" dominant cultural groups. Southeast Asian societies are among the strong adherents of this flawed approach by adopting a monoculturalist reading of their glaring multicultural character. Related to this, David Brown states:

> Despite their cultural pluralism, each of the Southeast Asian societies can derive from their pre-colonial history, an image of a set of dominant cultural attributes and values which form the core for the definition of contemporary nationhood. They therefore seek to portray the culturally plural society as one which is potentially culturally homogenous, and which already has a cultural core around which nationhood can develop.[33]

Assimilation as a mode of political integration is inherently unsuited to multicultural societies. Defined as an association of individuals, the assimilationist modern state abstracts away the class, ethnicity, religion and social status of its citizens, and unites them in terms of their subscription to a common system of authority, which is similarly abstracted from the wider structure of social relations.[34] Parekh pointed out:

> The modern state makes good sense in a society that is culturally homogenous or willing to become so. In multi-ethnic and multicultural societies whose constituent communities entertain different views on its nature, powers and goals, have different histories, and need, and cannot therefore be treated in an identical manner, the modern state can easily become an instrument of injustice and oppression and even precipitate the very instability and secession it seeks to prevent.[35]

In view of the need to ensure that ethnic minorities assimilate or integrate to the mononational state, control-oriented measures of political incorporation are warranted. These measures are collectively referred to as "hegemonic control," considered as the most common system of managing ethnic conflict.[36] Hegemonic control is viewed by its supporters as "the only alternative to continuous war."[37] Since its purpose is to make unthinkable or unworkable any ethnic challenge to the monoethnic or mononational state, hegemonic control entails coercive domination and elite cooption.[38] It emphasizes control of coercive instruments like the security and police forces.

Moreover, it involves the support of the largest or most powerful ethnic community.[39] This makes the multiethnic state an "ethnic democracy," which, to Sammy Smooha and Theodor Hanf:

> [D]iffers from other types of democracy in according a structured superior status to a particular segment of the population and in regarding the non-dominant groups as having a relatively lesser claim to the state and also as being not fully loyal. The manifestations of superior status are various but the most important ones relate to entry to the highest offices in the land and to the character of the state (its symbols, official language, religion, immigration policy). They may expressly be written into the constitution and other laws, or incorporated into the unwritten but clear rules of the game.[40]

One unmistakable feature of the contemporary world order is the obstinate refusal of the leadership in many multiethnic states to recognize and accept their cultural diversity and the unresponsiveness of assimilation. Many of them are engaged in the ruthless suppression of ethnonationalism. Stressing this point, Will Kymlicka pointed out that states employed measure like banning the use of minority languages in schools or publications, suppression of political associations to promote minority nationalism, redrawing of political boundaries to prevent a group from forming a majority in a region or locality, imposing literacy test to make it difficult for the members to vote, and encouraging massive immigration so that the target group would become overwhelmed or outnumbered.[41] He added:

> All of these measures were intended to disempower national minorities, and to eliminate any sense of possessing a distinct national identity. This was justified on the grounds that minorities that view themselves as distinct 'nations' would be disloyal and potentially secessionist. And it was often claimed that minorities particularly indigenous peoples – were backward and uncivilized, and that it was in their own interest to be incorporated (even against their will) into more civilized and progressive nations.[42]

The growing number and intensity of violent ethnocultural conflict suggests the bankruptcy of the assimilation policy and its derivative technique of hegemonic control. Thank God, there is now a global trend indicating that states are veering away from the said approach and moving in the direction of multiculturalism. Aside from Switzerland, Canada, Australia, and Belgium, which are known for embracing multiculturalism, there is a growing number of countries that have started implementing cultural diversity-friendly initiatives.

For a society to be multiculturalist, it is not enough that it is multicultural, i.e., it consists of several ethnic or cultural groups. As clearly argued by Parekh, the term 'multicultural' refers to the fact of cultural diversity while multiculturalism points to the normative response of the society to its multicultural character.[43] Hence, many of contemporary multiethnic societies can be aptly described as "multicultural but not multiculturalist".

A multiculturalist society is one that cherishes its cultural diversity and makes appropriate adjustments or responses thereto. In particular, it respects the cultural demands of its constituent communities. It was argued that "no multicultural society can be stable and vibrant unless it ensures that all its constituent communities receive both a just recognition and a just share of economic and political power. It requires a robust form of social, economic and political democracy to underpin its commitment to multiculturalism."[44]

The task of making multiethnic societies multiculturalist is indeed colossal. The inherent challenges are obviously daunting. But being an urgent survival imperative in contemporary multiethnic societies, it must be done. And the best way to do this would be to start with the basic aspects. A focus on the political dimension of multiculturalism is in order, particularly the need to evolve a governance formula that is suited to the cultural diversity of multiethnic societies.

It should be stressed that there is no available full-blown formula that multiethnic societies can borrow, experiment with, and adopt. Multicultural societies have to go back to the drawing board and reinvent or reconceptualize their political systems. They have to explore new kinds of political structures, processes and policies which are compatible with their respective circumstances. As Parekh pointed out:

> The task of exploring new modes of constituting the modern state and even perhaps altogether new types of political formation is particularly acute in multicultural societies. They need to find ways of pluralizing the state without undermining its unity and the ability to act decisively in the collective interest. Every multicultural society needs to devise its own appropriate political structure to suit its history, cultural traditions, and range and depth of diversity.[45]

Parekh added that the political task for multicultural societies is:

> To find ways of reconciling the legitimate demands of unity and diversity, achieving political unity without cultural uniformity, being inclusive without being assimilationist,

cultivating among their citizens a common sense of belonging while respecting their legitimate cultural differences, and cherishing plural cultural identities without weakening the shared and precious identity of shared citizenship. [46]

Given the points or ideas discussed in this paper, the following should be among the features necessary to make politics and governance in multiethnic societies multiculturalist:

1. An inclusive or pluralized political system that ensures the equality and participation of all constituent communities, and decentralized/localized governance (federalism, consociational democracy, or balanced pluralism);
2. Management of the economy to ensure that all constituent communities or groups receive a just share of economic resources;
3. A constitutional/legal system that recognizes cultural and religious differences and provides for some collective rights (protection for cultural/legal autonomy);
4. Political decision-making that provides ample protection for the voice of ethnic minorities; and
5. Affirmative action policies and programs for minorities.

It is my view that the operationalization of the above features would significantly help in addressing the principal underpinnings of conflicts in multicultural societies, particularly government neglect and discrimination in the allocation of resources, lack of participation and control over local or community affairs, lack of or inadequate representation in the central government, and lack of respect for the right of minorities to be different. The latter includes demands for a separate legal system, separate educational system and the power to come up with local policies warranted by the cultural groups' otherness or peculiarities. In other words, the above features have bearings on issues associated with politics of redistribution or social justice and identity politics or politics of recognition which are at the core of many violent ethnic conflicts.

Philippine Situation
Given the above features, and in the context of Mindanao, is the governance in the Philippines multiculturalist? Regrettably, I think it is relatively far from being multiculturalist, although it may be aptly considered "on the road to multiculturalism," given the recent cultural recognition-oriented initiatives of President Gloria Macapagal Arroyo and her major socio-economic development programs in the Southern

Philippines (including the depressed Moro communities) under the 2004-2006 Mindanao Investment Program. But although these recent cultural diversity-friendly initiatives of the Arroyo administration are indeed encouraging political developments in the context of multiculturalism, generally, the Philippine state, like many other modern states, remains preoccupied with ensuring national political and cultural homogeneity. Despite some initiatives in regional and local autonomy and decentralization, governance in the Philippines remains substantially assimilationist and continues to emphasize hegemonic control and the derivative techniques of coercive domination and elite cooption.

The Autonomous Region in Muslim Mindanao (ARMM) has been in existence since 1989. Territorially, the present ARMM based on the new autonomy law (RA 9054) is slightly bigger, with the addition of Basilan to the original four provinces (Maguindanao, Lanao del Sur, Sulu and Tawi –Tawi) and Marawi City.

The ARMM has its legislative, executive and judicial branches. It has its own administrative system and some degree of fiscal autonomy. The Arroyo administration has started implementing the provisions of RA 9054 on Moro representation in the central government by appointing Muslim leaders and professionals to certain positions in some national agencies. Moreover, the Philippine government has completed the integration of 7,500 qualified MNLF combatants into the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP). Some socio-economic development programs were implemented in the region by foreign donors and the national government, while others are presently being implemented. There are many other gains or accomplishments made under the present regional autonomy experiment in Muslim Mindanao. However, the continued persistence of the Moro armed struggle can be taken to suggest that the existing governance system for the region (i.e., Muslim Mindanao) has not been responsive. Despite the reported grandiose socio-economic development programs for the Southern Philippines, the five predominantly Muslim provinces have remained as the country's poorest. The region has the worst poverty index in 2000, i.e., four years after the signing of the GRP-MNLF Peace Agreement.

Reflective of the government's continuing assimilationist thrust and a heavy slant towards hegemonic control technique are some cultural diversity or identity-related issues. One is the too limited jurisdiction of the Shari'ah courts, i.e., only persons and family relations. The establishment of the Shari'ah Appellate Court which was mandated by the old and new autonomy laws has remained unimplemented. Another one is that despite the completion of the integration of 7,500 qualified MNLF combatants into the AFP and PNP, the Special Regional Security Force of the PNP and regional command of the AFP for the

ARMM which are expected to have substantial Moro elements mandated under the old and new autonomy laws have remained unimplemented until today. The taxing powers of the region are hollow because aside from the widespread poverty in the region, no significant national taxing powers were transferred to the ARMM. The control-oriented governance of the region is indicated by the emphasis in the old and new autonomy laws (RA 6734 and RA 9054 respectively) on the limitations of the powers of the ARMM. Like RA 6734, many of the provisions of RA 9054 have to do with what the ARMM cannot do, instead of what it can do.

As pointed out earlier, despite the gains and accomplishments made with the current unitary regional autonomy experiment in Muslim Mindanao, governance in the Philippines cannot be classified as multiculturalist. What have been achieved so far are largely in the nature of formalistic compliance, not substantive compliance with the requirements of multiculturalist governance. The gains are largely with those aspects with significant cooption functions (e.g., appointment of mujahideen leaders to some government positions, integration of MNLF combatants into the AFP and PNP). It should be noted that the core issue of autonomy as a policy response to ethnic conflict is the right of the minorities to be different.

But the gains and accomplishments discussed earlier, while largely formalistic, can be made to lead to the desired multiculturalization of the country's governance. I wish to stress that autonomy as a policy response to ethnic conflict is a significant phase of the cultural diversity-friendly interventions continuum. Being in the initial phase of the road towards multiculturalist governance, the task at hand is how to make the current autonomy experiment in the Southern Philippines succeed and lead to more responsive, nonviolent and nonsecessionist politico-administrative alternatives (with federalism as a more promising option). In other words, the present ARMM may be operated as an effective transitory structure towards that goal.

I am of the view that the autonomy option is a significant initial policy response. In other words, despite its inadequacies, the autonomy formula embodied in R.A. 9054 can be taken as a good beginning of a work-in-progress, i.e., evolving a more responsive and durable formula that ensures the territorial integrity of the country and addresses the principal Moro grievances underpinning the conflict. It is a must that we fully utilize what we now have like the new autonomy law (RA 9054), the new ARMM and other autonomy-related institutions and resources at all levels of government. All doable and deliverable aspects of RA 9054 must be fully implemented. As to the items not addressed in RA 9054, like those matters associated with the cultural diversity of the country (such as the clamor for the broadening of the jurisdiction of Shari'ah courts, the provision of financial support for the

madaris, etc.), I think, they should be part of the potential reform thrusts in the future, as we go on with our autonomy experience. The current peace process between the Philippine government and the Moro Islamic Liberation Front (MILF) provides a good opportunity to address these neglected but significant items. Moreover, initiatives to enrich the existing autonomy law or evolve a more responsive politico-administrative set-up like federalism can be done simultaneously with efforts to fully implement the many doable and deliverable aspects of RA 9054.

It is my view that the current nation-wide advocacy for federalism, which has been gaining momentum over the years, is a significant step in the efforts to make governance in the Philippines genuinely multiculturalist. A genuinely multiculturalist governance will make secession and armed struggle baseless and unnecessary, and transform the Philippines as a vibrant multicultural society that will provide authentic peace and holistic development for all of its constituent cultural communities, including its ethnic minorities.

Concluding Statements
The increasing number and intensity of ethnocultural conflicts in the contemporary world suggests not only the limitations of the "one size fits all" and reductionist theories. It also implies an acute deficit in academic theorizing about multiethnic societies. In particular, while there are theories of the liberal capitalist state or the Marxist state, there is no available coherent theory of politics and governance in multiethnic societies. Similarly, while there are theories or models of public administration in developing or transitional societies, there is no theory of public administration in multiethnic states.

Although the societal context of politics and governance is given considerable emphasis in political science and public administration literature, it should be noted that much of the related scholarly works are of the cultural homogenization model. The societal context in which governance or public administration is embedded is assumed to be homogeneous. The various cultural communities are governed through the prism of the dominant culture. In other words, the cultural heterogeneity of multiethnic states is ignored, thus leading to unresponsive policies and programs. As explained in the foregoing sections, this flawed approach spawned not just the lack of development but also the lack of peace in multiethnic societies.

Given the above points, politics and governance in multiethnic societies need reconceptualizing, reinventing, or reengineering to address the requirements of their ethnic heterogeneity. This means that the "customer-attuning" concept, one of the new ideas associated with New Public Management, has to be brought to a higher level, i.e., beyond the bureaucracy. We need political structures, processes and policies which are suited to the needs and

requirements of the various ethnic or cultural groups in multiethnic societies. This is public sector reengineering at the macro level.

It is my view that the recommended shift from the policy of assimilation or homogenization to multiculturalism has the potentials to make governance in multiethnic societies "governance for all," including the ethnic minorities therein. It will also make governance in said societies as "governance for both development and peace." When this is operationalized, public administration becomes an enabling or capacitating instrument, not an apparatus of hegemonic control and coercive domination that provides neither development nor peace.

Helping hasten the required paradigm shift in theory and practice is indeed a significant task for scholars in political science and public administration in the Asia-Pacific region.

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E-Governance for Poverty Alleviation: Indian Cases and Prospects for Poverty Alleviation in Uttar Pradesh

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Abstract: This paper argues that initiatives in e-governance can accelerate economic development and increase empowerment of individual citizens. Initiatives in e-governance can do so by helping to bring about good governance. More inclusive governance stimulated by e-governance can help overcome massive global problems of poverty alleviation. The paper discusses the impact of specific initiatives in e-governance and how they might help address poverty alleviation in the state of Uttar Pradesh (UP) in India. Uttar Pradesh has approximately 8 percent of the world's poor population. Eighty percent of poor households in UP live in rural areas. The paper draws lessons from the customized usage of e-governance, in particular, e-choupals (in Hindi *choupal* means village square or rural meeting place). It argues that such initiatives can: a) Fill gaps in access to communications infrastructure; b) Enable poor people to help themselves; and c) Help re-motivate officials responsible for implementing measures to alleviate poverty. The paper presents a thematic sequence of steps and stages for incorporating e-governance as a mode of operation. The sequence is open to customization as and when required. Expected issues and constraints facing initiatives in e-governance are also outlined.

This paper argues that initiatives in e-governance can accelerate economic development and increase empowerment of individual citizens. Initiatives in e-governance can do so by helping to bring about good governance. More inclusive governance stimulated by e-governance can help overcome massive global problems of poverty alleviation. As Gurcharan Das (2002:229) states: 'We have realized that people's involvement is crucial to the success of anti-poverty schemes.'

The argument follows Amartya Sen's 'capability approach' (Sen 2000). In Sen's view, poverty means not only deprivation in terms of income. It also means deprivation of basic capabilities. Being free from, for example, disease, premature mortality, escapable morbidity, unemployment and illiteracy, allows people to take action and make choices. Lack of such freedoms leads to incapability. Sen states (2000: 10-11)

Freedoms are not only the primary ends of development they are also among its principal means. In addition to acknowledging foundationally, the evaluative importance of freedom, we also have to understand the remarkable empirical connection that links freedoms of different kinds with each other. Political freedoms (in the form of free speech and elections) help to promote economic security. Social opportunities (in the form of education and health facilities) facilitate economic participation. Economic facilities (in the form of opportunities for participation in trade and production) can help to generate personal abundance as well as public resources for social facilities. Freedoms of different kinds can strengthen one another. This freedom-centered understanding of economics and of the process of development is very much an agent-oriented view.

Sen's argument examines the alternative combination of functionings that are feasible for a person to achieve. He describes 'functionings' as various things a person has reason to value or may value doing or being. 'Capabilities' are kinds of freedoms to achieve alternative functionings, that is, to choose a life one has reason to value. 'Poverty' is thus the incidence of various kinds of unfreedoms and gaps in functionings. Lowness of income has close links with deprivation of many individual capabilities. Low income can be a major reason for illiteracy and ill health as well as hunger and undernourishment. Conversely, better education and health help earn higher income. Having greater freedom to do things one has reason to value is significant in itself for a person's overall

freedom and important in fostering a person's opportunity to secure valuable outcomes. Development, therefore, expands the real freedoms that people can enjoy.

Such an approach receives support from influential institutions. In defining poverty, the World Bank (2000, 2001, 2002) goes beyond income levels and suggests that poverty includes powerlessness, voiceless-ness, vulnerability and fear. Additionally, the European Commission suggests that poverty includes lack of basic capabilities and lack of access to education, health, natural resources, employment, land and credit, political participation, services and infrastructure (European Commission 2001).

An even broader definition sees poverty as a lack of the information to participate in wider society, at the local, national or global level (ZEF, 2002). In the examples considered in this paper, access to information through ICT combine with participation and empowerment to improve people's capabilities. The relationship between ICT and globalization makes ICT interventions critical to development policy (DOI, 2001). Information and Communications Technology (ICT) is a key enabler of globalization. ICT has repeatedly demonstrated its potential for alleviating poverty in developing countries (APDIP-UNDP, 2003). This trend towards application of ICT to development goals is a prominent part of e-governance. Further, imaginative use of ICT can cross the government, business, and civil society divide and serve as an enabler of people-centered development (Rogers 2002).

Electronic governance can provide a *new paradigm in public sector reform.* Imaginative use of ICT enables governments to cut bureaucratic procedures, listen to members of the public and to users of services, and build closer relations with business and community organizations. A country's National Information Infrastructure (NII), which in turn can be perceived as part of an emerging Global Information Infrastructure (GII), is a versatile resource for improving the capabilities of its people. The key to the effectiveness of the Global Information Infrastructure is the concept of *flexible regulation*. At each level of the communication process, the aim of regulation, in its broadest sense, should be to support a number of *basic democratic values*, including: *liberty, equity, community, efficiency, participatory access and universal access* (Rogers 2002).

The paper explores these themes by examining experiments in e-governance relevant to Uttar Pradesh (UP). Uttar Pradesh has a population of 166 million of whom 111.5 million live in rural areas in 112,539 villages. About 80% of poor households are in rural areas. The poor population of the state constitutes around 8% of the poor population of the whole of world. In physical infrastructure the population endures uneven distribution of electricity, inadequate supplies of drinking water, and uneven disbursement of health facilities and medical supplies. Socially the state

endures gender inequality, casteism and political uncertainty. Families and individuals suffer an infant mortality rate of 85 per 1000 births, maternal mortality of 767 deaths per 100,000 live births and a literacy rate of only 57%. Female literacy trails further behind at 43%.

In such circumstances initiatives that improve access to information and services help improve opportunities to escape from poverty. First, ICT can improve services. Second, by cutting the need for physical interaction, ICT can speed up communication between facilitators of poverty alleviation and people escaping from poverty. Third, and most importantly, by enabling rural dwellers to communicate more widely, ICT enables people to take initiatives to help themselves.

The paper has four sections:

- The first presents an overview of examples of the use of ICT in programs for the rural and poor population
- The second illustrates problems in poverty alleviation programs through a case that did not work
- The third illustrates a case that works
- The fourth proposes a broad model for application in future programs.

Use of ICT for the rural and poor population: an overview

By generating awareness and providing a regular information base, e-governance combines the immediate benefits of seamless connectivity for beneficiaries with measures that strengthen the rural poor, socially and economically. E-governance enhances the government-public interface by providing people with more access to information about welfare policies meant for them (Ghosh and Lahiri 2003). More significantly e-governance enhances levels of transparency in government (Madon 2003; Potekar et al 2003). This helps the rural poor by alleviating the distrust that accompanies layers of apparently impenetrable officialdom.

In these circumstances, the President of India, Dr. A.P.J. Abdul Kalam in his keynote address to the International Conference on e-Governance at IIIT Delhi on 18 December 2003 suggested a highly integrative role for e-governance for countries like India. He emphasized the need to monitor implementation of specific initiatives as well as the overall system of e-governance initiatives (Available at: http://www.iitd.ac. In/iceg)

Many initiatives are specific to agriculture. The vision 2020 document of the Central Department of the Agriculture and Cooperation (DAC) envisages that "the tools of IT will provide networking of agriculture sector not only in the country but also globally and the

Center and State Government departments will have a reservoir of databases". Further, IT "will bring farmers, researchers, scientists, and administrators together by establishing 'agriculture online' through the exchange of ideas and information". Madaswamy (2004) argues that the diffusion of ICT has many potential applications, spanning the breadth of the agricultural industry, and affecting all scales of organization, including farmer, cooperative and professional bodies; farm machinery vendors; fertilizer and chemical companies; insurance companies and regulators; commodity traders; and agronomists, consultants and farm advisors.

Specific examples in agriculture include:

a. Gyandoot: The Gyandoot project, launched on January 1, 2000, has installed a low cost rural Intranet covering 20 village information kiosks(http://gyandoot. nic.in)

b. Indiaagriline: This project attempts to catalyze e-commerce in rural, agricultural and non-farm products and improve economic well-being in rural areas (http://www.indiagriline.com/english/corp/frame.html?future_plans.html&2).

c. Amul Dairy Portal: Integration through cooperation is intended to complement connectivity and reflect cooperative values, which make the Amul organization democratically dynamic (http://www.amul.com/kurien-annual02.html)

d. Technology and Action for Rural Advancement (TARA): This is a social enterprise. Its objectives are to improve the well being of people and their communities. Its mode of operation is commercial (http://www.devalt.org/tara).

Many ICT projects based on the recommendations of the ISDA-95 conference (Information for Sustainable Agricultural Development) aim to provide relevant agricultural information in rural areas to help farmers improve their labor productivity, increase their yields, and realize a better price for their produce. Some of those are: Agrisnet, Agmarknet, Arisnet (Agricultural Research Information System Network), Seednet (Seed Informatics Network), Coopnet, Hortnet (Horticultural Informatics Network), Fertnet (Fertilizers Informatics Network), Vistarnet, PPIN (Plant Protection Informatics Network), APHnet (Animal Production and Health Informatics Network), Fishnet, LISnet (Land Information System Network), AFPInet (Agricultural and Food Processing Industries Informatics Network), ARInet (Agricultural and Rural Industries Information System Network), NDMnet (Natural Disaster Management Knowledge Network) and Weather Net (Madaswamy, 2004).

More widely, initiatives include telemedicine projects designed to benefit the rural and poor population. Examples include:

a. Narayan Hrudayalaya in Karnataka: htto://www.hrudayalaya.com

b. Video Doctors in Tamil Nadu: http://news.bbc.co.uk/w/hi.southasia/3871529.stm http://www.fiancialexpressbd.com /index3.asp?cnd=7/12/2004&section_id=16&newsi d=15460&spcl=yes).

A rural initiative that specifically facilitates self-help is the e-Choupal (http://www.echoupal.com) program developed by the Indian Tobacco Company (ITC), an Indian conglomerate. The E-Choupal project places computers with Internet access in farming villages. Computer and Internet sites serve as social gathering places for the exchange of information and as e-commerce hubs (in Hindi *choupal* means village square or rural meeting place). This project is widely regarded as effective and is discussed further below.

A Scheme that did not work: Development of Women and Children in Rural Areas (DWCRA)
The State Government of Uttar Pradesh, through well-defined structures and objectives, sought to improve education and health services, poverty alleviation, rural development and related aims through relevant operating departments supervised by federal civil servants supported by state civil servants and consisting of teams at departmental, district, block and village levels. (The following sites provide further information: http://rural.nic.in/anual0203/chap-5.pdf, http://rural.nic.in/sgsy.htm, http://nicsu.up.nic.in/)

The Department of Rural Development of Uttar Pradesh conducted this scheme between 1983 & 1999. The scheme was called Development of Women and Children in Rural Areas (DWCRA). It was subsequently merged with a program called Swarna Jayanti Swarozgar Yojana (SGSY). The Commissioner of Rural Development, a senior officer of the Indian Administrative Service along with his team at the Department level, promoted the scheme. At the District level, the Chief Development Officer was responsible for promotion and the execution of the scheme along with the help of a Project Director, Assistant Development Officer (Women), Village Development Officer and others for coordination at the village level.

The scheme aimed to identify groups of 10-15 women below the poverty line and provide them with skills and tools in their desired trades. For example, weaving training would be given to groups interested in producing carpets. The groups then sold their produce in the open market with the help of the execution team and

through channels created at the district and state levels. DWCRA was also supported by organizations like the Apex Marketing Society organized by the Department of Rural Development. UNICEF provided international support. In 1994 there were 10,000 active DWCRA groups.

However the scheme suffered from the following problems:

- No proper communication and follow-up system
- Lack of commercial orientation, profit planning, business strategy and involvement of business organizations.

As a result the State could not achieve its objectives through the scheme.(http://www.adb.org/Documents/ Reports/Annual Report/2001/ind.asp)

The biggest problems with the scheme were lack of timely and proper communications and freedom to conduct transactions in the market. Cultural, gender related, caste related and other social problems, including corruption and red tape in the government machinery and work force compounded these problems.

In retrospect, e-governance initiatives may have been able to cut through the problems experienced with communications and market-based transactions.

A scheme that works: Indian Tobacco Company's e-choupal

The Indian Tobacco Company's e-choupal project places computers with Internet access in farming villages and makes a "direct link between what consumers eat and what farmers produce" (*India Today* 2004). In doing so it empowers farmers, provides them with better information about selling prices for their crops, provides them with information about weather and farm inputs, and generally provides them with access to new business and social opportunities. At the same time it enables ITC to reengineer the supply chain for the commodities it trades and to build a highly competitive international business (Annamalai and Rao 2003).

As the Chairman of ITC has stated (Deveshwar 2004) ITC's initiative began by confronting the circumstances of Indian village social and economic life:

> Nearly 87% of India's 640,000 villages have population clusters of 2000 people or below. Despite a universe of roughly 3.6 million rural retail outlets, there is no active marketing or distribution in these small villages because of uneconomical "last mile" logistics. Nearly 35% of India's villages are yet to be connected by roads. Rural tele-density is barely 1%. Apart from being geographically dispersed, these villages as economic units, are too feeble to support the scale of investment required to

upgrade last mile connectivity. A substantial proportion of the rural population subsists on less than $ 1 per day - less than half the subsidy provided to each head of cattle by the OECD.

The following outline is based on Annamalai and Rao's (2003) account. As they state, ITC is one of India's leading private companies. It has annual revenues of US $2 Billion. The e-choupal project began as an effort to re-engineer the procurement process for soy, tobacco, wheat, shrimp, and other crops. But it has also created a highly profitable distribution and product design channel for the company which focuses on the particular needs of rural India. Annamalai and Rao argue that the e-choupal system has catalyzed rural transformation: it is "helping to alleviate rural isolation, create more transparency for farmers, and improve their productivity and incomes".

Under the scheme a computer is located in a farmer's house and linked to the Internet via phone lines or, increasingly, by a VSAT (Very Small Aperture Terminal) connection. As Annamalai and Rao continue, it serves an average of 600 farmers in 10 surrounding villages within about a five kilometer radius:

> Each e-Choupal costs between US$3,000 and US$6,000 to set up and about US$100 per year to maintain. Farmers incur no costs for using the system but the host farmer, called a *sanchalak*, incurs some operating costs and is obligated by a public oath to serve the entire community. The *sanchalak* benefits from increased prestige and a commission is paid to him for all e-Choupal transactions. The farmers can use the computer to access daily closing prices on local *mandis* [markets], as well as to track global price trends or find information about new farming techniques— either directly or, because many farmers are illiterate, via the *sanchalak*. They also use the e-Choupal to order seed, fertilizer, and other products such as consumer goods from ITC or its partners, at prices lower than those available from village traders; the *sanchalak* typically aggregates the village demand for these products and transmits the order to an ITC representative. At harvest time, ITC offers to buy the crop directly from any farmer at the previous day's closing price; the farmer then transports his crop to an ITC processing center, where the crop is weighed electronically and assessed for quality. The farmer is then paid for the crop and a transport fee. "Bonus points," which are exchangeable for products that ITC sells, are given for crops with quality above the norm. In this way, the e-Choupal

system bypasses the government-mandated trading *mandis*.

Annamalai and Rao state further that by:

> …mid-2003, e-Choupal services reached more than 1 million farmers in nearly 11,000 villages…ITC gains additional benefits from using this network as a distribution channel for its products (and those of its partners) and a source of innovation for new products. For example, farmers can buy seeds, fertilizer, and some consumer goods at the ITC processing center, when they bring in their grain…The system is also a channel for soil testing services and for educational efforts to help farmers improve crop quality. ITC is also exploring partnering with banks to offer farmers access to credit, insurance, and other services that are not currently offered or are prohibitively expensive. Moreover, farmers are beginning to suggest—and in some cases, demand—that ITC supply new products or services or expand into additional crops, such as onions and potatoes. Thus farmers are becoming a source of product innovation for ITC.

Throughout, Annamalai and Rao's account makes clear that the e-choupal project has enabled a widening net of complementary transactions.

Overall, the e-choupal case suggests the following lessons:

- The model shows the power of facilitating connectivity, communication levels, and flow of information.
- It shows the openness of the poor and rural population to new technologies.
- It demonstrates that through improving their access to information farmers gain more freedom.
- The model shows the utility of regarding the rural and poor population as a market in which they can gain benefits as active participants
- The model assumes and has strongly planned for integrative, multiple level usage of ICT
- The early success of the model and the multiplication of business transactions suggests high motivation levels among rural beneficiaries, within ITC and within the wider networks facilitated by the model.
- The interest of multinational corporations like ITC in developing rural markets extends profitable business opportunities for itself and for the farmers with whom it trades. Improving the efficiency of rural markets is good for farmers as well as for the

company. In this case, market freedom promotes societal development through Poverty Alleviation.

The e-choupal model works because it creates markets by helping raise incomes and then services such markets commercially. Indeed these processes occur more or less simultaneously, a phenomenon that Prahalad and Hammond (2002: 48) aptly refer to in the title of a recent paper as "Serving the World's Poor, Profitably". Prahalad & Hammond's analysis suggests large benefits from extending initiatives such as e-choupal. They argue (Prahalad and Hammond 2002:51) that it is possible to expand the global market system to include those who now have no stake in it, that is to grow the market at the bottom, and in so doing provide direct benefits and expanded opportunities to poor communities while also making a profit.

At present the manufacturing and marketing community concentrates on a global market of approximately 1 billion people. Prahalad and Hammond direct attention to the untapped potential of a further 4 billion people who currently do not earn enough to participate in the global market. These people constitute the Bottom of the Pyramid (BOP) market (Prahalad and Hammond (2002: 51) Prahalad and Hammond see a strategic role for multinational corporations and ICT. Corporations can benefit themselves and members of BOP markets by providing shared access to ICT (Prahalad and Hammond 2002:53):

> Companies that can find ways to dramatically lower connections costs…will have a very strong market position.

As they state in a related paper (Prahalad and Hammond, nd)

> The public sector has neither the expertise nor the resources to provide goods and services on a scale sufficient to reach approximately four billion people who currently earn less than $2,000 a year. The private sector has both. Why not put them to use addressing the real needs—and real opportunities—at the bottom of the economic pyramid?

> There is a central, profit-driven role for business in ICT-for-development. Generating the necessary investment for infrastructure and broader market development efforts, however, will depend on overcoming widespread misperceptions about the business opportunities at the Bottom of the Pyramid

As Prahalad and Hammond point out (2002: 52), the e-choupal model provides a working demonstration of their hypothesis. Not without a little

satisfaction the chair of ITC has also noted the positive attention received by e-choupal (Deveshwar 2004):

> The Harvard Business School now regularly teaches a case study based on ITC e-Choupal. 'The New York Times' carried a lead front page article on 1st January 2004. And more recently, the prestigious international magazine 'The Economist' also covered this subject.

Perhaps more significantly he went on to note that such attention inspired the ITC team to redouble their efforts 'ignited by the sincerity of expectations'.

In summary, the e-choupal model shows two things. The first is that poor farmers will take initiatives in a market that delivers direct benefits. The combination of access to a reengineered market through information technology has generated a groundswell of economic and social opportunities. The second is that improving 'market freedom' can improve freedom generally. The e-choupal project has led to what Amartya Sen 2000: 27) has called 'comprehensive outcomes'. In Sen's terms 'comprehensive outcomes, go beyond 'culmination outcomes.' 'Culmination outcomes' refer to final results without addressing how they are achieved; more usefully 'comprehensive outcomes' take into account the processes used to achieve results. The processes supporting e-choupal start with the acquisition of farm produce but then provide an extended menu of opportunities not only for the Indian Tobacco Company but for farmers, their families and communities.

Proposal for a broader model
Following the examples of the DWCRA scheme, which did not work, and the e-choupal project, which did, the paper proposes a broad framework for a prospective model for poverty alleviation in Uttar Pradesh.

The model takes into account:

- Levels of implementation, that is, both the structure of the organizations to be involved and also the circumstances of intended beneficiaries (which would take into account geographical and demographic distribution).
- The span of implementation, that is, how many organizations would be included, types of inter organizational networks to be generated, and the nature, delivery and timing of benefits
- Levels of people involved in the implementation process, including available skills and potential to upgrade skills.

E-governance is proposed as a mode for sequentially facilitating access to the communication network and access to information, which will support the development of the capacity of the rural poor to beneficially gain access to and interpret relevant information. The model is sketched in Figure 1. The following steps are proposed:

- Combine e-governance initiatives with assessment procedures for poverty similar to those for Participatory Poverty Assessments (PPAs).
- Use e-governance as a mode to support and enhance the effectiveness of PPAs (Osmani 2003). It would help gain the perspectives of the poor, which is a key component of the PPA method. It would enhance the diversity of valuable information in cost-effective fashion, due to its technological advantages and speed. Further, PPAs facilitate creation of new relationships between policy makers, service-providers and people in poor communities. E-governance reinforces this approach.
- Use e-governance as a means of disseminating information and interconnectivity which may support poor people to become active agents for changing their own lives. This is consistent with the Osmani's (2003) suggestion that "the objective of a poverty reduction strategy should be to strengthen the ability of the poor to pursue their own livelihood strategies and to be active agents for changing their own lives."
- Use e-governance to check arguments that suggest that poor households pursue a portfolio of livelihood strategies, according to the needs of labor and other markets, instead of a single occupation (Osmani 2003).

E-governance initiatives provide the encompassing span of effectiveness that poverty alleviation programs need. Within government and the wider society e-governance initiatives can:

- Complement the poverty alleviation exercises and programs executed by various government departments and agencies.
- Assist the integration these exercises by cutting redundancy and supporting effectiveness.
- Complement the development of markets and the enterprise of multinational corporations to allow beneficiaries and agents more freedom to achieve higher levels of substantive freedoms. The aim would be to achieve Sen's (2000) goal that "Freedom of one kind would strengthen the other."

The following more specific steps are designed to complement the approach outlined above:

- Select business development and market development opportunities as illustrated in the e-choupal project. Look for areas where physical

implementation can be phased. Choose areas according to the potential adaptability of beneficiaries and the nature of constraints.
- Use the interactive capabilities of e-governance to generate awareness of health, hygiene and education and the substantive freedoms they may enable.

- To support business and market development, generate also a network of micro-financing businesses and business development consultancies.
- Promote niche business areas and activities.
- Promote government policies supporting market liberalization n at home and abroad.

Figure 1: Using e-governance in poverty alleviation

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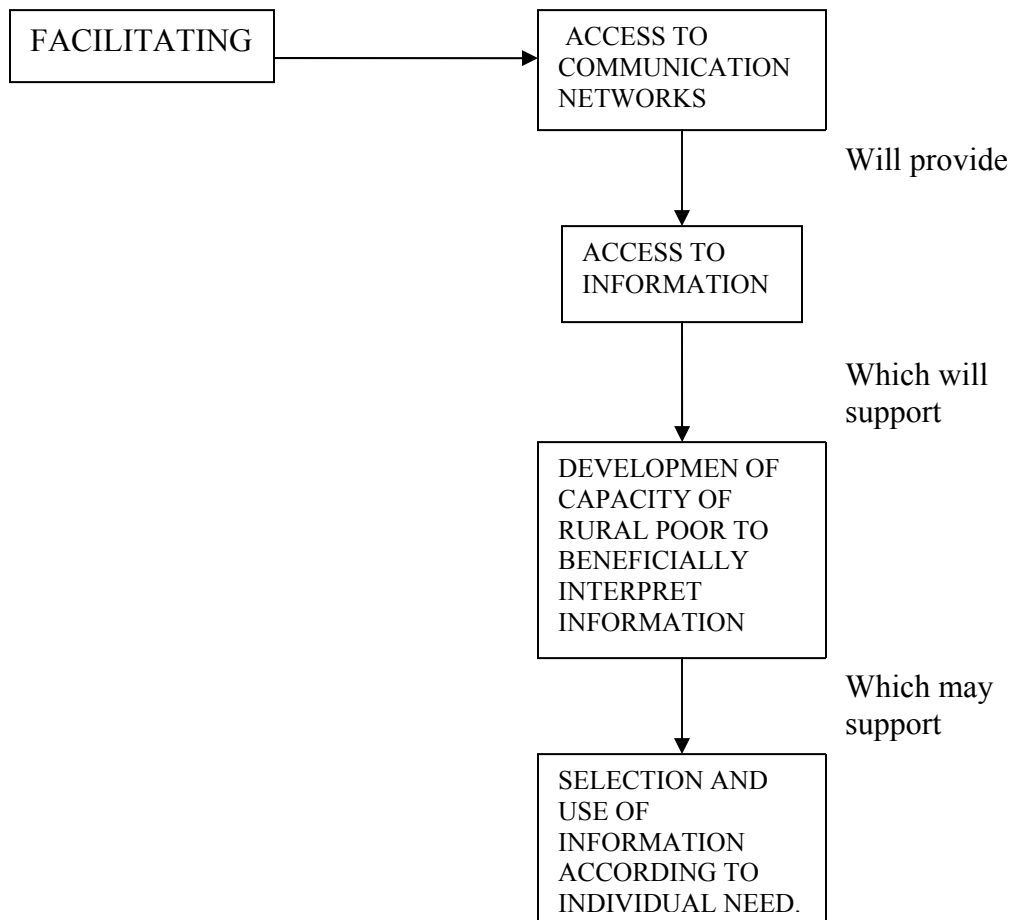
Implementation

Implementation of e-initiatives has to be seen in two parts:

    a. Physical establishment of ICT infrastructure.

    b. Actual use of ICT by the people intended to benefit from the capabilities it provides.

Establishment of infrastructure and encouragement to use ICT are the targets of many separate efforts. Computer literacy is often incorporated as part of daily life, but much remains to be done especially in states like Uttar Pradesh, where the population is growing faster than levels of literacy. Moreover, budgetary constraints and opportunity costs are strong. As one commentator notes (Devyani, 2003):

> Diversion of scarce resources towards ICTs could be at the expense of basic services such as water supply, sanitation, health and education for the poor. Also investment in ICTs cannot be sustainable unless basic needs are met, as the knowledge society demands skilled labour and therefore, investments in health and education must come first.

There is an intense need to prioritize and integrate e-governance programs implemented by government, non-government organizations, and business corporations. The great potential of ICT for rural market development, business opportunity development and poverty alleviation raises the question of how the capabilities of different initiatives may be linked. E-choupal, Gyandoot, Tarahaat, N-Logue and others (Prahalad and Hammond 2002; Xavier and Pilllai 2003; Ghosh and Lahiri 2003) will all benefit from links with other projects. It is also essential to minimize barriers to access. Heeks (2002) identifies the critical role of ICT intermediaries which are:

> Organizations (or individuals) who, own ICTs and who can act as gatekeepers between cyberspace and the organic, informal information systems of those on the wrong side of the digital divide.

Effective management of ICT infrastructure is crucial. Infrastructure investments are complex and expensive. Government and the agencies involved need to build infrastructure brick by brick over a period of time, involving multiple solution providers, and need to adopt architecture standards that are common across the entire solution (Gupta et al 2003). Relevant cases to guide the adoption of appropriate technical and architectural standards include: the Sustainable Development Networking Programme (SDNP), Jamaica (heep://www.sdnp.undp.org/it4dev/stories/malaysia.html)Estonia's Tiger Leap; the Citizen Assistance Service Centers (SAC) program at Bahia in Brazil; and the Drishtee project in India.

Continuing development of technology will raise new opportunities. For example, complex innovations and inventions related to satellite-linked networking and involving usage of hand-held devices for connectivity and smart cards for data storage and access are already being utilized and can be further expanded. However, discussion of the details of such technologies is beyond the scope of this paper. Technological innovations in software generation may also take care of problems with literacy, language and training. Examples include voice-based software and the integration of efforts like that of `Bhasha' by Microsoft and the Universal Networking Digital language project by Professor Pushpak Bhattacharya at IIT Mumbai.

Issues and constraints

Foreseeable issues with which the proposed model may be confronted in Uttar Pradesh include:

- Low literacy rate of the state.
- Cultural and perceptual barriers to the acceptability of technology and accompanying social changes. Will people see opportunities to benefit that outweigh costs?
- Caste discrimination which segregates society and inhibits the ability of technology to disseminate information.
- Social structure, as the support of politically and socially powerful people is required
- Role of women in society. Efforts to introduce ICT may require the active role of women.
- Prevalent problems of corruption in the state.
- Availability of human resources. Will sufficient, technically equipped people be available?
- Adaptability levels and work culture of available people.

A persistent concern will be the extent to which people are able to integrate e-initiatives into their daily lives. Osmani (2003) characterizes this problem as:

> …the extent to which the rural and the poor (the prospective beneficiaries and the agents) are able to integrate into the economic processes so that, when growth occurs and the employment potential expands, they can take advantage of the greater scope for improving the quality and the quantity of employment.

E-Governance, as argued in this paper, is designed to develop markets which trigger achievement of substantive freedoms. In turn these freedoms should support reduction in levels of constraints. However,

while ICT can generate opportunities it cannot, on its own, convince people to take them.

Fortunately many measures that might help are emerging. These include:

- Edusat, which will increase the span of delivery of education.
- Inititiatives in non-conventional energy generation and power back up, including solar energy, which would cut interruptions to the operations of ICT hardware.
- Organizations like Tata Literacy and many other foundations working to enhance literacy rates.

Further, to the extent that e-governance can address problems that do not yield to other measures it may build its own momentum. As outlined at the beginning, initiatives in e-governance raise the salience of agendas to improve governance in general. A key example is the promotion of e-governance to improve transparency and cut corruption in government.

Key challenges for e-governance initiatives thus are to:

- Make the most effective use of existing ICT infrastructure.
- Make effective links to and speed up existing poverty alleviation programs sponsored primarily by government.
- Realize the potential to improve motivation through communication enhanced by e-governance
- Realize the potential to enhance markets in which the rural poor can participate
- Build on the efforts of multinational corporations like ITC, Hindustan Lever Limited and Mahindra Finance which are extending their businesses amongst the rural and the poor populations.
- Enhance existing poverty alleviation efforts by the government by drawing on the business acumen of these organizations.
- Build on the technical and IT infrastructure/network these companies are establishing.
- Build on the initiatives of non-government supported programs like Self Employed Women's Association (SEWA) (www.sewa.org).
- Support business development among rural and poor people by government supported or private microfinance.

The use of ICT in business and government can enhance income generation and lead to the further development of capabilities and freedoms.

Conclusion

This paper has looked at poverty and poverty alleviation from the point of view of Sen's capability approach (Sen 2000). We have proposed that initiatives in e-

governance be used as a mode to provide access to information for the rural poor and to enhance individual choice. The paper has taken note of the many existing developments in the use of ICT in India. In particular, it has tried to learn from the e-choupal project.

The paper suggests a broad framework and model for further initiatives. The approach provides scope for customization to meet particular circumstances. The objective throughout is a **poverty alleviation** process that cuts unfreedoms (Sen 2000) and develops sustainable livelihoods (Osmani 2003). ICT and business initiatives can complement government programs to bring widespread social benefits which make economic sense.

As Dr. A. P. J. Abdul Kalam, the President of India in his address at IIIT, Pune (2003) noted, there is "tremendous market potential… available in our country in the area of tele-education, tele-medicine, infotainment and e-Governance… If IT touches every one of the billion Indian people, the IT market will become phenomenally large and this will ensure robustness". This paper suggests that the path to such a market will be rich with possibilities, not only for the urban middle classes, but also for the rural poor.

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Improving Governance and Services:
Can e-Government Help?

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Abstract: E-government can help improve governance and service delivery by refocusing consideration of the purposes and tools of government. However, E-government initiatives pose challenging questions of management, especially about coordination in government and the design of services for citizens. Progress towards implementing e-government raises critical questions about preferred styles of governance and about how governments relate to citizens. At present, interactions between citizens, the institutions of government and information and communications technology raise more agendas than governments can handle. However, trying to find ways through these agendas is to confront questions of wide interest to citizens. At the very least, e-government helps improve governance and services by asking questions.

Since the late 1990s the prospect of using Information and Communication Technologies (ICTs) to improve effectiveness, fairness and accountability in government has attracted widespread enthusiasm. However early hopes that e-initiatives would bypass intractable questions of government organization and transform citizen experience of the delivery of public services have given way to more modest claims.

At the same time, thinking about how to use ICTs most effectively in government has generated widening questions about what governments should try to do and how they should do it. As Jane Fountain (2001) has argued, e-initiatives reconfigure bureaucracy and disturb settled understandings about politics and the nature of the state.

ICTs open up diverse patterns of personal and group interaction. But managing ICT infrastructure and applications to provide better government demands coordination. Within government, e-government initiatives pose sharp questions about the roles and capabilities of the executive. They challenge the executive to: organise itself for integrated policymaking and management; respond to what citizens actually need; and, manage multilayered and reciprocal interactions between government organizations and technology. These challenges are linked but linking them in a 'whole of government' agenda puts large tests on executive capability.

A recent study by the Organization for Economic Cooperation and Development (OECD) sets out key dimensions of the challenge:

> How to collaborate more effectively across agencies to address complex, shared problems; how to enhance customer focus; and how to build relationships with private sector partners. (OECD 2003:11)

Such questions lead directly to a familiar dilemma:

> How to capture the benefits of coordinated action and shared approaches while maintaining individual agency responsibility and accountability for operations and results. (OECD 2003: 15)

Many governments have gone to great lengths to craft pluralist or decentralised strategies for improvement. In such models, connections between diverse initiatives depend on consultation and negotiation. Many large and complex businesses have followed similar paths.

However, the opportunity cost of e-initiatives is high. Such initiatives need to provide value. For governments e-initiatives need to provide policy, management and service outcomes that citizens value. The concept of public value provides a useful framework for making such assessments (Moore 1995; Kelly and Muers 2002; Stoker 2003; UN 2003; Smith 2004). For businesses they need to grow the business, build shareholder value or maximize dividends. This has led to steadily more assertive rethinking of the role of coordinating and framework-setting bodies for the use of ICT in both business and government.

Themes of decentralisation, devolution and differentiation associated with New Public Management, neo liberal or Washington Consensus agendas, which had a pervasive influence in the 1990s, are critically reconsidered. The OECD e-government project team (2003: 99) sets out a long list of benefits of central coordination. For the private sector Nicholas Carr argues controversially that similar considerations apply:

Hierarchies…may outperform markets when it comes to integrating complex information systems, leading to a re-emergence of the vertically integrated company. (Carr 2004: 12)

In a major study of IT governance Peter Weill and Jeanne Ross (2004) go further; they concentrate on the private sector but include significant public sector cases. Weill and Ross set out a concept of IT governance in which decision rights about IT are carefully allocated to ensure that business strategies drive IT investments. They propose that as dependence on IT spreads throughout organizations, IT governance increases in importance. In words that mirror the phrasing of the OECD team, Weill and Ross argue that the task of good governance is to handle effectively:

a longtime management paradox— encouraging and leveraging the ingenuity of all the enterprise's people while ensuring compliance with the overall vision and principles. (Weill and Ross 2004: 236)

Governments introducing e-initiatives thus face contradictory pressures. Making e-government initiatives work demands significant resources. E-initiatives are hungry for political, organizational, human and financial capital. Investments and potential gains are large. But to date, actual gains, however measured, are modest (see for example, Dow and Teicher 2003). Further, the price of making even modest gains is to open up controversial agendas of governance. Central coordination is back and it is joined by demands for more responsive and participative government.

The propositions outlined above provide a framework for exploring these issues. Examples will be drawn from international surveys of e-government (OECD 2003; UN 2003; Yong 2003) and from the state of Victoria and the federal government in Australia.

This paper argues that:

- E-government can help improve governance and service delivery by refocusing consideration of the purposes and tools of government
- E-government initiatives pose challenging questions of management, especially about coordination in government and the design of services for citizens
- Progress towards implementing e-government raises critical questions about preferred styles of governance and about how governments relate to citizens.

Refocusing the purposes and tools of government

E-government initiatives focus attention on the long term impacts of the interaction of technology and organizations. E-government is not just about using ICTs throughout the institutions and operations of government. It is also about how organizations in government perceive and apply technology. The reciprocal relations between technology and organizations (Fountain 2001; Bellamy 2002) drive long-term change.

Ambitions for e-initiatives in government are large. A recent UN survey argued that:

E-government is about opportunity. Opportunity for the public sector to reform to achieve greater efficiency and efficacy. Opportunity to reduce costs and increase services to the society. Opportunity to include all in public service delivery. And opportunity to empower the citizens for participatory democracy.

But the greatest promise of e-government is the historic opportunity for the developing countries to 'leap frog' the traditionally longer development stages and catch up in providing a higher standard of living for their populations. (UN 2003: 182)

Similarly, in Australia the state government of Victoria stresses the need for positive social impacts. Recently it reframed its e-government strategy around people-centred government. Its aim is:

That Victorians are assisted to meet their everyday needs through timely, convenient and relevant support from government, made possible by harnessing the capabilities of information networks and communications technologies as they evolve. (Government of Victoria 2002:1)

Further:

eGovernment should be about people, not technology…*Putting People at the Centre*…is our vision for creating a new era of richer interaction between the government and citizens. (2002:2)

E-government is thus about the potential for a transformation of government and governance. Many early discussions of e-government outlined stages in the development of e-government in which the final stage was 'transformation,' 'integration,' 'seamless service delivery' or some similarly ambitious state. However the path to transformation is tricky. Early, discrete and bottom up e-government initiatives tended to meet barriers. Such barriers included costs of ICT infrastructure, lack of interoperability, and problems of coordination. It proved easier to initiate specific projects than to bring together integrated packages. It also proved easier to use the internet to provide information than to facilitate transactions.

Thinking about the path to transformation raises large questions. Three deserve particular attention. First, how is change in the application of technology to be managed? Whether the focus is on determining requirements for IT infrastructure, finding and accounting for funds invested, outsourcing responsibility for technology supply, redesigning office procedures, or redefining requirements for skills and knowledge possessed by public employees, governments are expected to assume substantial responsibilities for the management of change.

In a study that combines technical and organizational perspectives, Lionel Pearce (2004) uses the evolution of selected stages models to set out the extent of the change agenda. He argues that the specialists in information systems management who originated stages models found themselves drawn more deeply into issues of organization and management. He advocates an organization development model in which each step forward is checked against progress on four dimensions: financial, business process improvement, organizational learning, and customer satisfaction (2004:147).

Second, is to determine the focus of desired transformations. Much discussion focuses on citizens as customers. Government is treated as a retail business and initiatives focus on individual transactions, for example, paying taxes, receiving benefits, renewing licences, or finding information. E-government in Singapore is notable for the number of transactions now available electronically. *Victoria Online* provides users with access to Victorian agencies through a single entry point. It also provides access to federal and local levels of government. At the federal level *australia.gov.au* provides access to a series of portals with entry points to federal government services and to state governments.

However, citizens expect more from governments than to be treated as customers (Mintzberg 1994). Pressures emerge for holistic initiatives that benefit citizens as a group. Such initiatives may include institution building, policy development and the management of information on which both the internal operations of government and the delivery of services depend. The statements quoted above from the UN and the government of Victoria make this explicit. However, progress on such initiatives is at a very early stage.

Third, is measuring progress and learning lessons. Initiatives need to provide value to citizens and to be integrated. The country recognized consistently as an outstanding leader in e-government, Canada, makes a point of using citizen surveys, focus groups, benchmarking tools, and advisory groups (Government of Canada 2003). Canada also explicitly links making efficiency gains, improving services and integrating services.

The federal government in Australia follows a similar course. In a recent study (AGIMO 2003) it found that e-initiatives returned favourable cost-benefit ratios and that, if anything, agencies underestimated 'the

financial benefits to people of government online initiatives.' It found also a demand from citizens for more participation:

> Focus group participants indicated a strong desire for more information, greater interaction with government agencies and active participation in development of future community-focused e-government initiatives. (AGIMO 2003)

For the two largest countries in Asia, China and India, a whole of government perspective is also emerging as critical. James SL Yong and Janice LK Leong (2003: 86)) provide an example of the management difficulties facing e-initiatives in the Beijing Government:

> We still lack a clear, uniform standard in constructing e-Government, since different departments have different standards. Also, it's very difficult to redefine the work responsibilities of those departments.

Unless such problems are addressed Yong and Leong foresee that:

> 'islands of automation' will result in different government agencies, and the overall e-Government interface will remain disjointed. (2003: 93)

Yong and Sachdeva (2003: 142-143) identify similar issues in India stating that:

> the road to an integrated e-Government system in India is still a long one. The projects are emerging disparately without much replication and interoperability…There is a great need for a comprehensive national e-Governance Plan.

If such issues assume high priority in countries that are making conspicuous efforts, they assume even more significance in countries that are still starting out. In Indonesia, for example, Ayuning Budiati (2004) found that e-government initiatives needed stronger leadership from the President and central agencies. Progress was further inhibited by the strong tendency for agencies and levels of government to work alone.

E-government thus refocuses the purposes and tools of government by contributing to agendas that place high priority on coordination, integration and providing citizens with value.

Rethinking coordination and design of services

Ensuring that ICT infrastructure supports e-government strategies requires strategies for the governance of ICT. Once information and transactions are available online, attention refocuses on integrated services. In turn this

leads to proposals for service redesign. Both governance of ICT and service integration have consequent impacts on the distribution of agency responsibilities and relations with users.

Governance of IT

The approach to IT governance proposed by Weill and Ross is designed to manage change. They argue that the need for IT governance increases as change accelerates (2004: 184). In headlines their case is that (2004: 14-18): good IT governance pays off; IT is expensive; IT is pervasive; new information technologies bombard enterprises with new business opportunities; IT governance is critical to organizational learning about IT value; IT value depends on more than good technology; senior management has limited attention spans; and leading enterprises govern IT differently. Through an extensive survey of IT management practices in leading corporations and several public sector agencies, including the Metropolitan Police Service in London and UNICEF, they aim to identify effective governance strategies.

For governments, their argument about organizational learning is especially important. Weill and Ross state that:

> Enterprises have struggled to understand the value of their IT-related initiatives because value cannot always be readily demonstrated through a traditional discounted cash flow analysis. Value results not only from incremental process improvements but also from the ability to respond to competitive pressures…Effective governance creates mechanisms through which enterprises can debate potential value and formalize their learning. (2004: 16-17)

The examples cited above reflect the difficulties many governments have in managing contending e-initiatives. Governments need to learn how to manage them better and convince citizens that they are getting value for money. Further, governments need to learn how to learn about managing e-government.

Weill and Ross's analysis is based on an IT governance arrangements matrix related to different governance archetypes for different kinds of decisions. They identify five interrelated IT decisions:

- IT principles—clarifying the business role of IT
- IT architecture—defining integration and standardization requirements
- IT infrastructure—determining shared and enabling services
- Business application needs—specifying the business needs for purchased or internally developed IT applications
- IT investment and prioritization—choosing which initiatives to fund and how much to spend. (2004: 10-11)

They identify six archetypes identifying the kinds of people involved in making IT decisions:

- Business monarchy—top managers
- IT monarchy—IT specialists
- Feudal—each business unit makes independent decisions
- Federal—combination of the corporate centre and the business units with or without IT people involved
- IT duopoly—IT group and one other group (for example, top management or business unit leaders)
- Anarchy—isolated individual or small group decision making. (2004: 12).

They use the matrix to plot the distribution of arrangements used by the organizations in their study, relate arrangements for making and monitoring of strategic business decisions overall, and to identify effective patterns of governance.

Weill and Ross find that any decision archetypes can be associated with effective business strategies (2004: 158-175). However, patterns fall into three main groups. Companies that focus on operational excellence use highly centralized IT governance to facilitate high-volume, low-cost transaction processing. Companies that focus on customer intimacy face more complex needs and try to combine decentralized organizational structures with strong business and IT monarchies to 'define and enforce shared technology, business processes, and data definitions (2004: 168).' Companies that focus on product leadership need to encourage creativity while sharing results and building synergies. They can use duopolies and IT monarchies. They can even use feudal arrangements for identifying IT application needs.

Generally, Weill and Ross argue that IT governance in corporations is moving from 'more autonomous to more synergistic organizational designs. As firms evolve toward more synergistic designs, they adopt more complex IT governance (2004: 175.'

The distinguishing features of most government organizations are greater organizational complexity and difficulties in performance measurement. Weill and Ross recommend:

- Joint business and IT decision making for setting IT principles
- Consider IT infrastructure principles to be strategic business decisions
- Do not use a feudal model for business application needs

Use joint decision making for IT investments. (2004: 203-205)

Figure 1: Governance arrangements matrix

Decision ------------- Archetype	IT Principles	IT Architecture	IT Infrastructure strategies	Business application needs	IT Investment
Business Monarchy					
IT Monarchy					
Feudal					
Federal					
Duopoly					
Anarchy					

Source: Weill and Ross (2004: 11)

They suggest that high performing public sector bodies regularly use the following mechanisms:

- Executive committees focus on all key assets including IT
- IT council comprised of business and IT executives
- IT leadership committee comprising IT executives
- Architecture committee
- Tracking of IT projects and resources consumed
- Business/IT relationship managers. (2004: 205-206)

The most conspicuous result of improved IT governance is improved management of information.

Weill and Ross conclude that, compared with corporations, government and not-for-profit organizations need to govern IT in subtly different ways:

> Successful IT governance in not for profits relies even more on partnerships and joint decisions between business leaders as well as heavier use of formal mechanisms such as committees. More and more not for profits will include representatives from outside the organization on their IT governance mechanisms to reflect their broader definition of value. (2004: 214)

The strength of Weill and Ross's analysis is that it is based on case studies of large government or not-for-profit organizations and reinforced by considerable familiarity with government operations. However it does not examine arrangements for whole governments. The following brief examination of governance arrangements in the federal government in Australia and the state government of Victoria makes an attempt at filling the gap.

This examination reinforces Weill and Ross's conclusions about business complexity and improved governance by evolution. However, as Canadian observers have noted, a government is an 'enterprise of enterprises'. For this reason, federal models are highly

attractive. The problem is that, as Australian experience shows, 'whole of government' models are very difficult to sustain. Making business-IT duopolies work at an agency level does not necessarily create support for a cohesive, whole-of-government federal system. Federal models provide thin restraints on feudal temptations and the culture of agencies and departments operating in isolation is well entrenched.

Federal Government in Australia

In the federal government the history of IT governance and of e-government initiatives is of successive attempts to improve coordination, which decay, and a profusion of single agency or single transaction initiatives, which succeed but do not always connect. Whole of government approaches to IT governance began in the early 1990s with a review commissioned by the Minister of Finance. The Finance portfolio had, and still has, a leading role in management reform across the federal public sector. While the review recommended improved coordination between agencies it also recommended contestability and outsourcing for IT solutions. A new government in 1996 attempted to drive outsourcing from the Department of Finance. Although it was forced to abandon this strategy there remains a substantial legacy of mistrust of central direction of IT.

In 1997 the government set up the National Office of the Information Economy (NOIE) as a separate office within the portfolio of Communications, Information and the Arts. The office had a dual role. It encouraged internal coordination of e-initiatives. It also had responsibility for developing the regulatory and physical infrastructure for e-commerce. NOIE absorbed responsibilities from other departments, including the Office of the Government Online, but it did not have overall responsibility for e-government.

Meanwhile in 2002 the government set up an Information Management Strategy Committee (IMSC), supported by a Chief Information Officer Committee. The IMSC included heads of significant service delivery agencies and the Department of the Prime Minister and Cabinet. The head of Communications, Information Technology and the Arts chaired the committee. The

Department of Finance was not represented. The committee encouraged a 'big picture' approach to ICT issues but agencies continued to be responsible for their own arrangements. As Teicher and Dow have commented, these arrangements reflected:

> …the fragmented nature of public management and the difficulty of achieving a whole-of-government perspective in the wake of two decades of managerialist reforms which have been partially successful in developing an organization-specific culture. (Teicher and Dow 2003:243)

However the Management Advisory Committee, a meeting of departmental and significant agency heads, began to take a larger interest in the use of ICTs. The e-government benefits study, referred to above, also developed a substantial whole-of-government agenda:

- Consistent methods for demand assessment and a demand assessment approach that will respond to the whole-of-government perspective
- Consistent mechanisms for tracking all government service delivery options so adoption of e-government can be placed in perspective
- Consistent methods for assessing value and determining which projects have an acceptable benefit/cost ratio and should proceed
- A whole-of-government e-service architecture that focuses on the user and the interface to the user that will honor the intention of citizen-centric and cross-agency expectation
- A mechanism for cross-agency cooperation that allows agencies to take the lead as well deliver services on each other's behalf
- A funding mechanism that responds to the social value being created and supports e-government initiatives that reflect cross-agency cooperation and citizen-centric development (AGIMO 2003).

In 2004, the Management Advisory Committee followed up with a forthright report on coordination entitled *Connecting Australia: Whole-of-Government Responses to Australia's Priority Challenges* (MAC 2004). Also in 2004 the government split NOIE, absorbed it into the Department of Communications, Information Technology and the Arts and created the Australian Government Information Office (AGIMO). AGIMO inherited NOIE's internal coordination tasks. Further, as part of a post-election reshuffle, the government created in the Finance portfolio a new Department of Human Services, charged with improving service delivery, and transferred AGIMO to Finance. The impact of these changes is yet to be seen.

After several years and a zig zag path, the federal government has put together arrangements that may be able to fulfil Weill and Ross's governance tasks. It has moved from a stance of differentiation and outsourcing to one of collective leadership by department and agency heads. Setting up the Department of Human Services suggests that it may also be willing to tackle the task of integrating services by redesigning the organizational architecture and in the process reconfiguring the bundles of government services. Putting AGIMO and Human Services together in the Finance portfolio provides a platform for serious reform. Under NOIE the federal model tended to become confederal. Under the new arrangements it has gained a potential centre.

Victoria*

In Victoria the history of e-government is of initial enthusiastic political leadership, substantial redirection following a change of government, and recent steps to institutionalize political and bureaucratic leadership in the interests of further ambitious initiatives.

In the early 1990s a neo-liberal government created Multimedia Victoria as a new agency to encourage e-commerce and e-government. In 1999 a new government, as noted above, introduced themes of 'people-centered government.' It recognized also the need for a holistic approach, including:

- Effective governance—The mandate or authority to act in a given situation, a framework for reporting and accountability, a recognized budget process and reward system
- Business systems—The operating business and decision-making processes that support cross-government activities
- Physical infrastructure—The ICT and other systems needed to combine agency services for presentation to the community in an integrated way. (Government of Victoria 2002: 14-16)

It developed *Victoria Online* as a joint venture between Multimedia Victoria and the Department of Premier and Cabinet, in conjunction with a range of external stakeholders. The project relied on extensive social research.

Victoria's approach is a counterpoint to initial centralized, politically led initiatives, with a strategy to link citizens, technology and community development. However, this strategy was easier to articulate than to implement. More recently Victoria has opted for a radical reorganization of decision-making. Central to the new arrangements is a new position of system-wide Chief Information Officer (CIO) 'to improve efficiency, promote innovative and integrated service and cut waste' (Moran 2003). There is also a new position of Chief Technical Officer (CTO). The initiative was supported by a report by the Boston Consulting Group (Government of Victoria 2003). The consultants made extensive studies of private sector CIO models and of

government ICT management roles, which the consultants thought to be overly decentralized.

The office of the CIO is located in the Department of Premier and Cabinet, which, with the Department of Treasury and Finance, provides advice across the full range of government responsibilities .The office of the CTO is located in the Department of Infrastructure. As with NOIE at the federal level, Multimedia Victoria has been divided. The CIO supports an ICT Strategy Project Board at head of department level and an ICT Strategy Sub Committee of the Expenditure Review Committee at Cabinet level. Similar central consolidation of roles, consistent with Weill and Ross's recommendations discussed above, is envisaged for each department and agency.

The approach is designed to build a continuing conversation among stakeholders about governance principles and a thorough examination of all existing plans and investments. It includes significant foundation projects such as a single data center servicing all agencies, government-wide document management systems and a shared-application hosting environment (Office of the Chief Information Officer 2004; Woodhead 2004).

The foundation CIO received praise for his diplomatic approach to securing the support of secretaries of departments:

> he accepted they held unambiguous accountability for the outcomes of their departments. He adopted mechanisms to make allies rather than trying to wrest power from them. (King 2005)

He argued that the approach provided strong reasons for people to work together:

> What we've established are mechanisms for ensuring that agencies have discretion in regard to the evolution of decisions that their operations depend on, but in exercising that delegation we reversed the onus of proof. We essentially said that secretaries are to have regard to plan developments and to demonstrate why non-compliance would be beneficial. (Woodhead 2004)

In terms of Weill and Ross's archetypes, the approach places strong emphasis on joint decision making based on shared understandings of complex patterns of interdependence. It aspires to a federal model in which business and IT infrastructure needs are bound tightly together.

In the short run the results of the Victorian initiatives are ambiguous. Two other states have followed Victoria's appointment of CIO with overall responsibility for ICT. However, in Victoria itself the foundation CIO resigned unexpectedly after less than a year. While the government promptly appointed a respected replacement, speculation has continued about the viability of the role. Such speculation is fueled by the high turnover of CIOs in both business and government in Australia (King 2004, 2005). However, how to make CIO positions a part of stable top management teams remains vigorously contested.

In different ways the federal government in Australia and the government of Victoria have raised the priority of IT governance in plans for e-government. They have accepted that it is essential to align IT infrastructure with business needs. Like Weill and Ross they have tried to solve the puzzle of how to encourage creativity by allowing discretion while ensuring effectiveness by providing leadership.

Reconnecting citizens and governments?
The cumulative impact of e-government initiatives holds out the prospect of creating substantial public value. Recent initiatives in Australia recognize the need to provide citizens not only with improved services but also with improved opportunities for participation.

Strengthening links between the current internal focus on IT governance and the benefits made available to citizens will become urgent. E-initiatives will promote new agendas of relationship management and institution building. Five examples make this clear.

First, initiatives in single electronic transactions, including procurement and licensing, improve transparency, accountability and timeliness in decision making. Some citizens will be satisfied with quick, fair decisions. Others will want to develop wider agendas of transparency and accountability.

Second, looking at government services as retail operations has led to initiatives in service integration. Such integration has proved harder than it looked because service redesign leads to agency redesign. In turn, agency redesign changes relationships with users.

Third, sharing information within the public sector raises questions about accuracy, security and privacy. Within government, sharing information poses challenges of technology and management. Information once gathered can be shared and analyzed. Aggregating information can itself create new information. In turn this may lead to new policy and management options. However, within the community such activity raises questions of accuracy, security and privacy. High value is placed on ensuring that information shared is accurate, that it is not shared between organizations serving conflicting interests, and that personal information is not shared without safeguards. How to determine citizen preferences about what can be shared and what must be kept private is emerging as a task of strategic importance.

Fourth, experiments with e-consultation and e-democracy join e-government agendas with wider agendas about new forms of national governance. As Canada has shown, citizen surveys can help shape effective e-initiatives. Weill and Ross and recent

Australian initiatives acknowledge the need for stakeholder involvement. So far experiments with e-democracy are modest; however, together with other e-initiatives, especially about the management of information, they have the potential to raise new agendas. These include demands to renegotiate relations between executives, legislatures and the citizens on whom both executives and legislatures depend.

Fifth, e-initiatives have the potential to transcend national boundaries. So far the strongest impacts on organizational boundaries have concerned agencies in government. Initiatives to integrate services have led already to questions about the realignment of responsibilities within federal systems. In Australia relations between federal and state levels of government have swung between competition and collaboration. Current relationships are strongly competitive. Building integrated e-government initiatives will depend on negotiating a new agenda for collaboration. This suggests that similar attempts to collaborate between national governments will open up substantial new agendas.

Many discussions of e-government have kept it quite separate from agendas in e-governance. This discussion suggests that these agendas are already merging.

Conclusion

This discussion has examined the challenges for governments of making effective connections between technology and business strategy against the background of early, ambitious claims for e-government. It suggests that internal agendas about IT governance connect with wider issues of national and international governance.

It concludes that, at present, interactions between citizens, the institutions of government and Information and Communications technology raise more agendas than governments can handle.However, trying to find ways through these agendas is to confront questions of wide interest to citizens. At the very least, e-government thus helps improve governance and services by asking questions.

This discussion also makes clear that the most successful structures for managing e-government are likely to be based on carefully balanced federal models. In some developing nations it is evident that the questions about governance prompted by e-government are least likely to emerge in those places where a centrally mandated federal model is not in place. Agency specific approaches with weak coordination lend themselves to a transactional approach to service delivery and to e-government more generally. Such approaches understate the potential of both e-government and good governance.

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Educating and Training Japanese Government Officials: Current Trends and Policy Study Aspects

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Abstract: We explain the recruiting and promoting system for high-level Japanese government officials showing the trend of numbers of applicants for the recruitment examination, those who passed the examination, and also those who were employed by some ministries in the last 17 years. We describe the major characteristics of the promotion system for Japanese government officials.

Educating and training Japanese government officials in the area of policy studies have been conducted in both university schools, governmental training centers, governmental schools and colleges. An education and training system for government officials needs to be developed so that each government official is equipped with a certain specialty and expertise. A formal system for evaluating individuals and programs has not been common in Japan, especially for evaluating individual work and contribution. We need to "invent" an evaluation system that will make the government officials' decision-making system work more efficiently. Public and private universities, in particular, have been very active in creating many policy-related schools and departments in the last 20 years. Policy studies, which have been conducted in various schools in the university and government research institutes, are described in detail with their objectives, curriculums, and requirements.

The Japanese bureaucrat system was established in the early Meiji period (1868-1912). Tokyo Imperial College (currently the University of Tokyo) was founded in 1886 based on the Imperial College Law for the purpose of cultivating civil servants for the national ministries. One year later, an employment examination for government officials was introduced. In 2002 the total number of civil servants amounts to 4.36 million consisting of 1.114 million (25%) national and 3.247 million (75%) local government officials.

Currently, civil servants in Japan are facing a very tough situation as the past decade has witnessed erosion in public trust. People no longer appreciate government officials due to the exposure of various ethics problems. According to a survey conducted by civil servants monitors in 2001, Japanese government officials were considered "elite" because they were judged to be "capable" (54.8%), "hard-working" (35.8%) or possessing a responsible attitude and a sense of public vocation (28.5%)[6]. On the other hand, almost 80% of the people surveyed consider Japanese government officials as part of a privileged class that is not on the side of the average person. This reflects the fact that bureaucrats have been losing people's trust after a series of bad decisions made by high government officials concerning chemical poisoning, AIDS (acquired immune deficiency syndrome), BSE (bovine spongiform encephalopathy), and so on.

In the 1960s most western developed countries enjoyed their highly stable economic growth while in the 1970s growth slowed in most countries as the first and the second "oil shocks" impacted almost the entire world. In the 1980s and 1990s most countries' tax revenues have stopped increasing while expenditures have continued to rise. The resulting "financial crisis" has raised awareness that "governability" is an important and necessary function for a government to possess. At the same time, criticisms of the low efficiency of government and insufficient and unsatisfactory results of policy implementation are frequently voiced. The expression "government failure" often appears and it is clear that trust in the government has been degraded.

The term "New Public Management" (NPM) has been heard quite frequently in various types of mass media as well as in academic and governmental organizations. NPM may be identified with two main properties.

1. Reducing control by the government, and preferably, utilizing the market mechanism as much as possible to solve various kinds of societal and public sector problems by implementing appropriate policies.
2. Placing value on results rather than plans and processes; managing inputs and outputs carefully, quantitatively and accurately so as to "manage for results".

The first property is based on the observation that the public sector generally comes out poorly when

compared with the private sector which is considered more sensitive and responsive to costs, benefits and efficiency. Recent moves to define and promote "evaluation measure" in the governmental and public sectors (e.g. by policy evaluation and program evaluation) is representative of the second NPM property [1,2,3,5,14,15, 16,19,20,21]).

Under "globalization" the situation facing the nation has been changing; namely, the development of transportation, communication and traffic has increased the mutual interdependency between nations in such areas as economics, society and politics. Thus, each country has been forced to introduce foreign capital investments in order to attain a certain level of economic growth by deregulation in many areas. It is necessary to evaluate quantitatively the economic and political impacts of "globalization" for each country [13]. First, with respect to the domestic situation, we can say that governance has shifted from vertical relation (from government to average citizens) to horizontal relation (from the public sector only to more widely spread areas including the private sector). Second, in reference to the international situation, governance has moved from a horizontal and independent type in which each country has its own governing system to a vertical network type in which international organizations such as World Bank, Asian Development Bank (ADB), International Monetary Fund (IMF) and World Trade Organization (WTO) regulate various countries. Under globalization, many countries are connected with each other in the form of a network.

Brief History of Sending Government Officials Abroad
In the Edo period (1603-1867) the Tokugawa Shogunate sent young government officials abroad for the first time in 1862. Since then a great many government officials have been sent to foreign countries such as the United States, European countries, and others. Mr. Griffith commented that young Japanese government officials at that time were all "polite, sincere, hard-working, earnest and capable" people with the potential to lead the future Japanese society, and he himself respected their strong will to study and work for themselves and for their own country. Dr. Heinrich Schliemann, who gained fame for discovering the Ruins of Troia, visited Japan in 1885 and wrote in his book [4] that he was surprised to see young Japanese government officials' sincerity and politeness. By way of example, he praised the officials in the Customs Office who strongly refused to accept "tips" from entering passengers at the baggage claims [17].

This behavior of old Japanese government officials in the Meiji period is thought to be closely related to our old "BUSHIDO spirit." There is a book entitled *BUSHIDO : The Soul of Japan* published in 1899 in the US and written by a famous Meiji era Japanese scholar and author Dr. and Professor Inazo Nitobe. This book is written about the philosophy of

Bushido. It explains the mental, spiritual, and philosophical standards that Bushi (traditional Japanese Samurai) must follow in their daily lives as professional Samurai. Dr. Nitobe characterized the moral standards of Samurai as consisting of such properties as sacrifice, faithfulness, purity, thrift or plainness, honor, affection ,and so on. In old times in Japan, Samurai were considered and treated as elite with great privilege and great responsibility. That is why they had to train themselves very strictly and observe very strict moralistic rules. Thus, their lifestyle had to be very simple and humble. This is the traditional Japanese version of "noblesse oblige." Bushido consisted of the discipline and the rules to restrict Samurais' daily life. Dr. Nitobe argued that samurai should be a respectful model for average people. A true samurai must support justice, should not be interested in just himself, should keep his word, and must be ready to die, if necessary, to prevent injustice or to defend his honor. In this way, Bushido provides the rules for "noblesse oblige" or the spirit of fair play for samurai.

The Bushido spirit described by Dr. Nitobe may not apply to the present world in the same way as 400 years ago. However, I believe this idea, principle, way of thinking, or moral standards can hold even in this information technology (IT) era. Politicians and government officials are also required and expected to be a model for the average people. In this sense I believe that the Bushido spirit is especially important and necessary for high-level government officials. If Japanese politicians and high government officials had read Dr. Nitobe's book, *Bushido*, and if they had been more familiar with the Bushido spirit, there would never have been a "bubble period," and recent scandals by high government officials would never have occurred, Moreover, Japanese people would not have been called "economic animals" in the 1970-80s.

Recruiting and Promoting High-level Government Officials
The National Personnel Authority (NPA) is in charge of the recruitment of government officials. There are three types of recruitment examinations in Japan, in which types I and II are for university and college graduates while type III is for high school graduates. Those who pass the type I examination and are employed by a ministry are referred to as "career officials" while others are called "non-career officials." Figure 1 shows the trend in the number of applicants for the recruitment examination of each type in the last 17 years. We find that the number of applicants reached a peak in 1995 and has been gradually decreasing every year since. Also we see that in the last three years the total number of applicants is decreasing slightly by a few percentage points for types I and II and also decreasing more sharply for type III. Figure 2 shows the trend of shares during the same period as above (i.e. 1985 to 2001). We find that type I applicant's share is rather stable at around 15% to 20%, the type II share has been

increasing from 22% to 35%, and the type III share has been decreasing from 60% to 45%. Additionally, looking at the academic background for type I applicants in the last 10 years or so, literature and law school graduates have stayed in the majority, slightly increasing their share from 54% to 60%. Science and engineering school graduates have slightly decreased from 32% to 30% and agriculture school graduates have decreased from 14% to 10%.

Figure 1 Number of Applicants by Types for Recruitment Examinations (Type I, II, III)
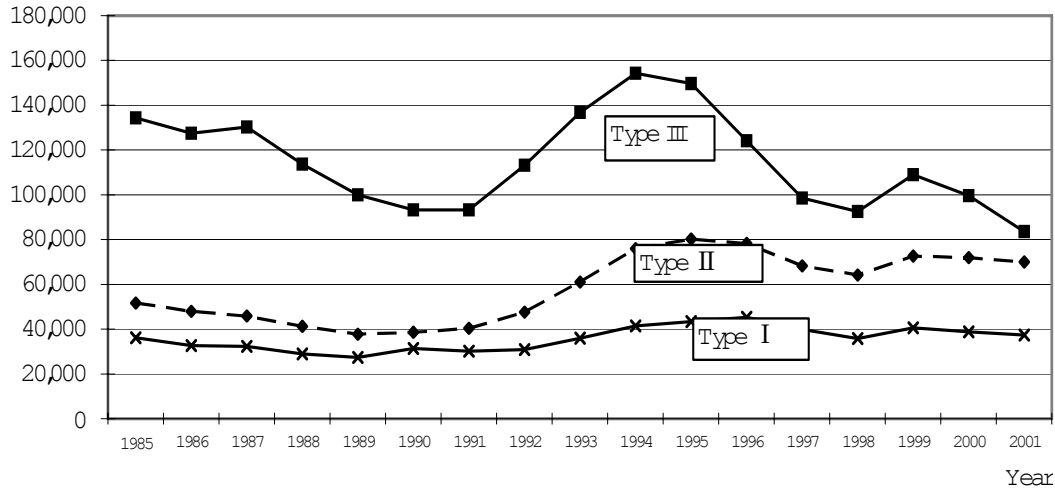
Figure 2 Shares of Applicants by Type (I, II, III)
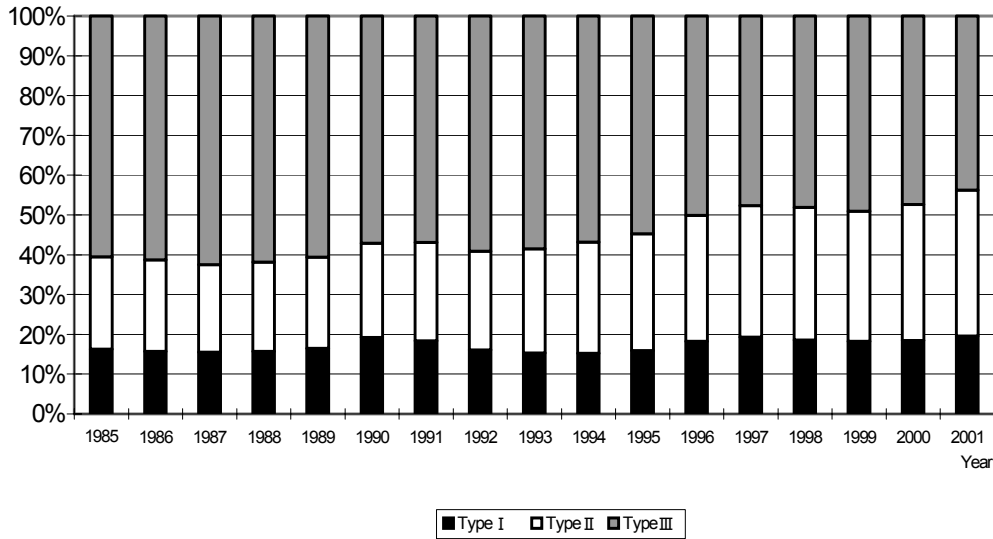
Table 1 shows the numbers who passed the recruitment examination over the period from 1996 to 2003, the ministry that employed them, and the type of school (university) they attended. From Table 1 we find that shares of those who passed the examination from public schools (mostly national universities including city and prefectural local governmental universities) have been consistently decreasing in the last seven years from 82% to 76% while those from private schools have been increasing from 17% to 23%.

Table 1. Numbers of the passed and the employed for type I examination

University Type	Year	1996	1997	1998	1999
National	Passed	1300(82.1)	1032(79.6)	994(80.2)	1013(80.9)
	Employed	555(82.3)	435(79.8)	464(82.1)	486(82.9)
Private	Passed	280(17.7)	264(20.4)	239(19.3)	236(18.8)
	Employed	118(17.5)	110(20.2)	100(17.7)	99(16.9)
Total	Passed	1583(100.0)	1297(100.0)	1239(100.0)	1252(100.0)
	Employed	674(100.0)	545(100.0)	565(100.0)	586(100.0)
University Type	Year	2000	2001	2002	
National	Passed	981(79.9)	1015(77.6)	1227(76.0)	
	Employed	466(81.9)	490(81.3)	523(83.9)	
Private	Passed	242(19.7)	291(22.2)	377(23.3)	
	Employed	100(17.6)	113(18.7)	97(15.6)	
Total	Passed	1228(100.0)	1308(100.0)	1615(100.0)	
	Employed	569(100.0)	603(100.0)	623(100.0)	

( ) : % to the total

On the other hand, shares of the employed from public universities are rather stable around 82% while those from private universities have decreased from 18% to 15%. We also find from Table 1 that the percentages of the employed to the employed for public university graduates have been stable around 42% in the last seven years while those for private university graduates have decreased from 42% to 25%. The stated aim of government policy is to diversify those who pass the recruitment examination and are employed by a ministry so that private school applicants shouldn't be at a disadvantage with national university graduates. We find that this government policy has been effective only for those who passed the examination, but it cannot be extended to those who are employed by some ministries.

In 2004, the number of those who passed the type I examination is said to be 1,756, an increase of six from the previous year. The number of women who passed the examination amounted to 304, the highest number in history. Women are now occupying a 17.3% share and their number is continuing to increase over the last six years. Also, we can say that the number of graduates having a master's degree from graduate school is increasing both among applicants and among those who passed the examination. The share of the graduates who passed in 2001 is 48.9% while it is only 25.0% in overall applicants. Academic backgrounds that are well represented among those who passed are science, engineering and agriculture. Those with a master's degree are in the majority: science and engineering have a 79.3% share and agriculture has a 63.0% share. Moreover, masters-level applicants are expected to increase more significantly as we will soon have social science graduates from law school and other types of professional public policy schools.

In 2001, the cabinet decided on a reform plan for civil servants. The cabinet proposed making the ratio of those passing the examination to those employed equal to 4.0. The intent is to gain a more diversified bureaucracy with representation from various types of public and private universities. This plan was opposed by the NPA since it is feared it will eventually increase the unemployed and damage the selected personnel. As it stands, this ratio is agreed to be around 2.5 among ministries.

Table 2 shows the numbers of the applicants as well as those who passed the examination and were employed in 2001. The ratios (A/B) between number of applicants (A) and those who passed the recruitment examination (B) in 2001 are 28.6, 10.1, and 16.3 for types I, II and III, respectively. Those who have been employed are 46.4%, 52.5% and 88.7% for types I, II and III, respectively. Comparing those employed with total applicants, we find that the percentages are 1.63%, 5.21% and 5.43% for types I, II and III, respectively. Thus we can say that recruitment examinations for government officials in Japan are extremely competitive.

Table 2 Numbers of the applicants, the passed and the employed

Type	Applicants	Passed	Employed
I	37,346 (9,583)	1,308 (199)	607
II	69,985 (21,821)	6,939 (1,816)	3,646
III	83,632 (32,909)	5,119 (1,889)	4,543

( ) : number of women

The NPA has been trying to guarantee that people will be given an opportunity to be a public servant by providing neutrality and fairness with respect to the subjects, structures and criteria for the recruitment examination. The recruitment examinations have been made fully public since 2002, and scores on the examinations have been considered to be more open. Around 80 so-called Law Schools, which were established in order to reform our country's judicial system, started to recruit students last April. Also professional graduate schools majoring in public policy have been developed in many universities in order to train professionals to work for planning, implementing and evaluating policies. These graduate schools aim to educate "future key government officials" and to provide them with highly advanced and professional capabilities in policy planning, implementation and evaluation areas. In the future these graduate schools are expected to be the main sources of future government officials in our country.

The promotion system for Japanese government officials is characterized by two keywords: "slow" and "prize accumulation." The "slow" promotion system means that almost all officials employed in the same year are simultaneously promoted to the next higher position until a certain level is reached, then the system becomes very competitive. Roughly speaking, the point beyond which promotion becomes difficult is around section chiefs in the ministry headquarter offices with the age 40 or a little above. Generally, "career" officials become section deputy-chief at age 30 or so, then are promoted to section chief or its equivalent at around age 38. The "prize accumulation" promotion system means that the "prize" results from the appreciation of superiors and peers for one's steady and cautious accumulation of "no error" service to one's group rather than for some spectacular positive achievement in one's own position. Thus, the "prize accumulation" promotion system has served to keep officials at their offices for a long term as they are almost equally treated in both salary and position within the same batch group.

The typical Japanese promotion system characterized by "slow" and "prize accumulation" may be said to have contributed greatly to the motivation of both "career" and "non-career" government officials to work hard and demonstrate loyalty toward their own ministry. Once they reach the position of section chief at ministry headquarter offices, however, the actual "promotion race" starts : namely, every time someone is selected to the higher position, (e.g., deputy director, director general, councilor, vice minister and so on) other batch members are offered outside positions and must leave their offices.

According to Self [18] the promotion system for civil servants is divided into two types: "closed career system" and "open career system." The Japanese and European promotion systems belong to the former while the American system belongs to the latter. The former system is characterized by employing capable and potential staff with a high degree of loyalty toward their ministry. Officials in the closed system tend to be "isolated" from the society and are considered "elite" government officials. In contrast, the open system tends to employ "political appointees" who do not have high loyalty toward their own ministry as they stay in the offices in the federal government only during the period while their boss (e.g. US President) holds his position.

Educating and Training Government Officials
Educating and training Japanese government officials in the area of policy studies have been conducted in both university schools, governmental training centers and governmental schools and colleges. Both central and local government offices send their staff to those schools for a certain period, such as a few weeks, a few months, or sometimes a few years.

Each Ministry including the NPA has been providing various types of training programs for different levels of government officials. In the year 2000 Japanese ministries provided 16,801 training courses and 186,838 government officials attended these courses. The NPA provided 168 courses and trained 5,915 officials in total. Most training programs are

aimed at giving government officials necessary knowledge and techniques for them to carry out their duties and responsibilities both presently and in the future. Training programs, such as sending government officials to foreign and domestic graduate schools and governmental organizations, have been more popular and more common in both short term (six months to one year) and long term (mostly two years) programs. Short-term courses are generally for government officials who have been working for up to six years. By 2001, Japan has sent more than 1,500 officials to short-term courses in the US (1,100), Great Britain (222), France (116), Germany (50), Canada (34) and Australia (12). Figure 2 shows the trend in the total number of these officials from 1966 to 2002. The longer-term programs are mainly for the mid-career government officials who are sent to foreign governmental organizations and international organizations in order to work on some special research issues. From 1974 to 2001, this program sent 970 officials to the United States (481), Great Britain (193), Australia (61), Germany (48), France (47), Canada (46) and others (94).

Training programs that send government officials to Japanese graduate schools are aimed at educating officials who have been working in the office from two to 16 years. To be accepted into these programs requires applicants to pass examinations by both the NPA and graduate school he or she is aiming for. In 2001, 19 officials are sent to five graduate schools and cumulatively to University of Tsukuba (101 since 1976), Yokohama National University (39 since 1990), University of Tokyo (55 since 1992), Kyoto University (16 since 1994), National Graduate Institute for Policy Studies (11 since 2000) and Saitama University (97 during 1977 and 1999).

It has been observed that young government officials tend to quit more frequently than in previous years. The quit ratio, defined to be the percentage of those who quit their government official's job relative to their intake batch, is increasing recently; i.e., for those who entered government offices in 1975 the quit ratio was 0.46% while five years later, those in the 1980 batch had a quit ratio of 0.55%, and this ratio continued increasing further up to almost 1% for the 1993 batch. The main reasons for their quitting in the early stage are said

Figure 3 Total number of government officials sent abroad
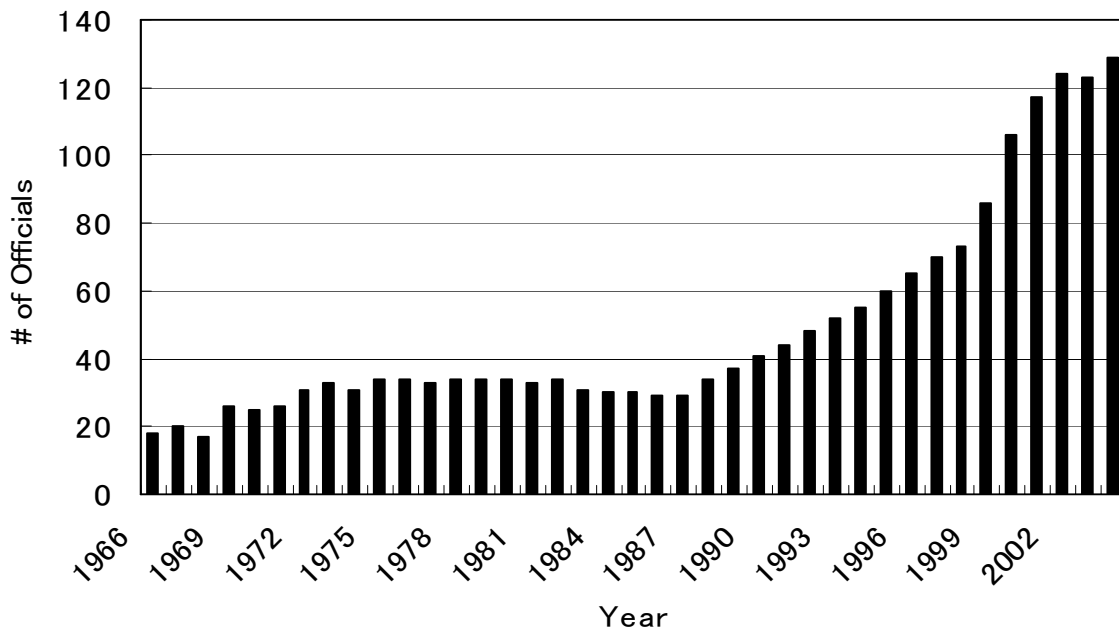
to be, firstly, that they wanted more challenging work and/or more attractive jobs with hopefully a brighter future, and secondly, that they were not satisfied with their work or the work process. It is said that those government officials who were given an opportunity to study abroad in graduate school tend to quit more frequently.

In order to solve the turnover problem we believe that clear lines of authority and responsibility must be established for each position and government official. This would be a major change since, historically, most decisions in Japan are not made by individuals, but by certain groups such as committees or negotiation meetings. This rule worked well as no

individual person was responsible for any errors or failures. On the other hand, it is very rare that an individual will be highly appreciated for his individual contribution. We believe we need to establish our own rule and customs to evaluate each individual's contribution to their work more clearly and explicitly under the condition that their authorized commission and responsibility for their job was expressed clearly. In order to attain this objective we need to be equipped with an appropriate evaluation system so that all government officials agree, accept, and follow the evaluation results. An education and training system for government officials needs to be developed so that each government official is equipped with a certain specialty and expertise. A formal system for evaluating individuals and programs has not been common in Japan, especially for evaluating individual work and contribution. But from now on we need to "invent" an evaluation system that will make the government officials' decision-making system work more efficiently. What is needed is a system that will provide the incentive for them to work hard and effectively based on their own initiative.

Undergraduate and Graduate Schools for Policy Studies
In Japan policy studies have been conducted in various schools in the university and government research institutes. Public and private universities, in particular, have been very active in creating many policy-related schools and departments in the last 20 years. Figure 4 shows the increasing trend in the number of students majoring in policy-related areas. In 1997, National Graduate Institute for Policy Studies (GRIPS) was established. The forerunner of GRIPS was the Graduate School of Political Science (GSPS) that was part of Saitama University over the period 1977-2001. At this writing, more than 700 foreign government officials from a total of 60 different countries have been trained at GRIPS and GSPS. In total we have educated more than 1,400 master's students sent from Japanese and foreign governmental offices in the last 25 years with the number of Japanese and foreign graduates being roughly equal. Master's programs are offered in such areas as Policy Analysis, Public Policy, Public Administration, Development Study and so on. Presently in 2004 GRIPS accepts 230 master's students and 40 Ph.D. students.

Japanese government officials who go abroad to study in foreign graduate schools have been increasing each year, They are now almost 20% of the total type I officials compared with just 6% 10 years ago. We consider studying abroad very useful and fruitful for government officials, since they can attain certain "expertise" and "specialty" in addition to becoming more "internationalized."

Figure 4 Number of students majored in policy-related areas
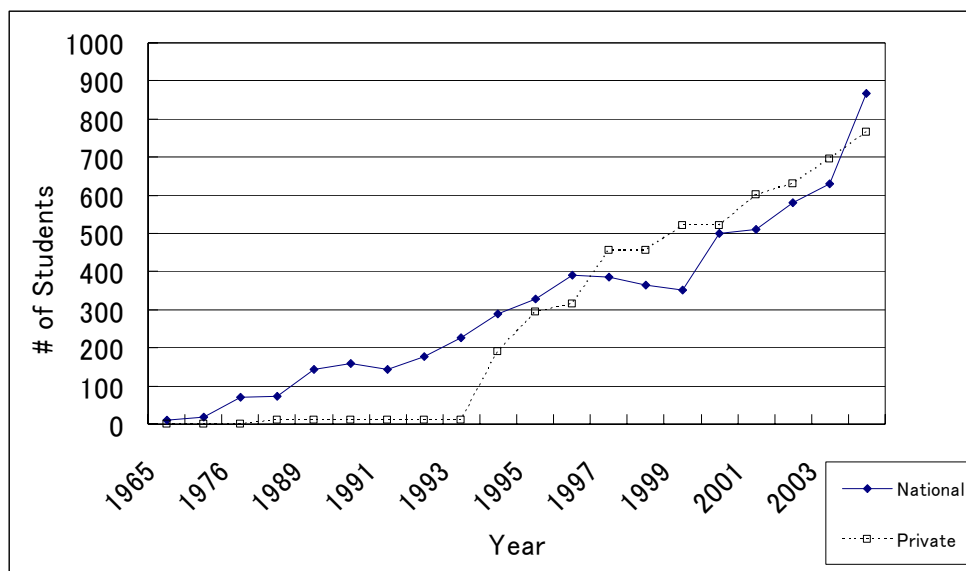
In the United States, the political appointment system is very common. For example, almost 3,000 staff are appointed as new government officials in each department every time a new president is elected. About one third of the total number of political appointees are in the top Executive Services (ES). They are appointed by the president and must be confirmed by the Congress as well. Around 650 staff are employed in the Senior Executive Services (SES) which is limited to 10% of the total SES staff. The remaining 1,200 or so are mostly employed by SES and are generally referred to as Schedule C appointees. They are employed in General Services where they support and assist their SES agency. Current policy planning, policy making, and decision making are becoming more and more interrelated and complicated. This requires more highly advanced knowledge of an academic specialty. Sooner or later, the political appointment system will surely be introduced in Japan. It will take time, however, to provide the permanently employed government officials with the proper expertise, specialization, and incentives to make them effective participants in the various stages of policy-making process in very competitive situations.

Summary and Conclusion

In Japan high-level government officials represented by the "type I career group" come from highly selective pool of candidates given that they passed the very competitive recruitment examination and gained employment by major ministries. Their promotion system, however, has been almost "fixed" in that they have been promoted simultaneously with other members of the same batch group until they reach the level of section chief or equivalent in some division of the headquarter office of each ministry. Thus the "real promotion race" starts only at this later stage of their career.

Educating and training government officials has a long history in Japan, and its style, system, goal sand review process have undergone continual change up to the present day. For example, the system of the Meiji period was such that only a few selected people were given the chance to go abroad at frequent intervals. Currently, many officials are given opportunities to go abroad or to study in graduate schools in Japanese universities following systemized rules. Educating and training government officials will become more and more common. Moreover, the importance of such studies will never be reduced as this will be one of the few chances for officials to face the "outside world" and communicate freely with people other than their colleagues. The education and training system needs to be aimed at allowing each official to obtain certain specialty and expertise in various public policy and public administration functions so that he or she can show his or her capability at the highest level in such areas as policy planning, policy implementation, policy evaluation, and policy analysis.

To constructively reform the government bureaucracy, the following changes are recommended.

1. The mission and responsibility of each government official and each government post should be made clear.
2. Government officials need to have broader, international and global viewpoints and understandings.
3. Every government official has to be equipped with some specialty in his or her job area.
4. An evaluation and review system for checking each government official's work accomplishments needs to be introduced in the Japanese civil servant system with reflection in promotion and salary.

The civil servant system must be revised so that the above objectives can be attained substantially and practically. This includes necessary reforms in the education and training systems. It is also important to create a review process for evaluating existing programs and determining how to organize and modify the education and training of government officials.

Author

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Entrepreneurship in Public Management:
The Case of Sri Lanka Administrative Service

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Abstract. The role of entrepreneurship in public management remains in debate. Despite the debatable arguments to regarding public entrepreneurship, this paper argues that the concept still has validity of utilizing as a tool for improving the effectiveness and efficiency of public service. By using Hunter's reputational snowballing technique to identify public entrepreneurs among Sri Lanka's administrative service, this study presents the preliminary findings based on a recent empirical study and examines their administrative and decision-making roles towards desired changes in the public service in Sri Lanka.

During the period of October 2002 and March 2003, the study gathered the data through in-depth interviews of 25 officers in the Sri Lanka Administrative Service. The results of the study indicate that public managers' motivation to achieve and their leadership skills, goal clarity, managerial autonomy, performance-based reward system, citizen participation and public support represent major factors contributing to public entrepreneurship in the Sri Lanka Administrative Service. This study also finds that there are entrepreneurs in the Sri Lanka public service. Also the paper argues that there are opportunities and potential in the service to work as entrepreneurs who are innovative, proactive and willing to take some risks beyond their work responsibilities. Further, the author argues that there are significant benefits when the entrepreneurship is applied to public management. Therefore the necessary reforms are needed to sustain such initiatives of public entrepreneurs towards more effectiveness and efficiency of public service.

P oor performance of the public sector is reported in most developing countries and Sri Lanka is no exception. In this context, entrepreneurial behavior of public managers seems to have potential. There is considerable evidence that an entrepreneurial management style is common to successful business organizations. Similar to a business organization, many experts argue that public managers could behave as entrepreneurs to serve the citizens' needs despite limited resources handled. Entrepreneurship is presented as one answer to the perennial problem of failing public services (Llewellyn and Jones, 2003).

After the work of Osborne and Gaebler (1992) entitled *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* the term, public entrepreneurship has been given focal attention. These authors see entrepreneurship as a third option for coping with inadequate government performance. Those authors see that cutting service and increasing taxes are the first and the second options. Instead of traditional public administration, in the modern era "Managerialism" and "Entrepreneurial Government" is emerging, in which public managers have to play an innovative role for delivering public service and the accomplishment has to be congruent with citizen satisfaction, efficiency and effectiveness. Despite the limited resource base in the public sector, peoples' aspirations have to be fulfilled. In this context, entrepreneurial behavior could be seen as an alternative way to cope with such difficulties.

As Osborne and Gaebler (1992) argued, citizens do not like to have less education, less health care but better service for the same monetary unit. There is a general criticism that bureaucracies have less money due to fraud, abuse, and inefficiency. In this context, in order to move toward better government services and efficient use of resources, the entrepreneurial behavior of public managers could be seen as an alternative option. By definition, entrepreneurs are innovative, proactive and willing to take risks in what they are doing. In a modern world, especially under a market economy system, the central government cannot fulfill all aspects in the public service; thus the private sector has to do the other part. Under the current situation of financial constraints and difficulties, the passive behavior of officials would not permit higher performance of the government. Thus in order to respond to the peoples' demands under the conditions of scarcity of resources, the roles of the managers in the public sector need to be changed in an innovative and proactive way to improve the performance of the government.

This research focuses on the utility of the concept of public entrepreneurship in government organizations in Sri Lanka and analyzes the qualitative data gathered through the in-depth interviews. The first part of this paper discusses about the Sri Lanka Administrative Service in terms of its nature, evolution, and administrative positions. The second part of the section of this paper discusses the interviews and presents verification of claims of entrepreneurship and characteristics of the selected purposive sample. Then, the officials' attitudes and behavior related to the three dimensions (innovativeness, willingness to take risks

and proactiveness) of entrepreneurship are discussed. Several entrepreneurial activities of the officials are presented as case studies, along with the results of the in-depth interviews. Finally the paper presents its findings based on the in-depth interviews.

Public Service of Sri Lanka
Public Services refers to all organizations and activities financed out of public revenue, and the services provided by government (Warnapala, 1995). Public Service includes all the branches of the administration including managerial staff, technical, clerical, and minor grades. The main role of the public service is to ensure better delivery of service to the people.

The present structure of the public service in Sri Lanka includes three main groups of public servants. Those are public officers in the central government, provincial governments and semi-government sectors. According to the data, the majority of employees work under the central administration. The following figures reveal the structure of the public service in the year 2002.

Table 1.1 The Distribution of Employees by Sectors of Sri Lanka

Sector	Number of Employees	(percentage)
State Sector	329,297	(36.2)
Provincial Public Service	308,375	(33.9)
Semi- Government Sector	271,988	(29.9)
Total	909, 660	(100)

Source: Central Bank of Sri Lanka, 2002

Public servants in the central government serve in the ministries, government departments, district, and divisional secretariats. Provincial public servants serve in the provincial ministries, its departments, and other local government institutions. Public servants in the semi–government sector serve organizations such as public corporations and statutory boards. The Sri Lanka Administrative Service represents nearly two percent of the entire public service. The public servants serve the following main categories of public services.

Main Categories of Public Services
- Sri Lanka Administrative Service (this is an all-island service)
- Combined Services (such as general clerical service, typists service, store keepers service)
- Sri Lanka Educational Services
- Sri Lanka Medical Service
- Sri Lanka Police Forces
- Civilian Staff of Armed Forces
- Sri Lanka Engineers Service
- Government Accountants Service
- Planning Service

As the main concern of this study is related to the Sri Lanka Administrative Service, the next part of this chapter discusses the nature and evolution of the service and the profile of administrative positions in detail.

Sri Lanka Administrative Service
For understanding the nature and basic characteristics of the service, it may be useful to examine the evolution of the service which can be divided into two periods: before independence and after independence.

Evolution of the Sri Lanka Administrative Service Before Independence
Civil Service means higher administrative service (Warnapala, 1995). Under the Crown Colony, the service was named Ceylon Civil Service. The British colonial government ruled Ceylon for 150 years through this bureaucracy in which all effective powers were vested (Leonard, 1962). The chief "Service" was the "Ceylon Civil Service," founded in 1802 on a very small scale by Governor Frederick North with eight members (Leonard, 1962). Thus it was the premier service and the oldest. According to the official diary of Leonard in 1962, (the diary was maintained by an assistant government agent under the colonial administration of Sri Lanka), civil servants were administrators par excellence who were entrusted with the most responsible posts in the government in all departments.

It is said that the members of the civil service were specially selected and had special training, special pay and the exclusive right to hold the most influential and powerful positions in government. The civil service was the virtual ruler of Ceylon from 1802, when the service was established up to 1931. From 1802, the civil service was entrusted not only with executive functions, but also with legislative and judicial functions (Leonard, 1962). The diary further added that the powers of the civil service were thus supreme; they were the chief exactors, the chief legislators and the chief judicial

officers. The only person above the civil service was the Governor who was appointed by the Sovereign and who was responsible to the British parliament for the good government of the country.

Under the colonial government, the civil service constituted an elitist group in the society, which was considered as the basis of bureaucratic administration. The majority of early appointees were in the age group of 16-20 because it was assumed that the younger men would stay a longer period (Warnapala, 1995). At the time of independence (in 1948), the public administration system was in operation through the centrally controlled ministerial mechanism, government departments, and district based Kachcheri system. Officers of Ceylon Civil Service (which continued till 1963) managed the public service.

At the beginning, all the officials of civil servants were Englishmen; gradually, because of the demands of nationalists, the opportunities were opened to local people for entering the service. This was known as the Ceylonization of the Civil Service (Warnapala: 1995). The colonial administrative system was a simple one and remained comparatively unchanged in its essentials from the beginning of British rule in 1796, to the inauguration of the Donoughmore constitution in 1931 (Leonard, 1962).

Under the Donoughmore constitution in 1931, the civil service became more professional and more local (Warnapala, 1995). During this period, the role of the civil service was expanded in terms of both shaping the policy and carrying it out. With the granting of independence in 1948, the government of Ceylon began to assume responsibility for a wide range of economic and social activities by creating new perspectives for the bureaucracy.

The Sri Lanka Administrative Service after Independence

With independence in 1948, the new constitution sought to preserve the independence of the public service by setting up an independent public service commission. After independence, the Ceylon Civil Service had to undertake more complex tasks in national development. The general election held in 1956 brought to power a new political leadership, which demanded several radical reforms and a new bureaucracy (Warnapala, 1995). One such change was the dramatic growth of the bureaucracy. In 1948 the size of the public service was less than 110,000 employees; by 1958 this figure had grown to 225,000 employees. Of this, administrative officers constituted only slightly more than one percent (Warnapala, 1995).

In 1963 the service was named Ceylon Administrative Service. The abolition of the Ceylon Civil Service and the establishment of the Ceylon Administrative Service (CAS) in 1963 was one of the first measures of bureaucratic reforms. (Gunawardene, 1989). Another significant dimension of administrative reform was the establishment of the Academy of

Administrative Studies in 1966 to provide public service induction and training in all aspects of administration and management.

A significant reform took place in 1972 with a new constitution. The new constitution vested the responsibility for appointments, transfers, dismissal and disciplinary control of state officers in the cabinet of ministers. Earlier there was an independent public service commission to handle those matters to maintain the public service free from political interference. After this change, political inputs became dominant in the bureaucracy. Since 1972, the service has been called the Sri Lanka Administrative Service.

In 1977, with the newly appointed government, another constitutional reform took place, which continues to the present. In 1990, the Academy of Administrative Studies was named the Sri Lanka Institute of Development Administration, to play a vital role in public administration through training and consultancy.

The 1977 Constitution did not have much impact on the public service. Under the 1977 Constitution; however, the powers of the Cabinet in respect of the public service remained, except that a new Public Service Commission replaced the two State Advisory Boards (Nadarajah, 1997). There is a separate chapter on "Fundamental Rights" in the Constitution; public servants, however, could apply for some relief through the courts, if any wrongful acts were committed by the politicians. Several trade unions have lost faith in these changes and have demanded a return to the Independent Public Service Commission. The 1994 government and also the present government (came to power in 2001) have promised to restore it, but it has not materialized yet. Thus the formation of an independent public Service Commission is now very essential for better working governance through the Sri Lanka Administrative Service.

Profile of Administrative Positions
This section discusses eligibility for the service, method of recruitment, training, and method of career paths towards the higher grades.

Method of Recruitment
In order to recruit the most capable people to the service, there exists a highly competitive process. Under this process, a candidate will normally be recruited to the lowest grade (Class 11 Grade 11) by open or limited competitive examination. Also he/she must pass the interview held by the Secretary of Ministry of Public Administration. The written examination consists of two parts. Part one includes compulsory subjects (comprehension, intelligence test, and general paper) and 150 marks are allocated for each three-hour paper. Only those who have attained a satisfactory standard in part one will be permitted to proceed to sit papers in part two, which includes various optional subjects. A candidate must take four papers

(100 marks and three hours for each.). Another 100 marks will be allocated for the interview. Thus, in order to join the Sri Lanka Administrative Service, one should obtain higher marks from the written examination (which is considered highly competitive) should pass the interview as well.

There are two types of examinations for recruiting to the lowest grade (Class11, Grade 11) in the Sri Lanka Administrative Service. Those are:

1) Open Competitive Examination
2) Limited Competitive Examination

Eligibility for Open Competitive Examination

Nearly 80 percent of the vacancies in Class 11 Grade 11 of the service will be filled by the Secretary of the Ministry of Public Administration based on the results of an open competitive examination. A person will be eligible to sit the open competitive examination if he/she:

a) is a citizen of Sri Lanka;
b) has obtained a degree from a recognized university or has passed a professional examination;
c) has attained the age of 22 years and not attained the age of 26 years; and
d) is of excellent moral character, of sound constitution and good eyesight. (He/she will be required to undergo a medical examination if selected for appointment).

In addition, no person shall sit the limited Competitive Examination on more than three occasions.

Thus, the open competitive examination is set for recruiting fresh, capable graduates from any recognized university for the lowest grade positions of the Sri Lanka Administrative Service.

Eligibility for Limited Competitive Examination

Appointment to not more than 20 percent of the vacancies in Class 11 Grade 11, Secretary of the Ministry of Public Administration will be made on the result of limited competitive examination. A person will be eligible to sit the limited competitive examination if he/ she:

(1) (a) is a confirmed public officer in the public service of the following services or grades. (Those grades and services are: General Clerical Service, Stenographer Service, Typists' Service, Bookkeepers' Service, and Translators' Service);

(b) has not less than 10 years continuous permanent service; and/or

(2) (a) is a confirmed public officer in the above mentioned services/grades; and

(b) has obtained a degree of recognized university or has passed a professional examination;

(c) has not less than five years continuous permanent employment in the public service mentioned above.

The limited competitive examination, thus, is set for recruiting mature and experienced public servants who are capable with required knowledge working in the clerical and other supportive services. It is also open to both degree holders and non-degree holders. Candidates entering the Sri Lanka Administrative service through limited competition must undergo the same examination and interview process as open competition candidates.

Structure and Cadres

The service consists of three main levels of structure, which include: (1) Class 1, (2) Class 11 Grade 1, (3) Class 11 Grade 11. The lowest cadre is Class 11 Grade 11 and the highest one is Class 1. Appointments to the higher grades will be based on seniority and merit. The present structure of the Sri Lanka Administrative Service is as follows:

Table 1.2 Structure of Cadres of the Sri Lanka Administrative Service

Cadres	Number of Cadres
Class 1	719
Class 11 Grade 1	342
Class 11 Grade 11	733
Total	1794

Source: Ministry of Public Administration of Sri Lanka , 2002.

Promotion

A confirmed officer who has completed 10 years satisfactory service in Class 11 Grade 11 in the Sri Lanka Administrative Service will be promoted to the next level (Class 11 Grade 1), if she/he has passed the first and the second efficiency bar examinations, the second language and general management course conducted by the Sri Lanka Institute of Development Administration, earned all the eligible increments, and has not been subject to any disciplinary punishment. If the officer has satisfied those requirements, the Head of the Department should forward with his/her

recommendations through the Secretary to the Ministry concerned.

The syllabus of the first efficiency bar examination consists of Law, Finance, Administration, Economics/Sociology and English. The syllabus of the second efficiency bar examination consists of Economic and Social Policy, Development Administration and Management and Organization. Thus, for promotion to this level, both seniority and merit (measured by the knowledge through examinations) will be considered. The criteria for promotion to this grade seems somewhat specific and clear.

Appointments to vacancies in Class 1 of the service will be made by promotion by the Secretary of the respective Ministry. Recommendations for appointments to this class will be made after an interview by a board consisting of the Secretary and two other Secretaries appointed by him. It is mentioned that the board shall base their recommendations on seniority and merit. However, to measure merit for going to the highest grade as promotions, there seem to be no clear and specific indicators.

Transfer

It is mentioned in the Minutes of the Sri Lanka Administrative Service that an officer is transferable and is liable to be posted to any part of the Island. When transferring or posting an officer, it is also mentioned that the appropriate authority will take into consideration any specialized knowledge, training and experience of an officer in a particular field with a view to making the best use of such knowledge, training and experience. The Secretary of the respective ministry will make a transfer between ministries and between departments within the same ministry. The Head of the department will make a transfer within the same department. The Cabinet of Ministers or the Secretary, however, reserves the right to appoint any public officer to any of the posts (The Minute of the Sri Lanka Administrative Service, 1988).

The above discussion indicates that the officials of the Sri Lanka Administrative service display a remarkable ability, and also have both power and recognition. The service is not only the most powerful part of the Island's bureaucratic set up, but also a tremendously influential pressure group. Its prestige is partly derived from the old civil service (Warnapala, 1995).

It seems, however, that after independence, the reputation of the service has been reduced slightly. Also the power and autonomy, which were experienced under the colonial administration, has been reduced considerably as politicians are the supreme power and have power to interfere with the officials' activities. This is mainly due to the 1972 Constitution, which vested the responsibility for appointments, transfers, dismissal and disciplinary control of state officers to the Cabinet of Ministers. Even though the reputation and power has been reduced to some extent, the Sri Lanka

Administrative Service remains the most powerful segment within the Island's bureaucracy. It now represents nearly two percent of the entire public service.

The next section describes the method of the selection of the research sample and the data collection method of this study.

Interviews and Verification of Claims

For this qualitative analysis, 25 officials were interviewed using Hunter's reputational snowballing technique to identify public entrepreneurs (Bogaards, 1997: 1) among the Sri Lanka Administrative Service. Interviews were conducted during the period from November 2002 to February 2003. The start was provided by a list of three names of officials in the Sri Lanka Administrative Service, who have earned good reputations, obtained from a senior academician in the field of Public Administration at a local university. Before the interview date, a confirmation for discussion was made via telephone. After the end of each interview, the respondent was asked to name other officials that fit the description of public entrepreneur according to the research definition; the respective official usually revealed two or three names. Most respondents were interviewed just once and interviews took around two to three hours to complete.

All the interviews were held at the interviewee's workplace during office hours. In some cases, the researcher had to wait nearly four hours to get all the required information, as the officials were very busy with their working schedule and they engaged in continued and long telephone discussions during the process of the in-depth interview. If more information was required, a second visit was made. For some cases, if the second visit was not possible, telephone discussions were held. If some points were not cleared for some cases, clarification also was obtained through e-mail. The researcher conducted all the interviews herself, in order to maintain accuracy of information and to reduce biases.

Having identified respondents, it had to be verified whether they were indeed public entrepreneurs. To accomplish this, the researcher asked about their experiences with open-ended questions (Bogaards, 1997). Fortunately most of them were qualified as public entrepreneurs as their answers fit the research definition of public entrepreneur. At the interview, the researcher used a set of guidelines for conducting those in-depth interviews. The officials were also given a chance to talk freely. Most officials provided good examples that indicated their innovative work; some others provided confidential information asking not to mention their names. For this reason, the sources of some quotes are not identified to respect confidentiality.

Characteristics of the Purposive Sample

Among the selected 25 officials, three of them were Secretaries, eight were Additional Secretaries, three were Senior Assistant Secretaries, four were Directors, three were Deputy Directors and one was a Deputy Commissioner of Ministry under the Central Administration. Another three were Divisional Secretaries working in Field Administration. Among these 25 officials, seven officials have 25-34 years of working experience and are in the highest grade (Class 1). Two officials have 15-21 years of the service and are in the same highest grade (Class I) and the rest of the officials (16 officials) are in the second highest grade (Class 1, Grade 11) having 9-15 years of working experience in the service. The reputational snowballing technique did not select lower grade officials as public entrepreneurs. That might be one of the limitations of this method, as officials named only peers that are known to them and are in the same grade. Thus all officials are regarded as the most senior level managers in the Sri Lanka Administrative Service. Among the sample, only three of them are female and rest of the officials are male managers. Except for one Muslim official, all of them are Sinhalese, which is the majority ethnic group.

Entrepreneurial Activities of Officials in the Sri Lanka Administrative Service

This research is mainly focused to find out whether entrepreneurial behavior is possible in the bureaucracy in public sector organizations. The definition of public entrepreneurs "create or profoundly elaborate a public organization so as to alter greatly the existing pattern of allocation of scarce public resources, identify new missions or programs for their organizations or help to propel dynamic policy or political change in the community "(Lewis, 1980). Those entrepreneurs do not start new businesses, but seek instead to improve the bureaucracies where they work (Kanter, 1993). Also it is mentioned that entrepreneurship involves mainly three dimensions: innovativeness, willingness to take responsibility (risk) for their work, and proactiveness. With reference to the in-depth interviews, these three dimensions will be discussed as follows:

Willingness to Take Risks at Work

As Berman and Jonathan (1998) note, current management reforms require increased risk-taking by managers. Salazar (1997) reveals that risk-taking involves the willingness of management to commit significant resources to opportunities having a reasonable chance of failure. The author notes that responsibility is stressed as an important factor in taking risks. The examples presented below indicate that those innovative changes involved risks to some extent. On the other hand, it could be argued that without taking the responsibility for what they doing, no innovative work would be possible in the public sector. It seems that those officials admitted personal risks in accomplishing the broader interest of society.

"Yes, still I take the risk, as my job is always related to bringing in changes. The way I cope with risk is before introducing the change, I make all my staff aware and familiar with the change and give necessary training to them. I tell them that if we are to implement it, that will be our overall responsibility." Most of the officials noted that they were not feeling any kind of risk if the job is properly done and if they have honest intention to do something for the people. "We are not afraid about risks, if it we are doing what people want." Some others mentioned that the risk involving a new task would be reduced, if we are able to get everybody's assistance, especially the higher authorities. The common idea related to coping with risk taking behaviors is that if officials have more confidence in themselves regarding their abilities, are skilled enough, have good attitudes, operate with transparency, have more experience, and get support from others, then there is no need to think about the risk.

Proactiveness in Their Work

Proactiveness is another dimension of entrepreneurship. "It is the opposite of reactive and could be defined as the initiation or engagement of action rather than activity as a reaction to an occurrence" (Salazar, 1997). "Being proactive is getting ready before the situation occurs. It involves thinking about potential problems and all the associated issues beforehand and finding remedies and alternatives. The best way is to draw the job graphically and think of all the impacts and consequences."

Most officials confirmed that they work according to their plans, which facilitate them to be proactive. For example, in the planning cycle, potential problems that might be faced in the future would be forecasted. Some argued, however, that for some cases proactive activities could not be practiced due to sudden political involvement in the public service. Similar to that view, some officials revealed that for some cases, unanticipated problems might occur, especially through the political authority, where conflicts of interest exist. Then reactive measures have to be taken to handle those issues.

Another official explained that proactive behavior is possible when handling issues of the general public. However, some issues related to staff were not evident beforehand and at the same time, proactive activities are impossible with the issues that are coming from the political authority. "If we had advisory capacity with required knowledge of the subject, if we could guide the respective politician, then proactive behavior would be possible in the issues of political authority."

Innovative Behavior and Attitudes at Work

Innovation in the public service means, "a repackaging of existing concepts to create new realities" (Keys, 1988:

62). The focus is not on invention or creation but on different combinations of existing goods and services and grasping the opportunities (Keys, 1988; Davis, et al., 1988. Quoted in Salazar, 1997). Most of the officials in the sample have mentioned that there are considerable opportunities and freedom to introduce and implement innovative ideas and activities within the service. Some officials have mentioned that if there is a purpose, then considerable opportunities could be found to introduce innovative and new ideas in their work. "Innovation in delivery of services is bringing in new methods and ideas to the public sector. This usually happens with the employees, who think of ways of doing their work more easily."

In support of the literature on public entrepreneurship, the work of those officials interviewed, indicated the entrepreneurial style. Most officials stated that there are opportunities for innovation. Also, the interviews indicated that public entrepreneurs found in this study are willing to take responsibility for their work and, in addition, indicated proactive behavior. Thus the conditions for public entrepreneurship in the Sri Lanka Administrative Service are promising. Respondents' experiences indicated innovative behaviors and also ways of coping with risk when introducing innovative ideas or changes at work.

Some examples of entrepreneurial behavior and activities of the officials are presented below:

Example One: Introducing New Programs for Students

"I introduced and implemented a new program for students to learn Information Technology in government schools. Within a very short time period (within 6 months) I, along with my staff (with the assistance of consultants) developed a new curriculum for the course and established workable machinery to implement the program throughout the country. " "Ordinarily," the official said, "the procedure would take two-years time to finish."

Example Two: Reducing the Cost of Postage Expenses

Another official, working in a corporation, revealed that before he was assigned as a head of that institution, posted letters reached the office at 13.00 - 14.00 hours daily. It cost RS. 20,000 to RS. 30,000 per month. "After my assignment to the office, I was able to reduce the postage expenses by up to RS. 4000 to RS. 5000 and thereafter the letters normally reached the office twice a day. (At 9.00 a.m. and at 12.00 noon)." As the head of the institution, the respective official had introduced a new method to reduce the cost and also to increase the efficiency of the service.

Example Three: Initiating Peoples' Group

The same official mentioned that when he was working in a divisional secretariat as a Divisional Secretary, he found that some people in his division had engaged in illegal activities (such as taking out sand from the beach (coastal area) for a business purpose). That kind of work had led to environmental degradation and also caused severe damage to the scenic beauty. "I initiated peoples' groups to monitor the coastal area of my division and prevent those illegal activities. Thereafter, it became those unions' responsibility to protect their environment, which helped to increase the effectiveness of the public service towards meeting the peoples' aspirations." Those activities helped to prevent such illegal activities and also protected the environment. That improvement, however, involved no extra budget from the government.

Example Four: Introducing a New Place for Marketing

Another official mentioned that when he was working as an Assistant Government Agent, he introduced a new place to market food and necessary items for the people in his division. Before introducing this market facility, the system was monopolized by a single businessman who had earned big and (illegal) income from the business activities through the market. By introducing a new place that opened more opportunities for many people to engage in business activities, the official was able to increase the government income through the sales tax from the respective area.

The same official mentioned that when he was working in a corporation, in order to increase the effectiveness and efficiency of the service, he changed the existing file system which helped to reduce long delays in responding to the peoples' demands.

Example Five: Initiating a System for the Poor to Save Money

The same official mentioned that when he worked as a Divisional Secretary, he, with the help of his Assistant Divisional Secretary, introduced a new concept for a poverty reduction program (Jana Saviya (Peoples' Strength) Program), which had been implemented several years before. In order to increase the effectiveness of the existing poverty reduction policy, "I, with my assistant, introduced a special bank system (called *Jana Sakthi (Peoples' Strength) Bank)*. Having acknowledged the respective Minister, (for overcoming beneficiaries' complaints in advance, otherwise it may cause unnecessary problems for their work), we had stopped one installment to be distributed to the poor for one month. Then it was deposited as compulsory savings in the newly formed bank in the names of the poor people. At present, the bank owns millions of savings. The poor own those assets of *Jana Sakthi Banks*." According to the respondent, many poor people are now benefiting from the bank by borrowing money at a very low interest rate when compared to the market rates. This system has proved that the poor also could save money!

Example Six: Initiating E -Governmental Concept

Another official was able to introduce and implement an E-Governmental Concept with the assistance of the junior staff. Beginning in 2001, they were able to send all the necessary circulars through e-mail and Internet to all other ministries and institutions. Earlier there was no system like this. "I introduced the distribution of all Public Administration circulars by e-mail to peripheral offices and stored all circulars on our web site. We used to send circulars to 3254 public sector recipients by mail. I also introduced e-mail for internal communication as every branch has e-mail. It has also become my sole responsibility to implement internal e-mail correspondence."

Example Seven: Initiating a New Method for Consumer Protection

This story is related to an official working as a commissioner of Consumer Protection. "I introduced a system to acknowledge and publicize peoples' complaints related to consumption of goods and services. By getting assistance of the national newspapers and several staff that have knowledge with consumer law, I publicized the consumers' complaints in a special column in national newspapers." Thus, by getting assistance from another public agency, the new system helped to protect consumers in an efficient and effective manner.

Example Eight: Initiating a Web Site for Applying for Visas and Passports

Another official who works in the Emigration and Immigration Department revealed that he introduced and implemented a new system, which led to a reduction in the delay in issuing new passports and visas. "With the assistance of my staff, I introduced a web site so that customers, even living abroad, could get the necessary information and download the facility to apply or to renew their passports and visas. The new system also promoted the tourism industry in Sri Lanka."

In addition to that, "in order to increase the efficiency of the internal administration and to maintain and manage all the personnel files (for instance, leaves, loans) activities were computerized and a form was designed to apply for leaves, increments, short- leaves, etc." Thus the system led to an increase in the efficiency of the public service as it reduced the time and other resources such as paper work and involvement of several personnel to do such activities.

Example Nine: Introducing a Productivity Improvement System

This is related to an official who worked in a divisional secretariat. Before the official was assigned to the office, it was regarded as the most poorly managed, underdeveloped divisional secretariat in Galle district. Officials who were transferred to this divisional secretariat regarded it as a demotion or punishment. The majority of the staff had not come to this office

voluntarily. It was usually their first appointment and was compulsory service.

After the officer was assigned to the office as a divisional secretary, the atmosphere gradually changed within three years. One of his innovative ideas was to reduce peoples' continuous complaints. In order to improve the productivity of the public service, the respective officer, with the staff, has introduced and implemented the following new changes to their work:

- New programs for staff training,
- Well-planned productivity improvement programs,
- For every two weeks, staff discussions at 3.05 p.m. (to discuss difficulties and problems of their work),
- Every three months, a news bulletin is published, (the aim of this bulletin is to improve the skills and capabilities and change the attitudes of the staff),
- Field trips were organized for the staff,
- Seminars, workshops and discussions were conducted for the staff,
- Competitions among the staff were conducted, and
- Motivation strategies were introduced for the staff.

After having implemented these programs in 1997, the Divisional Secretariat was awarded as the best office in the District. Also it is accepted unofficially that the respective office became the best divisional secretariat in the island in the same year. It is interesting to note that all improvements and changes were achieved without having any extra budget allocation from the central government.

Example Ten: Introducing Kitchen Development Model

A secretary from an institution under the Rural Development Ministry described how he introduced a new system in order to document peoples' experiences in the area of rural development. Thereafter, those ideas were considered in the planning of rural development. It seems that this is a kind of mechanism related to citizen participation. The official named the program "Kitchen Development Model" and was based on a small-group system. Under this concept, 1,000 home gardens were promoted; then the best five home gardens were selected and the owners sent to India to learn new technology and gain more experience related to the field. After returning, workshops were arranged for them to share their knowledge and experience with the rest of the villagers and the staff. This was very interesting, in that normally, public officials arrange foreign trips for themselves. But in this case, the reverse happened. This system has helped the public service work more closely with the villagers.

Example Eleven: Introducing Land Productivity Improvement Farmer Groups (LPIFG)
An official who worked in the Department of Highland Development, Central Hill Division, has made several attempts to change the existing planning and working system. According to the respondent, there are various institutions under the department and each of them specialized in promoting only one crop. "After my assignment to the office as head of the department, I diversified the system. Thereafter, my staff were sent to lands and asked to meet farmers. Then, the farmers were asked to make decisions and plans for themselves (such as what crops to be grown on their lands rather than given instruction about what to grow). My staff helped the farmers develop their lands as a joint exercise. We named this new system as the "Land Productivity Improvement Farmer Groups (LPIFG)." According to the official's records, within a very short time period, this program became very successful.

Example Twelve: Introducing Multi-Facilities Center
Another respondent, who works in the Ministry of Public Utilities, explained his new concept, which was introduced recently. "I selected several urban areas in Colombo District to develop what I termed as a "Multi-Facilities Center." Thus the youth who are in lower-income groups and unemployed could have access to facilities such as indoor sports practice, skill development, and career guidance. It is normally an accepted fact that most of the unemployed youth in urban sectors, especially in Colombo district, are involved in illegal activities. Thus, the project helps them find suitable jobs as they can get necessary training and other kind of skills from these centers. With the assistance of non-governmental organizations, these projects were implemented.

Similarly, in order to get involvement of women in the urban sector, as a pilot project, some uneducated housewives were selected and encouraged to save money; they also received guidance on income generation activities.

Example Thirteen: Streamlining the Procedure
Another official explained that when he worked in the Small Tea Estate Authority, he was able to pay the required subsidies within only one month. Earlier, the process had taken nearly two years. Under the existing system, after tea cultivation, farmers had to inform the authority, requesting subsidies. The necessary information was passed to the farmers and several rounds of information had to be exchanged with farmers and the officials. All the communication had been done through postal letters. Then, the required amounts of subsidies were paid to the farmers. Normally, this process took two to three years to finish.

"Under the new system, I streamlined the procedure. I asked my staff to visit tea estates rather than forcing the farmers to come to the offices as required under the earlier system. I aggregated nearly 14

estates in a geographical base, which facilitated easy monitoring and supervision. The officials who inspected the estates in the field were paid extra as incentives. Thus, the streamlined process only took 30 days to deliver all the required service."

Example Fourteen: Initiating A Method For Achieving Targets
Another official, when he was working as a divisional secretariat, stated that they had achieved significant improvement in their work. In order to achieve this success, they followed a flow of procedure that had not been used before:

- Setting targets for their work,
- Evaluating their performance by using pre-determined indicators,
- Charting the achievements and performance on graphs,
- Arranging staff discussions based on these graphs.

Because of their success, the respective minister named and awarded the office as one of the best divisional secretariats on the island in that year.

By providing the above examples, the respondents have confirmed that minimizing delays, expenditure, duplication of work, and waste can enhance productivity and are some areas where innovative action is possible in the public service. Those examples indicate that it is possible to introduce various ideas, methods, programs that are quite different from the existing systems. Those new methods, ideas, and programs have led to increases in the speed of the service, or reductions of delay, increases in government income, and improvements in the physical environment without extra cost. All of the above examples can be considered entrepreneurial activities. The ultimate outcome of these entrepreneurial activities is increased effectiveness of the public service by getting closer to peoples' demands.

The next section examines the conducive factors that prompt administrators to behave in an entrepreneurial manner.

Determinants of Public Entrepreneurship
Motivation to Achieve
The hallmark of entrepreneurs, according to McClelland, is their high need for achievement, and certainly public entrepreneurs share this quality with private entrepreneurs (Ramamurti, 1986). Both public and private entrepreneurs are very similar as both of them try to get the jobs done. When compared to their main motives, however, it was reported elsewhere that the private entrepreneur needs to earn higher profits whereas his counterpart, the public entrepreneur, does not have the same motive. Having a higher salary is also not a motivating factor; rather, officials indicated some non-economic motives to achieve.

Most officials have replied that they need to do something for the country. Some officials replied that they wanted to solve the country's problems. According to the field data, even though they are paid a somewhat lower salary when compared to the private sector, nobody prioritized having a higher salary as a motivating factor. But being a good public servant, and gaining recognition and respect from their citizens and political bosses seems very important to them. Most of the officials replied that they need to feel the satisfaction of "serving the country." "I have been offered a higher managerial post in the private sector with a very good salary, but I do not want to leave public service." As this official said, the public service is a place where more diversified work can be done when compared to the private sector. Similarly, when working in the Sri Lanka Administrative Service, they use their jobs to build constituencies of support among politicians, other higher-level public officials, non-government organizations, and the private sector and the general public as well. In that way, some of officials gain more power and reputation within the service. In addition, it is said that the Sri Lanka Administrative Service is considered a highly respectable profession in the country. Thus, some officials mentioned the need to achieve higher prestige within this respectable profession.

Leadership Skills
Leadership skills were found to be another contributing factor to public entrepreneurship. Indeed, it indicated the various types of leadership qualities required for planning and managing the public service effectively. According to officials' responses, the required skills could be classified as follows:

Technical Skills
Most officials replied that there should be good knowledge about the field. In order to do the job properly and also to experiment in various ways to do the same job, the subject knowledge is very essential. In this regard, educational level is a distinctive characteristic. Most officials in the purposive sample have completed Master's degrees and possessed the subject knowledge in their field. Apart from that, all respondents have 15-34 years of work experience, which indicated that they have acquired the required subject knowledge. It should also be noted that several of the examples of implementation of innovative ideas involved the use of computer technology, which implies that the implementer had some degree of technical skill in that area.

Human Skills
Human skills are another important attribute of leadership skills. Most officials have mentioned that human relations capabilities and skills with public relations and interpersonal relations are essential and important when they introduce new ideas to the staff. It

is said that normally, human beings are resistant to change. Under such a situation, getting compliance for innovative work from subordinates is somewhat of a challenging task. Some officials have emphasized that negotiating abilities, bargaining skills and ability to maintain a friendly environment within the work are also very useful, especially when implementing innovative ideas.

Other respondents have mentioned that communication skills are also very useful when they introduce new changes to the system. In order to maintain good interpersonal relations and better public relations, the officials' language abilities (especially in English language) seem useful. Similarly, writing abilities in both Sinhala and English language are also very useful when communicating with the staff and other relevant agencies. At the introduction and implementation of new programs and ideas, the staff, beneficiaries, and politicians have to be acknowledged. Thus, ability to conduct awareness programs and hold well-managed meetings are other aspects of skills that seem very useful. Another aspect of communication skills, the ability to conduct effective meetings with good presentation skills is also useful, as is acknowledging the junior staff for their new ideas.

Conceptual Skills
Most officials revealed that, as the Sri Lanka Administrative Service is a higher managerial level, both decision- making and implementation abilities are very important to perform not only as an entrepreneur but also as a manager. Apart from policy analysis skills, capabilities in planning and strategic thinking, ability to make quick and correct decisions, and diagnostic skills are also very useful when introducing and implementing innovative ideas at work. Some officials have revealed that for long-term planning, one needs the ability to think holistically. The conceptual skills seem more useful for them to introduce and implement new ideas and programs at work.

Goal Clarity
Most respondents revealed that if they had a clear mission and goals, then different activities and programs could be introduced to achieve clearly set targets. Some officials realized that perfectly clear goals would not be possible. However, if the goals are not clear enough, they did not want to consult their political bosses for perfection, as it would create unproductive conflicts. Several respondents have mentioned that they had the opportunity to set missions and goals for their organization and in such a situation more innovative ideas and methods could be implemented more easily. Other officials have revealed that some times, mission and goals may change according to the public demands, and then existing goals and objectives had to be diversified. According to Ramamurti (1986) public entrepreneurs realize that their political bosses will seldom be willing or able to provide them clear goals.

"Vague and ambiguous goals could be interpreted in different ways to introduce and implement innovative programs for the people."

Managerial Autonomy
This study has confirmed that having managerial autonomy, freedom and independence is one of the major facilitating factors of public entrepreneurship. Several interviewees revealed that they were able to use their authority without political interference. Under that situation, innovative ideas are encouraged. Even when there were unnecessary political influences, some officials revealed that flexibility to some extent could be maintained without breaking rules and without doing any injustice for the general public. Several officials, however, revealed that more flexibility creates a higher degree of political involvement, which makes innovation more difficult. "If we have shown good results with our reputation, then politicians will not intervene in our work."

"Politicians are not always bad fellows. Some politicians welcome our innovative ideas and sometimes they encourage us." Another additional Secretary revealed that managing unnecessary political influence is one of the required managerial skills. The same official pointed out that when unnecessary political influence appeared, he has not rejected it immediately, as the kind of response might make bad relationships with the political boss. It is better to take some time to acknowledge the irrationality of their ideas or demands. Under such a situation, the official must have advisory skills earned through a good reputation. Aggressive and emotional responses to their political bosses may create unproductive conflicts. Thus, maintaining good relations with politicians is very useful and this kind of situation may help to reduce unnecessary political involvement.

It is well known that without autonomy there can be little entrepreneurial activity (Ramamurti, 1986). However for some cases in the study, it was indicated that managerial autonomy has to be earned rather than granted. This is especially true with public entrepreneurs. Public entrepreneurs must be good leaders; they must possess the necessary skills to manage political interference while maintaining good political relationships.

It must be accepted in theory that public service is a neutral body that exists for the sake of the public. However, some officials did not agree with this theoretical statement. They indicated that political interference has been an epidemic in the field of the public service. The concept of accountability has been severely damaged by some political alignments, according to one official.

Performance Based Reward System
It was revealed that the existing reward system does not place much emphasis on performance and achievements. If there were a reward system, which measures their performance, there would be more innovative ideas in the public service. This is what can be implied from the field discussions. This situation is common, not only to the Sri Lanka Administrative System, but also to the rest of the public service.

Most respondents have in common the idea that there is no proper system that measures their performance and achievements. Both innovative and normal officials were measured and rewarded in a similar manner, which discourages hard working managers. In fact, punishment is more prevalent than reward, so many managers are reluctant to try new ideas for fear of failure.

"Government has failed in giving rewards to officials who perform well. The existing system has no encouragement on new ideas and innovations. Hard work goes to the "pool"(the pool is a place where the officials are transferred as punishment)." Several officials have revealed that the existing system is not suitable and has to be changed towards a performance system based on their achievement and performance. "No system exists that gives promotion for suitable persons, but rather political reasons seem to dominate. Therefore, good officials with new ideas might be de-motivated as no authority exists to consider our merits." It seems that the non-existence of a performance based reward system influences the work in a negative way. Even though they do not expect financial rewards, good recognition and better promotion for their achievement and merits would encourage them to work in an entrepreneurial manner.

Transfer System
The logical purpose for a transfer is an administrative reason and the interest of the public. In practice, however, irrational transfers are seen for political reasons. "There are two systems of transfers; one is related to the political boss. Whenever the political boss wants or is refused by the official, then the official is transferred. The other method is the official's request. If there is no restriction to the official's request, the respective officer can get the transfer." Several officials, however, have revealed that there is no proper placement system. Even though there is a system that allows officials to request transfers every five years, this system seems not to be properly implemented. If the politicians and higher authorities accept it, transfers can be obtained. An official revealed that he was disappointed with an unnecessary transfer and forced to go to "the pool." Further, this officer mentioned that such transfer might affect family matters as well. A senior official, who has earned a good reputation in the Sri Lanka Administrative Service, mentioned that his political boss transferred him to the "pool" when he refused to implement the politician's illegal suggestions. But this official has taken this opportunity as a good opportunity, because during this period, he was able to complete two examinations (which were neglected by busy work) and also able to pay closer care to family matters and look after the education of his children.

Overall discussion, however, related to the transfer system indicated that the system of transfer does not make much difference to innovative ideas of the officials as some officials continue their exceptional work without considering the place he/she works. Most of the public entrepreneurs found in this study indicated that they are committed to their work, regardless of the transfer system or other forms of political interference.

Citizen Participation
Public entrepreneurship among public administrators must be reconciled with the demands for adherence to democratic values in government administration. (Kobrak, 1993). This perspective relates to citizen participation needed to align with the activities of the public entrepreneurs. Citizen participation involves creating opportunities under suitable conditions for people to influence decisions affecting them (Pateman, 1970). Thus activities have to be undertaken for getting involvement of the people when designing, and implementing plans and programs. Also the clients' involvement can be obtained as feedback after the implementation of the program to determine whether the programs or services have satisfied the peoples' wants.

A majority of interviewees also agreed that when introducing or implementing new ideas, methods or programs, it was very useful to collect the beneficiaries' ideas. Sometimes new methods or ideas were found in the process of citizen participation. Some officials have revealed that clients' feedback is also very useful as it helped to evaluate the result of their innovative programs or ideas. If there were a system to evaluate or measure the public service by the clients, then the feedback on the quality of the service would lead to more improvement. One official suggested, with regard to resettlement activities, without peoples' participation, the kind of work could not be done effectively. Those activities needed different ideas and approaches for implementation to attract the people. Several officials explained that how they developed a suitable mechanism for getting involvement of the citizens. They also believed that clients' participation definitely ensured more effectiveness of the public service as it helps to know clearly about what people need. It was revealed at the interviews that well organized and independent ratepayers associations and beneficiaries' groups could provide good avenues to bring public service closer to the people.

Public Support
Public support means getting supportive comments and recognition of the general public and the mass media. "Public support is used by public entrepreneurs to balance political pressure" (Bogaards, 1997: 18). Several respondents have revealed that they are not much concerned about public support if the program is an existing one. In terms of new programs, however, public and media support is very useful.

Some officials, however, have shown less interest with mass media attention as it sometimes creates extra problems and negative criticism. At the same time, most officials agreed that the mass media could be used to educate the people and the government whenever it is necessary. The discussions have shown that it was more useful for public officials to promote civil society organizations as they could provide reliable feedback information to evaluate plans and programs. Such feedback information could be used to generate new ideas and methods for future work.

It was revealed in those in-depth interviews that most innovative ideas appeared in relation to field administration rather than in departments or ministries located in Colombo. Perhaps, this may be due to the fact that Divisional Secretaries or Government Agents may have more autonomy than Senior Assistant Secretaries in a Ministry. Other reasons may be that in a Ministry, political involvement is higher than in the field administration. Thus, those field administrators were able to introduce new ideas and changes to their work with few instructions and less supervision from the center. "When I was working as "Government Agent", I had more autonomy than this post (even the post of Additional Secretary of a Ministry is higher than "Government Agent")." Another Additional Secretary advised the researcher to go to the field administration, to find more innovative ideas in administration. This implies that location may be another determinant factor of entrepreneurship in the Sri Lanka Administrative Service.

Summary and Conclusion
The selected officials' attitudes and behavior related to the three dimensions (innovativeness, risk taking and proactiveness) of entrepreneurship were discussed in this paper and presented from the outcome of the in-depth interviews. It also presented entrepreneurial activities of officials by focusing on their attitudes, past and present behavior, and experiences at their work. Finally, the paper examined key factors of public entrepreneurship in the Sri Lanka Administrative Service.

The results have indicated that there are public entrepreneurs in the Sri Lanka Administrative Service. The above-presented examples show their innovativeness, proactiveness and risk-taking behavior, which provided some evidence of entrepreneurial activities of public managers in the Sri Lanka Administrative Service.

Motivation to achieve is one key factor when creating efficient public management. Regarding their achievement, some officials clearly indicated that they had non-economic motives rather than financial motives. Some of those respondents have indicated that they feel a need to serve the country, which may help to obtain more respect within the service, rather than having a higher salary as the first priority.

With regard to leadership skills, most of the respondents of the sample possess the required leadership skills, namely technical skills, human skills and conceptual skill. They also have agreed that those kinds of skills are very useful, especially to design and implement innovative ideas at work. Some respondents in the purposive sample indicated that conceptual skills are more useful when introducing and implementing new ideas at work.

It was also revealed that goal clarity is very crucial when introducing innovative ideas in public service. Those officials strongly agreed that they have clear goals at work.

Regarding degree of managerial autonomy, most officials agreed that they had the required freedom and independence at their work. Thus it reveals that if the managers are given a higher degree of managerial autonomy, those senior officials in the public service, could do innovative work and implement changes in their workplaces. They believed that there is managerial autonomy to some degree. For some cases, they have earned the autonomy by using their various skills in order to implement their innovative work.

It is general acceptance that a performance-based reward system makes a significant difference to public entrepreneurship. According to the empirical results, most officials did not agree that the existing reward system is based on their performance and urged a proper reward system. They argue that the existing reward system discourages innovative work. Respondents in the purposive sample have emphasized that the existing system needs to be changed towards a system that measures their results.

Further, the in-depth interview results indicated that there seems to be no proper transfer system in the Sri Lanka Administrative Service and sometimes political conflict gives them an undesirable placement. Some officials, however, revealed that if there was a proper transfer system, more innovative work could be done.

It also indicates that citizens' participation is crucial when introducing and implementing entrepreneurial work in public service. The officials point out that they have considered clients' ideas before planning and implementing new programs and also they normally get feedback after the implementation of the program.

The discussion revealed that some officials are interested in the mass media and considered getting public support useful. But some of them did not pay much attention to the mass media as it sometimes creates problems in their work. In contrast, several of them mentioned that mass media and public support are useful at the introduction and implementation of new ideas and changes.

Based on these in-depth interviews, it reveals that the following factors influence public entrepreneurship: 1) motivation to achieve, 2) leadership skills, 3) goal clarity, 4) managerial autonomy, 5) performance-based reward system, 6) citizen participation and 7) public support. The transfer system does not have much influence on public entrepreneurship. In addition to that, in-depth interviews revealed that location of organizations (field administration) is another contributing factor to public entrepreneurship in the Sri Lanka Administrative Service.

Thus, if policy makers are committed to administrative reforms in the public service and wish to engender an entrepreneurial spirit to provide more efficient and effective service, they would be wise to consider the factors revealed in this study.

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Mutually Reinforcing Cycles of Public Service Delivery and Poverty Reduction Program: Lesson from the Implementation of Social Safety Net Program in Indonesia

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Abstract. What people do with their lives and those of their family affects their health more than anything the government can do. But what they can do is determined, to a great extent, by their income and knowledge – factors that are not completely within their control. Policies that accelerate income growth and reduce poverty make it possible for people to afford better diets, healthier living conditions, and better health care. Policies to improve people's income, assists their welfare, expands educational opportunities, and policies that work to ensure effective and accessible health services for all aim to reduce poverty. At the same time, to make the commitment work, there must also be many policies in place to improve the capacity of the administrator and the quality of public service delivery. When these policies are combined, they create a virtuous cycle in which reduction of poverty and public service delivery reinforces each other. Because people's ability to improve their own health depends so much on income and education, the policy conclusions are clear: government should work to boost economic growth, reduce poverty, and develop human resources through expanded job opportunities, increased public health spending and education. The question is: have these economic policies taken into account the strategy to deliver the service for the poor? To protect the most vulnerable members of society, it is appropriate for governments to ensure that transfers and other special arrangements are effective.

The economic crisis in Indonesia since 1997 has significantly increased poverty. The problem began with the weakening of its currency rate compared to the US dollar. It quickly spread and became an economic crisis. Indonesia's economic foundation isn't strong enough to resist that external pressure. Weak competence of production sectors, many monopolized sectors, and low capacity of the economic actors to quickly respond to the crisis contributed to Indonesia receiving the biggest wound in the South-East Asian crisis. Many enterprises went bankrupt, were forced to close their activities, and laid off their workers. This condition was worsened by odd weather complications in 1997. The El Nino phenomena caused widespread drought in several locations in the country and was responsible for the worst dry season in 50 years. The dry season caused reductions in the national food production and severe famine in a few places.

Because of this, massive unemployment became inevitable in the city and the rural areas. The buying power of society diminishes to such a state that the nation faced difficulties in fulfilling necessities in food, clothing, housing, and access to education, and health services. Those living under the poverty line underwent a drastic increase, reaching 38 million people or 25% of Indonesia's population. The quality of education and health also went through reductions due to sharp increase in prices.

The social safety net program, which was created by the government of Indonesia in early 1998, was intended to help the newly poor resulting from the crisis, as well the traditionally poor. The program included ensuring the availability of food at affordable prices, supplementing purchasing power through employment creation, and preserving access to critical social services, particularly health and schooling. The study reveals that in many cases the target groups have been largely missed by the program due to low coverage and poor marketing of the initiative. It could be highlighted that the effectiveness of the program varies across regions. What accounts for these differences? This paper aims to discuss the notion of effective public service delivery with the case of the implementation of social safety net program in Indonesia. Some constructive suggestions will be developed to optimize the effectiveness of the on going program.

Social Safety Net Program

In response to the prolonged of the economic crisis, the government launched the Social Safety Net (SSN) Program targeted to the poor family (see Frankenberg *et al* 1999; Papanek and Handoko 1999; and Sutanto 1999). The main objectives of the SSN program are: (a) revive sufficient food supplies that are affordable to poor people; (b) creating a productive work field that can increase income and purchasing power of poor people; (c) reviving health and education

services that can be affordable for the poor people; and (d) reviving the economic activities of society. The program is short-term and is intended to assist the traditionally poor and newly poor suffering from the crisis. The program is implemented through various sub programs encompassing food security programs, employment creation programs, education programs, and health programs.

Table 1: Social Safety Net Programs

Food security program	Employment creation program	Education program	Health program
• Rice Subsidy	• Labor intensive project • Block grant for people initiative project • Block grant for poor caused by long draught	• Block grant for schools operational (Primary to High School) • Scholarship for student from poor families	• Medicine subsidy • Health center operational support funds • Food supplement

The food security program is the most critical component of the SSN program. The purpose of the program is to help the poor fulfill their basic needs for food, which may have been hindered by the decrease of their purchasing power. The main activity in this program is providing cheap rice. Under this program, each eligible household is allowed to purchase 20 kilograms of rice per month at a highly subsidized price of 1000 rupiah per kilogram compared to market price of 3500 rupiah per kilogram (see Rahayu *et al* 1998). The currency increased dramatically from 7.000s rupiah equal to 1 US$ before the crisis to 18.000s rupiah in 1997, to 9.000s rupiah in 2004. Only households under the lowest category of official classification were eligible to participate in the program.

The crisis increased a significant number of unemployment. The number of unemployment is dramatically increased from 4 million in 1997 to 6 million in 2000, and continued to increase to 11 million in 2004 (see graph 1). The employment creation program was established as a response to growing unemployment, especially in urban areas. The program included redesigning some ongoing projects into labor intensive projects, a block grant for the people initiative development project, and special labor intensive work. Ferreira *et al* (1999) consider a workfare program to be a key element of a public safety net that mitigates the risks of loss of income during the crisis. Because the program is created to help the poor the jobs have to go to the poor (Suryahadi et al 1999). The program should be available only for those who are already unemployed. It means that the level wage is critical for achieving good outcomes in employment programs. Only those with a low wage rate can apply, so that as many people as possible can be employed (see Ferreira *et al* 1999)

Graph 1:
The number of unemployment in Indonesia (million people),
1997 - 2004
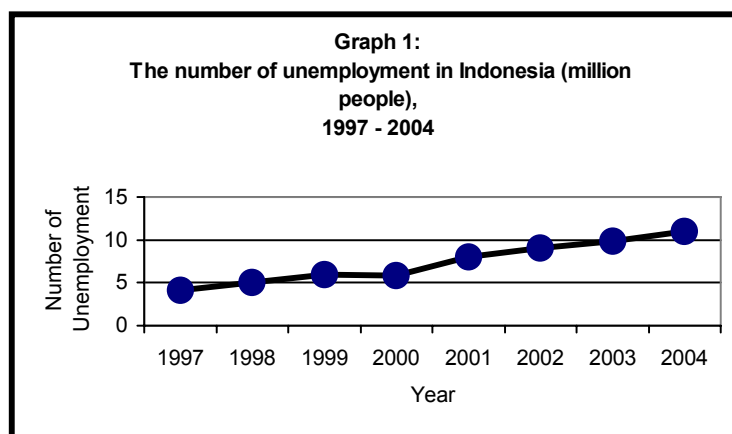
Source: Central Bureau of Statistics, 2004.

The education program is established as a response to increased drop out rates. The program has two components: a block grant to help all schools maintain their education activities and scholarships for students from poor families. The program is intended to reach to most 6 percent of primary school students, 17

percent of junior secondary students, and 10 percent of senior secondary students.

Falling real income and increasing costs of medical services made the populations's health condition deteriorate. The health program aims to provide a free medical service for the poor. The program includes a medicine subsidy, support funds for daily operational costs of a health center, and food supplements for pregnant women and children under the age of five.

To ensure that SSN is acceptable and understandable, the government created an operation unit that covers: (1) information distribution through the Center for Information to socialize the program; (2) forming a social consultation unit to solve every problem and consultation from the society that may occur in the implementation of the program; and (3) form a venue to increase social participation.

The effectiveness of the program

The program was intended to assist the traditionally as well as the newly poor. The intended beneficiaries of the program are the needy who may not be able to cope with the crisis impact without outside assistance. This implies that the effectiveness of the program can be measured by its coverage of the poor and the benefit delivered to the poor. This study will evaluate the effectiveness of the program through the analysis of program reports. The study reveals that in many cases the target groups have been largely missed by the program, both in terms of low coverage and poor promotion in practice (see Suryahadi *et al* 1999). Nevertheless, it should be underlined that the effectiveness of the program varies among the regions. The regional variability raises some interesting questions. Why some districts appear to be much better than others in implementing the program? What accounts for these differences? Is it political will? Or, are administrative capacity, as well as local government, central to delivering the service and implementing the program?

It is a fact that the proportion of poor people in Indonesia has been declining. It means that the trends in poverty reduction have been positive. While this success has varied among the districts, there has significant change at the macro level. The poverty rate from 2000-2004 has declined (see graph 2). Until February 2004, about 16.6 percent or about 36.1 million were poor. It is indicated that in year 2000 the number of poor was 19.14 percent, a decrease to 18.41 percent in 2001, a slight decrease to 18.2 percent in 2002, and continued to decrease to 17.42 in 2003. However, success in poverty reduction does not mean success in reducing unemployment. The number of unemployment increased from 4.33 percent in 2000 to 6.96 percent in 2003.

Graph 2:
Poverty and unemployment number in Indonesia, 2000-2004
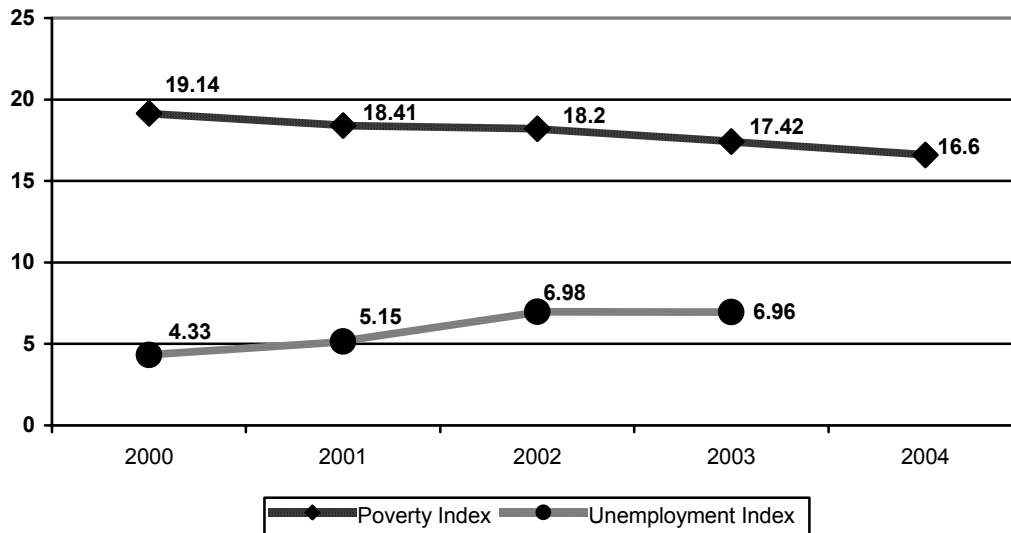
Source: Central Bureau of Statistics, 2004.

In mid 2004, one study conducted was that of the implementation of the Rice Subsidy Program. Five provinces in the southern part of Sumatra were selected, using the systematic circular random sampling method. They are West Sumatra, South Sumatra, Lampung, Jambi, and Bengkulu. Within each province, one district is selected. Further, within each selected district, two sub-districts are chosen. One village is taken as a sample in each selected sub-district. The number of respondents per village was 25 families. Respondents were selected from a list of poor families from each village. The total number of respondents was 250 people. From the study, until November 2003, there were 89.2 percent of respondents who received subsidized rice, and the percentage decreased to 76.2 percent in February 2004. Using the 95 percent confidence interval, the proportion of families receiving subsidized rice in November 2003 was between 75.28 percent to 85.12 percent. Applying this same method, the proportion for February 2004 was between 70.9 percent to 81.4 percent. Two-sided hypothesis testing for November 2003 using the 95 percent confidence interval stated that the hypothesis of "the proportion of families receiving subsidized rice is 80 percent" can be accepted. For February 2004, the same hypothesis also confirmed that 80 percent of the recipients did receive the rice.

Respondents receiving subsidized rice were also asked how many kilograms of rice they received. The study found that either in 2003 or in 2004, 93.1 percent of respondents did not receive 20 kg of rice as stated in the policy. About 3.5 percent of respondent stated that they did receive 20 kg of rice, and another 3.5 percent stated that they received less than 10 kg. The study confirmed that 80 percent of recipient did receive the rice. This is the case because of differences in local condition and local administration. For example, the time of distribution of the rice was unpredictable. It could be in early part or in the middle of the month. Consequently, it frequently happened that there are families who had no money at the time the subsidized rice was distributed, or demands from local people to distribute the rice equally regardless of whether one's name is on the list or not. In response to those demands, the rice is distributed equally by local officers. The success and the weaknesses of the program can be summarized in the name of sub-program, the success of program distribution, target, targeting error, and budget leakage on the implementation level (see the table on the following page).

Table 2: Summary of the Success of Program Distribution, Program Target, Targeting Error, and Leakage of the Implementation of the Social Safety Net

Sub Program	Success of Program Distribution	Target	Targeting Error	Leakage
1 Rice Subsidy	Effective coordination between Logistic Distribution Body (Dolog) and interrelated departmental office.	a. The subsidy cope with 32.6 percent of monthly rice needed per family; b. The family can save for 22.2 percent of its budget for food.	a. About 23.2 percent received by unregistered family; b. Rice is distributed in the area where rice is not the people main food.	a. Operational cost is too high with less responsibility; b. Low rice quality.
2 Block Grant for Labor Intensive Project	Good performance of implementing body such as Foundation, NGO, Co-operation, and even University	a. About 92 percent was distributed as goods and financial assistance. b. No significant result for widening job opportunity	a. About 24 – 29 percent targeting error; b. Housewife and labor; .	About 54 percent was misused on the implementation body, quality and quantity of the distributed goods.

Sub Program	Success of Program Distribution	Target	Targeting Error	Leakage
3. Block grant for poor caused by long draught	Good performance of the provincial and district office of manpower.	a. The contribution of the program to the family income was about 23 percent; b. Local infrastructure was improved; c. People initiatives was also improved.	a. Only about 15 percent of the receiver is really the poor; b, Only about 17 percent receiver is really poor people caused by long draught.	About 7 percent was misused.
4 Block grant for School Operational (Primary to High School)	Good performance of District and Sub District Committee in identifying eligible school for this scheme.	a. Obtained books and supporting materials; b. Keep school practicum activities work.	Official terms and condition for receiver is not match with the real fact. It is difficult for District and Sub District Committee to apply the official terms and condition due to any differences on perspectives.	a. There were some misuse on the grant distribution; b. There was a mismanagement on the budget for Monitoring & Evaluation in District and Sub District Committee level.
5. Scholarship for poor Primary to High School student	Good performance of District and Sub District Committee in identifying poor students for this scheme.	Opportunity to continue their formal education.	a. 60 percent targeting error; b. The money was not directly received by the student; c. Official terms and condition for receiver is not match with the real fact.	About 10 -15 percent was misused by the School Committee.
6. Health program	Good performance of the provincial and district health office, hospital, and local hospital.	Opportunity to improve the people health quality.	About 35 percent targeting error;	Only about 65 percent poor people was covered by the program.

Source: Research Result 2004.

Similar with the food security program, some weaknesses were also found in the implementation of the employment creation program, education program, and health program. Most programs were reported being successful programs. The success of the programs was supported by good coordination among parties and good performance of those interrelated parties. However, there were also many weaknesses in the implementation of the programs. There was some evidence of targeting error and leakage or misuse. Accordingly, the study reveals that the administrative capacity and capability is the most significant factor rather than the political will of the central as well as local government. The SSN policy can be highlighted to indicate the government's commitment in reducing the impact of the crisis on the poor. In order to realize this commitment, the government spent millions of dollars since the beginning of the program and developed some critical and supporting policies to reduce the poverty. Even though the poverty index has been declining, the government remains committed to minimizing the poverty rate by enlarging short-term programs and developing a long-term program as well. Many reported cases such as weaknesses on program socialization, poor targeting, weaknesses on program control and monitoring, program transparency, and inefficiency, indicate low administrative capacity and capability of the administrator to implement the program effectively. This low administrative capacity and capability is constraining the government's commitment to reduce poverty. Indeed, even though the program has successfully decreased the poverty index, it is not as

effective as expected. The poverty rate might has decreased, but people's quality of life is still not improving.

Mutually reinforcing cycle
The effectiveness of public service delivery will have a mutually reinforcing cycle to the effectiveness of the poverty reduction program (see figure 1)

Figure 1:
Reinforcing cycle of public service delivery and poverty reduction program
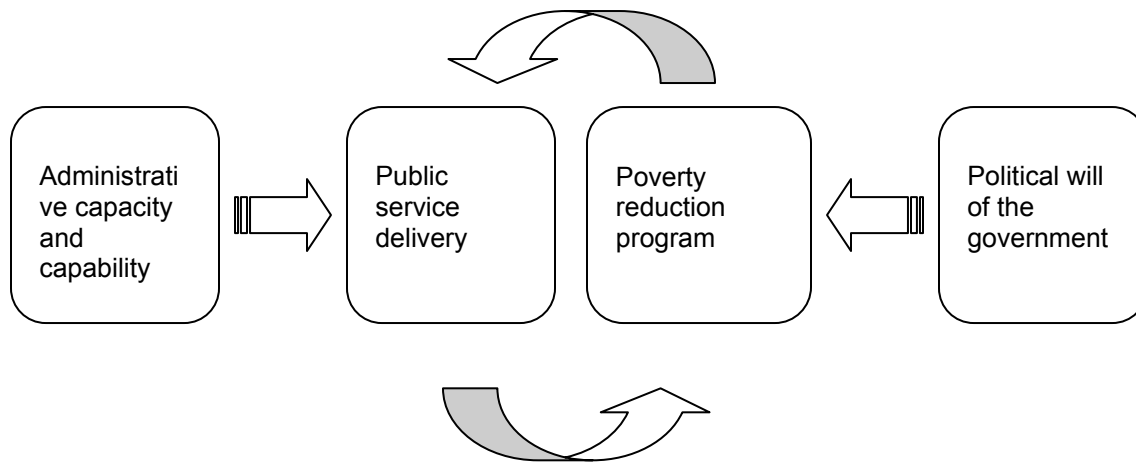
The figure shows that both poverty-reduction programs and public service delivery is having a mutual reinforcing cycle. The program will not work if there is no significant support of public service delivery. The success of the program indicates the effectiveness of the service. The quality of the service in a great extent depends on the administrative capacity and the capability of the central as well as the local government. The socialization of the programs needs to be optimized by disseminating information regarding the program. Eligibility of criteria needs to be refined. Lastly, the program has to be more transparent from the central to the local government. In another side, the poverty-reduction programs are closely related to the political will of the government in reducing the poverty rate. The effectiveness of the program indicates the level of political will of the government.

The SSN program is a short-term program. To have a more significant impact on reducing poverty, it should be consistently integrated to the medium as well as the long term program. The government could implement three pillars of a strategic framework introduced by the Asia Development Bank (2004) namely: pro-poor sustainable economic growth, good governance, and social development. Figure 2 depicts the way in which the pillars will influence the overall program.

The government should promote good governance through the way in which it processes projects, as well as through specific governance-related initiatives. Procedures for identifying and designing projects will help empower the poor and civil organizations that represent them. All dealings with public sector entities will be through transparent procedures that ensure full disclosure of information. This will also require effective stakeholder participation to establish the priorities and targets for poverty reduction and to help direct project identification and design. Specific projects will seek to improve public expenditure management at central and local levels, increase government accountability through fiscal decentralization and local empowerment, and develop effective regulation of financial markets and public utilities. Good governance will have interrelation with social development and sustainable economic growth. Sound pro-poor sustainable economic growth will be realized and effectively implemented by good governance which is positively supported by highly social initiatives. The contribution of the private sector to poverty reduction should be enhanced through enterprise development, expansion of infrastructure and other public services, and improvement of corporate governance and responsibility. Private operators could be enabled to increase their participation in providing infrastructure and public services and in projects targeting the poor. Since there are some regional disparities in the effectiveness of the poverty-reduction program, the government should introduce a conducive

and mutual cooperation focusing not only on central – local, but emphasizing local – local cooperation as well. Sharing ideas, experience, skill, strategy, and information among the regions will generate local administrative capacity to improve the effectiveness of their public service delivery.

Most of the poor live in rural areas and their quality of life lags behind in urban areas. Sustained economic growth in rural areas is likely to have a much higher impact on job creation than equivalent urban growth. The government, accordingly, should place greater emphasis on agricultural and rural development. Significantly, the government should also give greater attention to the social, environmental, and institutional factors necessary to enhance efficiency and productivity in all areas of agricultural production and associated non-farm activities. Non-farm enterprises are of increasing importance in the survival of the rural poor, particularly women. Priority could be given to these enterprises to expand the very limited coverage and accessibility of microfinance.

Figure 2: Matrix for Poverty Reduction

Strategic Pillars	Interventions		
	Short term	Medium Term	Long term
Pro-Poor Sustainable Economic Growth		Private Sector Development	
		Regional Cooperation	
	Agriculture and Rural Development		
	Environment and Natural Resource Management		
	Transport, Communications, Energy and Finance		
Good Governance		Public expenditure management and administration	
		Decentralization (Devolution)	
	Stakeholders Participation		
Social Development	Social Protection		
		Health and Education	
	Water Supply and Urban Development		

For the rural poor, governance must be especially effective and responsive, since the support of government institutions is vital to poverty-reduction programs. Accordingly, the government should expand the social capital of the poor and ensure accountability of public institutions including community-based organizations, people's organizations, and cooperatives. At the same time, the government should strive to increase the capacity of local governments to take a more effective role in rural poverty reduction.

The natural environment is of crucial importance to the poor because so many base their survival on a fragile, and usually dwindling, resource base. For the medium- and long-term program of poverty reduction, the government should address the critical issue of sustainable resource management. This will entail special emphasis on the rights and responsibilities of indigenous peoples. In turn, this may require support for tenurial rights and traditions and for moving from government control to co-management by government and the people who depend on the resources (ADB 2004; see Santoso 2004)

For all terms, the government should increase its support for human capital development since such investments are frequently the most effective way of breaking the cycle of intergenerational poverty. Such policy and mechanism should be seriously arranged to ensure that the poor, especially women, have access to essential social services. Through access to quality basic education and primary health care, the poor will progressively increase their chances of successfully employing their main asset which is labor. Improving social protection will reduce risks and indebtedness that otherwise entrap the poor in a vicious circle of poverty.

Although some recent indicators of the macroeconomy show that it is moving in a good direction, the negativity from the crisis in 1997 has not yet been fully overcome, especially by the poor. The government realizes that administration of the SSN program still has many weaknesses. Because of that, it

is urgent to make some improvements, be it substantially (accuracy in determining target groups, fixing geographical allocation, increasing participation among women, and integration of the program) or in the aspect of administration/ safeguarding. The administrative capacity and capability should be improved in the near future to give significant support to the effectiveness of public service delivery.

Respectively, the government should improve its administrative capacity and capability to improve the effectiveness of public service delivery. The government should implement the following strategies:

1. Consultation between government and non-governmental organizations to discuss the past and the future of the SSN program;
2. Program improvement based on inputs and experiences in the past and should be perfected to make a safeguard towards SSN programs so that it is accurate on program target and beneficiaries. It is grouped into five points: (a) increase the quality and coverage of distribution of program information; (b) develop a more effective mechanism on society consultation; (c) implementation of a regular report system to achieve the target; (d) independent verification for program report (e) increase public participation in every program.
3. Improve the dissemination of information given to people about the program. To achieve that goal, every program administrator is obligated to provide information through media, both print media and electronic media. Aside from that, the National Center of Information for SSN should be formed at the central, provincial, and city level to ensure that every element in society has easy and accurate access to information on the SSN program.
4. Providing effective and efficient public consultation.
5. Issue regular reports to mark the progress of a program or a project.
6. Public participation to ensure that the SSN program has a maximum effect in poverty reduction. The effort should include participation in planning, implementation, and program supervision.
7. Improve the substance of the program by fixing the accuracy on data of a targeted group, repair the geographic allocation, integrate administration of the program, and increase participation of women in implementing the program.

Conclusion

The SSN Program is designed to minimize the impact of the recent economic crisis. Accordingly, it needs to be managed through some following basic principles: (a) transparency in its management; (b) expediency in fulfilling its objective; (c) direct and accurate targeting of the affected population; (d) accountability; and (e) participative and potential for continuity. In response to

the strong demand for a governmental reform, it is obligatory for the government to work more transparent, honest, fair, and accountable. To ensure the effectiveness of the program, the government should establish a control mechanism for the whole process of distributing and allocating the subsidy. To face a difficult situation that has been illustrated, the government has to make changes in program planning that can answer and fulfill the needs that are urgent, while establishing goals that are realistic and operational so that society's social and economic condition isn't damaged further. The strategy is distributed in two phases, rescue and recovery. A few new and specific programs need to be designed to overcome the crisis and should be integrated with existing programs on poverty reduction and community empowerment.

Since the program already has provided significant assistance to the poor, the government should improve its effectiveness. Program improvement can be made based on several consultations and input from society. This input should be recorded by the program administrator, using both mass media and direct consultation. Aside from that, each program administrator should conduct an internal, annual evaluation on its work, along with an external evaluation performed by academics and other actors, and incorporating recommendations from meetings with society at large.

Author

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Effective Public Service Delivery: Governance to "E-Governance in India"

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Abstract. The issues of governance which received much focus during the decade of 1990s, has further expanded with the inclusion of "e-governance"- the latter has enhanced service delivery, enlarged participation and made the democracy more inclusive. India is not an exception to e- governance initiatives which is apparent in the Declaration of year 2001 as "Year of E-Governance", earmarking two to three percent of plan budget towards e-governance etc. Crisis of governability, catching up with developed world and current trend towards globalization has made India to implement e-governance.

There is no uniformity in the application of e-governance in different states or provinces in India. Some states still are in the "preliminary stage" others in "catching up" stage. Only ten states have made serious efforts. Its success rates are not uniform- it varies between partial success to complete failure, including the fact that there are criticisms leveled against it for the reasons that it is "urban biased", "one way process" and that it would reduce the importance of bureaucracy, politicians. Despite the weakness one should appreciate the fact that it has reduced the cultural and geographical barriers, shifted the paradigm of "space" and helping in completing the project of incomplete modernity. However what is needed to strengthen e-governance is not only by clubbing Cafeteria and Phase model but also the success stories from other countries.

The issues of governance have brought to centre stage large number of discourses: people's participation, accountability, transparency, relationship between the government and the citizens, delivery of public services, establishing synergy between public and private sectors etc (R.S.Tiwari, 2002, P.K.Mehrotra and Alok Ranjan: 2003: World Bank, 1994, UNDP: 1997). Secondly, it has brought the issues of democratization for a sharp focus. Now the governance has gone beyond the earlier meaning (Hasnat Abdul Hye, 2001) to cover the usage of new technology; the latter is now recognized as an important component or tool for delivery of public services. In the process E-governance has become a "buzz word", a "trend", and "a movement"(Bata K.Dev:2000). At present e-governance is understood differently: "a new opportunity", "another facet" "SMART governance" "Digital Governance" "e-democracy" " digital democracy" etc (Kiran Bedi et.al 2001) However, e-governance required to be seen as part of good governance (Tejinder Sharma, 2002). Or in other words it has to be seen or analyzed as part of making governance more effective, speedy, accountable, transparent, economical. All these things in the final analysis translate into "good governance" (Dalip Haldar: 2004). In this context its nature may be summarized as follows: (www.protalunesco.org)

- Informing the citizens about the issues, political process, availability of services and the attendant choices. All these increases the transparency and accountability,

- Second important nature is that it improves the service delivery system. This is because it believes in quick service without the loss of time- in fact time is now a conquered thing. This also once again increase the efficiency of public service

- Third, it believes in increased participation (Subhas Bhatnagar, n.d) of larger segments of the population in the decision making. In other words, it helps in creating a space for substantive or effective democracy.

- Fourth, it helps in the creation of vast knowledge over different social systems, community life, agrarian society, urban categories, etc. All these things are made available without the loss of time. This would help in the further efficiency of the public delivery system as well as it helps in solving the problems by the state much easier.

- Finally its nature is also to bring in large number of hitherto retrenched social categories or different social groups into the mainstream of governance sphere who otherwise would have remained excluded such as poor, the disabled, illiterate, women, indigenous population, workers, displaced etc. Their participation would help in the expansion of the spaces of democracy but also strengthen the democracy in different parts of the world, including in India. It is here e-governance helps in reworking the "state-society" relations (Jan Kooiman: 2003).

Many a time e-governance and e-government are used interchangeably. Although both are slightly different ultimately both stood for making governance more effective. If e-government is seen as usage of information technology for the improvement of internal operation and external interface of the government, the e-governance is seen as improving the interface with the citizens,(G2C) business(G2B), non-governmental organizations(G2NGO) and employees(G2E). It is in this context one find the presence of five important dimensions in e-governance: Government to Citizens; Government-to-Government, Government to Business, Government to NGOs and Government to Employees. There are four phases to move from governance to e-governance.

1) Phase of Presence
2) Phase of Interaction
3) Phase of Transaction
4) Phase of Transformation

It is in these phases India needs to be located and thereby our paper focus on the following:

- The idea and the larger context of e-governance in India
- The different models that are used for e-governance in India
- Changing nature of public service delivery and e- governance in India
- Success stories of e-governance across the country.
- Alternative Model for India

For the past few years in India a shift is taking place from governance to e-governance. This does not mean that Indian democracy is collapsing or the state is collapsing- the state remains at the centre; or the public service system had collapsed totally and finally it does not mean that automation has the final say in the every day social and political practices of the citizens.

In fact, there are reasons that can be attributed to the shift from governance to e-governance in India. In other words, what is the larger context in which e-governance idea came to dominate the discourse of policy makers needs to be focused on.

1) One of the reasons is to overcome the crisis of "governability"(Aftab Alam:2003). This is apparent when the Indian state failed to come out with stable or effective policies (R.B.Jain:2004,Yogendra Narain:2004, C.P.Vithal:2004), over come corruptions; effectively introduce public delivery system etc. Further this has to be seen as an extension of strengthening the Indian democracy. This could be only possible when Indian democracy provide required spaces for the citizens to interact with the political system. Over the years the meaning of Indian democracy has reduced to participation of citizens during election alone. The

importance of citizens has reduced to mere casting votes. A substantive democracy requires the interaction of citizens and the political system. E-governance had all the potentiality to rework the democratic politics in favour of common citizen- here lies rearranging the working of Indian democracy too. In other words the "democracy is being transformed" (Niraja Gopal Jayul: 2001)

2) It is a part of catching up with the developing world also. Incidentally the gap between the developing and the developed world is growing. The development model that India inherited contained strong bureaucratic structure and the papers. In this midst public service system suffered a lot, including the fact that the development in the final analysis became skewed one, half hearted, uneven and biased. (Subir Hari Singh: 2000) Most of the time bureaucratic structure never took into account the presence of poor, backward and rural beings. It is here the "crisis of administration". (Mohit Bhattachrya: 1998) become apparent which made the administration insensitive to the larger issues afflicting the citizens. The administration was simply concerned about its structure as well as "formulating policies". It never took into cognizance the presence of citizens either in the policy formulations or its implementations- citizens were just reduced to "actors". In the final analysis India was falling behind western world in terms of development. The new technology or communication however, has created a hope to catch up with the western world. Incidentally information technology or knowledge over new technology has become power. (M.Shamshul Haq: 2002). This is nothing but entering into the domain of competitiveness. "Competitiveness emerges from the strength of knowledge power, which is powered by technology that in turn is powered by capital") (APJ Abdul Kalam: 2004). In this context India cannot withdraw itself to the domain of "non-competitiveness" or "powerless", given its capacity and potentiality both from within and without.

3) It is a part of taking part in the process of globalization. Although the good governance has been one of the major components of globalization, the e-governance has become an extension of such a process. In fact, governance issues are seen and treated as part of "conditionality" of "medicines prescribed by good doctors" (Niraja Gopal Jayal et.al:2001) belonging to multilateral institutions such as World Bank, IMF etc (K.Kishore, 2003, World Bank, 1994, Dolly Arora:1998). The latter for example, "*promotes good governance by helping countries ensure the rule of law, improve the efficiency and accountability of their public sectors, and tackle corruption*". It begins with the premise that corruption is the root cause for poor governance-as the. Poor governance obviously is disadvantageous to economic activity and interests of the people. Many methods have been employed for good governance: policy advice or through a process

known as surveillance, financial support or supported programs and finally technical assistance. It is in this context India can not stay out of the process of globalization- in that process it becomes inevitable for India to adhere to 'good governance" and, as a natural corollary "e-governance"

G-Governance Initiatives in India

India is not the first country which has seen the importance of e-governance for the effective delivery of public services. However, India should be identified as one of those countries that have responded positively towards the importance of e-governance. Although many countries have identified the benefits, India can derive some sustenance from them. At the same time, India too can look towards those countries wherein e-governance has remained an unsuccessful venture. In fact a democratic country like India has much more potentiality than authoritarian regimes where there is always an attempt to checkmate the "borderless" situation, as that would eventually go against the authoritarian regimes.

However, in the western democratic countries, the e-governance has become a major success- that does not mean that they have succeeded in implementing the e-governance in its entirety. In fact, there are differences in their perception. Australia for example, a leading country in e-governance, has remained 'aspirational" country although it did introduce e-governance in the sphere of tax collection, employment and other services. At the same time Australia has seen the importance of partnership between the private and government agencies. Western countries such as Canada have recognized the importance of new technology mediating through e-governance for effective public delivery system, long back in 1995 itself- it is now providing online service in the key government sectors. A country like Netherlands believed that, "protection of human rights meets the needs of the digital age" and that it has achieved 25 percent of public services through e-governance. UK is now intending to complete the e-governance project (by 100 percent) by 2005- it has treated Electronic Service Delivery as the "best practice". . This is not the case of only the western world; even the developing countries are initiating it. Brazil for example, is now providing 800 service and 4,800 types of information. Chile, another country has already introduced successfully e-procurement, payment of taxes, provision of information on issues such as health, education. However, a country like Argentina has not successfully initiated. In fact one of the studies conducted by COMNET (Commonwealth Network of Information Technology for Development Foundation) in collaboration with UNESCO for fifteen different countries (in Africa- Botswana, Mauritius, South Africa, Tanzania; in Arab World Morocco ; in Asia and Pacific-Malaysia, India and New Zealand, Republic of Korea ; in Europe ad North America –Canada, Estonia, Hungary, Malta; in Latin America and Caribbean -

Jamaica and Mexico) has come out with the following results(COMNET and UNESCO, 2002) after the introduction of e-governance: that public pressure has increased for accountability and for value for money in the public service; that pressure for civil rights and efficiency for financial management has increased; that there has been a progressive decentralization and devolution of power and finally, that it has increased the public awareness. It is from this practices or experiences that India should develop its own model so that the public delivery system become most effective-in this practices India requires to focus on the issues of 1) why e-governance has succeeded in some countries 2) why have they failed in some?

Government of India had declared year 2001 as "Year of E-Governance". The main purpose was to increase the usage of information technology in government. Earlier in 1998 the Indian government had formed a task force under the Ministry of Information and Technology. However, the stress on the e-governance can also be seen in terms of the money that was spent on it. Both central and provincial /state governments have spent more than $556 millions during 2001 and 2002. Even its market is growing: $280 million during 2001-2002. In 2002 the Prime Minister of India on the eve of Independence, unveiled an ambitious programme on e-governance. This proposal involved multiple issues: massive networking, making available all the services such as land records, registration of vehicles, municipalities and civil supplies distribution, income tax, customs, issuance of passport provident fund. Other proposals include introducing Policenet, edunet, e-employment, health net etc. Further, the proposal aimed at assisting different states " on the pattern of Development and Reform Facility(DRF), and insist upon backward states for the massive computerization in the areas of man power information, taxation, land records, budgeting, commerce and agriculture and finally a data base for government activities (Economic times, 2002) .It was in 2003 that Indian government stressed on the need for a comprehensive e-governance framework (Financial Express:2003)

Indian government had approved a policy of earmarking two to three percent of plan budget for the purpose of information technology, or the purpose of introducing e-governance at different levels. Nonetheless the Indian government also has established Centre for E-Governance under Department of Information Technology. The principal aim of this Centre is to "showcase successful tools and applications in e-Governance and also serve as a venue for government officials, legislators, industry, and various other key players to come together, discuss, learn and explore issues of shared importance" (http://egov.mit.gov.in/). Its other activities include to demonstrate the best practices available in e-governance, create spaces for the policy makers including the

feasibility of introducing e-governance, helps different governments to make policy changes etc.

However, the tenth five-year plan has clearly stressed the need for e-governance as a new methodology for effective public delivery system. It stressed on six components and treated them as the most important agenda of national e-governance initiatives.

1. Defining a vision for the national e-government
2. Designing appropriate designs for the realization of e-governance
3. Creating the required infrastructure that suits the design
4. Developing appropriate outline or the perspective for the purpose of resource mobilization and its implementation
5. Introducing a set of core-initiatives
6. Finally capacity building

It is in this context it has divided the perception of the e-governance initiative in terms of government perception and the perception of the citizens/business classes. This is apparent in the following table. This table clearly shows that the e-governance perspectives are not the same- it is in this divergent perspectives one can locate the reason why e-governance has been treated as the new tool of effective public delivery system.

Government's Views	Citizen/Business View
Efficiency	Speedy service
Transparency	Fair Trail/Audit-ability
Equity/Social Justice/Inclusion	Accessibility/Spread/Regional Language
Cost Effectiveness	Affordability, Value Proposition
Simplicity	User Friendly, Self- Service
Responsiveness	Interactivity

Nonetheless in recent days Government of India has introduced Rs.1000 core (almost $10 million project) project called SWAN – State Wide Area Net Work as part of taking e-governance to grass root levels. This is aimed at delivering such services as land records or its transactions, agricultural information, credits, payment of telephone, electricity and water bills including death, birth caste income and school certificate, Further it also include receiving grievances such as pension, issuance of passport, income tax returns, permits related to trade , transport and establishment etc.. This would connect the state headquarters down to the level of *tehsil* or block headquarters. This is a grand design. Nonetheless, this requires a focus on the e-governance initiatives in different provinces or states.

E-governance in different States
In Indian context there is no uniformity in the application of e-governance for the effective implementation of public policy. Only ten key states are at the forefront. Its success across the states are not the same or uniform- they are mixed one, in addition to the fact that many a states are still in the "preliminary stage". Although the role of the state is slowly changing from an 'implementer' to a 'facilitator and regulator" however the results of the e-governance initiative are not uniform.. One can demarcate the states which are at the forefront of the e-governance- these are the states whose socio economic conditions are better, they are either top in the Human Development Index or they are "literate/progressive states". 10 key states such as Andhra Pradesh, Karnataka, Tamil Nadu, Maharastra, are leading in terms of implementing e-governance projects at different citizen-government interface points. Others like Kerala, Gujarat, Madhya Pradesh, West Bengal, Himachal Pradesh and Rajasthan are fast catching up - this has led to healthy competition among these states. Other states such as Bihar, Uttara Pradesh, and Chattisgarh etc still constitute "BIMARU"(Bakward/diseased/unhealthy) States. Many of the states have introduced e-governance policy. (For example,17 states have come out with IT policy which include Assam, Andhra Pradesh, Gujarat,Maharastra, Tamil Nadu, West Bengal, Karnataka etc. http://www.Bangloreit.com)All these do not mean that rest of the states in India does not take it up. There are one or two success stories in many states; however, they are not comprehensive one. Secondly e-governance initiatives have not come over night. Either they are introduced in a phased manner or experimental basis. This requires a focus on the presence or the usage of different models available to the different states or have adopted while initiating e-governance.

Wider Dissemination Model:
In this model government informations are made available – such as government plans, budgets, performance, citizens, rights or the charters, different legislations and different rules etc. Many advanced

states are using this model- for example Karnataka, Andhra Pradesh, Tamil Nadu

Critical Value Information Flow Model
This is the second important model. In this model informations are disseminated which are of critical value to the parties concerned. This model helps in making available about the corruption of a particular ministry to the electorate; or makes available (Asawari Shirodkar, 2004), "the reports of enquiry committees/commissions online to affected parties. " information about the human rights abuses including critical environmental informations such as radioactive spills, effluent discharge to the inhabitants". This model is used by the Central Vigilance Commission, including some states such as Karnataka

Comparative Analysis Model
In this model a comparative information about the various government activities are given and that this model is applied to evaluate the effectiveness of current policies, " and identify their strengths and weakness and measures to overcome these weakness";   it enable "informed decision making at all levels by enhancing the background knowledge and providing a rationale for future course of action." And finally it is used in the evaluation of performance of decision making bodies or the decision makers.

Interactive Service Model
This model believes in the interaction between the citizens and the key policy makers .This model includes the issues of receiving or filing grievances or feedback from the citizens. Further, this model believes in decentralized forms of governance. Many states in India have adopted this model.

Selective Model
In this model one particular project is given much importance to the relative neglect of other important programmes. Classic case is the *Bhoomi* Project in Karnataka – as the latter is selectively used to project as the best model which has to be replicated throughout India Secondly in this model some selected departments/ locations are taken for experimentation such as the one in Maharastra (*Warana* Wire Project), Tamil Nadu (Tambaram Municipal Corporation)

All these models have given rise to different initiatives in e-governance. This is the reason why no two states have adopted single or uniform model, in addition to the fact that the end results are not the same. Therefore the effects of public delivery differ – from the urban sector to rural sector, from one social category to another social category. This is apparent in different states. Nonetheless, different states have used indigenous or popular concepts or idioms for e-governance

Madhya Pradesh:
The most successful e-governance project in Madhya Pradesh is indigenously coined as "GYANDOOT". This is where the effective public service delivery system can be located. This particular experiment was launched on January 1 2000. It all began in Dhar district of Madhya Pradesh, which connects to rural networks called "Soochanalaya"- it is a low-cost, self-sustainable and that it is owned by rural communities .Interestingly, each "Soochanalaya" is connected to twenty to thirty villages, twenty districts and in total it connects more than thirty thousand rural populations. This "Gyandoot" provides information about the different rate for agricultural produce, health, education.   There are information available about the village auction , land ownership forms etc , it helps in getting copies of land records- it reminds the work of CARD or the *Bhoomi* - , it accepts public grievances, it provide facilities to apply for caste certificates including income and domestic. It also helps in getting loans through email. Interestingly these services are offered at a nominal rate (Rs.5 to Rs.25). The expenditure of this e-governance is borne by the village *Panchayat* and the village communities.

Second, important effective public delivery system in the sphere of e-governance is the Headstart.This e-governance programme helped the rural elementary schools to improve the quality of learning. Uptil the middle of 2004, 2070 schools have benefited from the Headstart programme. Its main aim is to bridge the growing digital divide between the social categories, at different levels, particularly between the rural and urban areas. Incidentally it is one of the largest e-governance projects for computer enabled learning at the middle school level. This is where the delivery system has succeeded

Gujarat
This particular state has introduced many e-governance initiatives: GSWAN- Gujarat Statewide Area Net work; Telefariad- Public Grievances Redressal System; Talim Rojgar and Swagat- education and employment This state has introduced smart card, which provide issuance of driving license, enrollment and of driving license. In fact Gujarat has introduced what is called Mahiti Shakti Kendra, which   aims at dissemination of information, forms and services. It is largely concentrated in Panchamahals of Gujarat, covering initially fifteen public call offices.

Rajasthan
Rajasthan has introduced many e-governance programmes. Some of them are really a successful in terms of implementing the programme.
One important service system is Rajnidhi Information Kiosk project. It is acting as a modern service delivery system. Further it provides online filing of FIR's, ration card applications and pension claims
There is other system such as Chief Minister's Information system. It monitors various major activities.

There is one more programme- RajSwift- this connects Chief Minister and the district collectors- thereby made the system more effective.

Kerala

Kerala is slowly but steadily catching up. It has done experiments in villages. In Ernakulam district three villages have been taken up. In the first step houses, land holdings, age, health, and religion are enumerated. This state also has introduced CARD: This is an automatic registration system –delivery of all registration services.

Secondly it has introduced FRIENDS- this is a single window system for the purpose of paying dues at the same counter, thereby aims at reducing paper work as well as delays.

Thirdly it has introduced "Kudumbashree" for "state poverty alleviation"

West Bengal

Its e-governance initiative began with the introduction of e-governance policy in 2000 which aims at transferring the IT aware government to IT enabled government; it has introduced WBSWAN for the purpose of distance learning, connecting the headquarters to all the district headquarters, enabling the people to pay their taxes,telemadicine, payment of luxury tax, registration of documents of immovable properties relating to sale, gift lease, or mortgage etc. Interestingly the state has computerized the land records of 331 blocks, in which 39,000 villages have been covered (out of the 42,171) villages. Further it has introduced GIS- Geographical Information System which provide information about the lay outs, land use, physical infrastructure, education, health and family planning.

Maharastra

One of the important states which are at the forefront of e-governance is Maharastra. It has introduced many projects for the effective public service delivery system. One important project is "Warana Wired Village Project", which covers seventy villages. It links the Sugar Co-operatives of the Warana, Kolhapur region by establishing village kiosks .Its functions are multiple: providing information on agriculture, medicine, education information on prices of farm produce in the agricultural market, daily weather forecast. This is one of the successful e-governance projects, which has effectively delivered the goods to the ruralites. This is the reason why, an attempt is being made to replicate the Warana experiments in different parts of India.

There is one more important programme – i.e., Setu- this centres helps in getting or collecting basic certificates such as birth, marriage, death, solvency, domicile etc.

Nonetheless, Maharastra also has introduced e-governance in different sectors such as Public Works Department wherein information to the citizens on the issue of construction, maintenance of roads, bridges, houses and government buildings are given. The other sector is Registration and Stamp Duty. This is called SARITA (Stamp Duty and Registration with IT Application) programme launched in August 200. Koshawahini is anther programme which aims at linking 33 treasuries and 292 sub-treasuries across the state. This particular programme handles total transaction amounting to 70,000 crores (700 million)rupees every year. However, Bombay Suburban Electricity Supply portal provide services such as electricity bill, check out meter reading, payment details and billing related enquiries. Even Maharastra State Electricity Board provide services through website on tariff, load shedding, delivery of bills and schedules.

Tamil Nadu

This state is one of the first states to introduce e-governance policy into action, after the same was introduced in 1997

Tamil Nadu some of the e-governance initiatives are: tenders in English and Tamil, data base of land records, digitization of cadastral maps, tele medicines between the state level and taluka level hospitals, video conferencing between state headquarters and district headquarters etc.

Nonetheless, in Tamil Nadu e-governance initiatives are done at different municipal/village areas. One important municipal is Tambaram where municipal records are computerized; and that all these records are linked to banks and citizens centres. In this e-governance, citizens are given information about birth and caste certificates, including taxes.

In the context of village, e-governance initiative can be seen in E-market of, *Oddanchatram*. This is done in collaboration with M S Swaminathan Research Foundation (MSSRF) This has created an e-market for vegetables, flowers, and dairy products and has helped the wholesale buyers from such states as Kerala, Maharastra and Tamil. "The site provides the buyers with current market price for various commodities in the market. The buyers can telephonically place an order. The site has expanded the market's reach to a wider mass, thus improving the revenues of the farmers around the area".

Even it has initiated the e-governance at district level too. One such district that has become fully functional e-district is *Tiruvaru*. Here the Taluk Automation Software (TAS) has facilitated the online transaction of "land by the revenue department officials starting from the taluk tahsildar to village administrative officers (VAO)". Interestingly it has also introduced old age pension etc

Andhra Pradesh

One important state which is at the forefront of e-governance is Andhra Pradesh. It has opened nearly thirty five e-Seva (Phani Kumar: 2003) centres to cater to the needs of two cities of Hyderabad and

Secundarabad. This is also called TWINS. These centres are "one-stop shops" which cater to the needs of payment of electricity, water, and telephone bills, registration of marriages, birth, death, renewal or issue of driving, trade licenses including reservation in the state run buses and sale and receipt of passport applications.

One more project is APSWAN which connects the state secretariat and the district headquarters and provides "anytime, anywhere service"for citizens. It also connects educational and health institutions. Nonetheless this project has been shelved in recent days, especially after the defeat of the then ruling party.

Third important project which has affected public delivery system is called CARD. It is a system of registering the transactions of immovable property

There are other e-governance projects too: it has undertaken the multipurpose household survey that document the socio-economic data of all the residents of the state, had undertaken the survey of land records, automated services such as driving license, vehicle registration etc.

Karnataka

There are many programs that the Karnataka government introduced as part of e-governance. One of the first important e-governance projects is called Mukhya Vahini. (Karnataka, n.d) It operates " as a key Decision Support System for the Chief Minister who uses it to monitor citizen's grievances, the performance of various departments, the progress of the investment proposals, in the industry and the IT sector'; industrial Projects Progress; implementation of cabinet decisions, follow-up on budget speech assurances; and follow-up of proposals with the Government of India". This program also contain detailed information with regard to Chief Minister's constituency such as status of a village bore well, performance of particular school, the stock of the medicines in the village hospital or even the kerosene stock at a ration shop . In fact this program helped in receiving more than twenty thousand petitions from the citizens, including the fact that it had helped in monitoring more that 700 projects, and 300 proposals pending with the Government of India.

A second important project, which has helped in effective public delivery system, is Khajane (Vivek Kulkarni: 2003) - treasury. This has helped in disbursing pay cheque to more than 34, 000 thousand officers of all over the state. In addition, "4,500 Zilla Panchayats, Taluk Panchayats, Gram Panchayats, Municipal Corporations also draw money from the treasury". The effectiveness of this system can be gauged from the fact that it handles more than 24,000 crores (24000 million) rupees every year through 225 treasuries. Incidentally it helps more than 6 lakhs government employees and 4.7 lakhs pensioners who include pensioners of Government service, art and culture, sportsmen, journalists, freedom fighters etc". In addition it helps 13 lakhs old age

pensioners including the physically handicapped and destitute widows.

Third important e-government that has helped in the effective delivery system is Therige. This is basically introduced to make the commercial tax department most effective one. In the process the commercial tax department of Karnataka has become one of most efficient in the country. This can be gauged from the fact that the tax ratio which is "11.7 percent compared to the average of 7 percent of the whole country. " This is done by "intensive computerization of trader's assessments as well as transactions at the check points. Every commercial vehicle that passes through inter-state check posts is tracked. These invoices are scanned and documented in the respective file of the dealer"

Fourth important program is Sachivalaya Vahini . In this system every file and the letter are tracked – in fact there are nearly 75,000 files right now in the secretariat. More than that it tracks the duration of each file that has spent at different levels in the state secretariat

Fifth important e-governance program which has brought transformation is the Saarige. This is basically to cover regional transport offices in Bangalore City. This program covers the registration of vehicles, issue of driving licenses and permits, tax/fee collection etc. Every day more than one thousand five hundred avail the services without actually visiting the regional transport office. Interestingly "on-line registration for Learner's License was introduced for the first time in India "

Sixth is the Krishi Marata Vahini: This particular system enables, "24-hour automatic collection and dissemination of market arrivals and prices from all the markets irrespective of geographical location. It collects daily arrivals, minimum and maximum prices from 102 markets for more than 108 major commodities and over 2000 varieties". Its success lies in the fact that following its launch in June 2002 more than 50ooo citizens have benefit from it.

Other important programme is the Raitha Mitra. These are nothing but farmer's communication centres that are established in each *Hobli* level. Its main functions are: providing latest information to the farmers with regard to the techniques of crop production, horticulture, animal husbandry, fishery, sericulture daily farming etc. Further it helps in organizing agriculture materials such as seed, fertilizer, saplings, pesticides etc locally. Its success lies in the fact that more than seven lakhs farmers have made use of this programme for their benefit.

Even Karnataka government has introduced e-governance in the sphere of Common Entrance Test to different professional courses such as engineering, medical, dental etc. This has helped in, every year, more than 1, 50,000 students taking exams – out of which more than 80,000 students comes from other parts of India. . "The system provides documents, examines

results and allows the students and their parents together to choose the college and the course in a systematic manner". This success of this system is a clear testimony to the transparency and effectiveness of the system.

However the most important story is the story of "Bhoomi", the latter is a part of broader state policy called "Mahiti" which aims at taking information technology to the grass root level. This is in other words Computerized Land Record System. It has changed the way people buy the land and pay the taxes to the government. Incidentally the policy of e-governance was very much in existence during the early decade of 1990 supported by the central government but was not operationalized till recently.

There are reasons why project "Bhoomi" was justified. In Indian context land has been the major source of income; a center of identity and also cultural practice. More than that land has been the major source for raising loans, disputes, pledging, including the growing specific crops etc. Further, records were essentially used for the purpose of security of tenure, bail in criminal cases, getting scholarship for the children, planning purpose etc. Land rights, which are bestowed through the records of rights, however had large number of loopholes. In fact, in one of states in India, i.e., in Karnataka there are more than 70 lakhs (7 million) rural landholders, who are spread across 177 taluka and 30,000 villages, they account for nearly 20 million records of rights, tenancy and certification (RTC).

Secondly, land records were literally managed by village accountant numbering around 9000. The earlier system was marred by corruption, harassment, inefficiency, malpractice, delay, manipulation and appropriation. Earlier to the "Bhoomi" project two types of records were maintained by the village account: one, Registers, indicating the present or the current ownership of each parcel of land, its "area and cropping pattern" and two, "village maps that reflected the boundaries of each parcel". On the contrary, "Bhoomi" is a unique system in which farmers or the peasants including the institutions having property can get their Records of Tenancy from a kiosk installed at the taluka headquarters by paying Rs.15 per(= quarter dollar) record. Its main objectives were, "to facilitate easy maintenance and updation of land records due to irrigation/natural calamities consolidation legal changes like transfer of ownership, to provide comprehensive scrutiny to make land records tamper proof, to provide required support for implementation of developmental programmes which require data on land holding distribution, to prepare annual set of records in the mechanized process such as collection of land revenue, updating of cropping pattern etc". This system of

registering, submitting and getting the necessary document made easy. It uses the touch screen system, which has become easy to operate. This system has biometric security system that uses the thumb rather than password to take out the copy of RTC. The entire system is in vernacular language. This system also allows the required changes in the records of land. It is in this context the hand written land records have been rendered illegal. Most important is the fact that this system is available to the peasants at any time of the day and that they can have direct access to all information about their land or property. However, the land records through "Bhoomi" would be used in the banks, courts and other government agencies. Since the land records also generates various types of reports on land ownership by size, type of soil, crops etc which would be beneficial for such programmes as poverty alleviation, supplying agricultural inputs. It is also thought that this system would lead to better implementation of ceiling on land holdings etc.

Nearly twenty million land records have been computerized. Incidentally each record has 45 fields, which comes to around 70 million. All these fields have been computerized, including the fact that more than 20 million records have been computerized. Meanwhile the hand written land records which were notoriously known for tampering, non-updation, have been made illegal.

All these have made the peasants to have easy access to their land rights. Now at present Bhoomi project has helped in providing connectivity to the courts and 2500 Bank branches in Karnataka. At the same time the scheme is being decentralized to village level by "providing connectivity to private kiosk operator "- this ,it is argued, would provide jobs to more than one thousand rural youths. Its success can be gauged from that fact that the numbers of peasants who have availed the "Bhoomi" are increasing. This can be seen from the following chart. The total number of farmers availed in the whole Karnataka stood at 1,50,58,280 (December 2003)and the Cumulative User Charges Collected was Rs. 22,58,74,196(= $50,19,426) (December 2003) In fact, every month the state receives Rs.7.5 million from the project, even though it has spent Rs.185 million towards implementing the project. However the states, which are at the forefront of e-governance, have come out with "vision Documents ". The states such has West Bengal, one of the states which has longest Communist regimes, has come out with vision document to make the state one of the top ranking information technology states by 2010, create leadership position with regard to the high value-added information technology work through the intellectual leadership. This is replicated by other states such as Karnataka, Gujarat,.Tamil Nadu etc.

District	User Charges Collected During the Month of December 2003	Cumulative User Charges Collected	No of farmers who availed Bhoomi services during the month of December 2003	No of farmers who availed Bhoomi services from the inception
Bangalore (Rural)	4,28,955	77,84,995	28,597	5,19,000
Bangalore (Urban)	4,56,015	78,18,608	30,401	5,21,241
Bagalkot	18,45,900	1,42,62,935	1,23,060	9,50,862
Belgaum	17,84,550	2,07,45,180	1,18,970	13,83,012
Bellary	3,24,075	69,70,190	21,605	4,64,679
Bidar	17,34,55	49,12,600	11,564	3,27,507
Bijapur	22,48,755	1,25,30,180	1,49,917	8,35,345
Chamrajnagar	1,51,095	27,05,070	1,00,73	1,80,338
Chikmagalur	3,73,975	69,19,470	24,932	4,61,298
Chitradurga	5,98,140	68,41,306	39,876	4,56,087
Dakshina Kannada	5,18,910	95,14,405	34,594	6,34,294
Davanagere	3,17,960	82,83,921	21,197	5,52,261
Dharwad	10,38,645	67,08,910	69,243	4,47,261
Gadag	11,99,690	52,65,130	79,979	3,51,009
Gulbarga	5,22,840	98,67,059	34,856	6,57,804
Hassan	10,36,215	1,21,27,539	69,081	8,08,503
Haveri	4,84,670	63,90,895	32,311	4,26,060
Kodagu	1,34,395	34,93,975	8,960	2,32,932
Kolar	4,62,745	80,94,859	30,850	5,39,657
Koppal	6,01,230	48,62,477	40,082	3,24,165
Mandya	4,62,535	92,92,750	30,836	6,19,517
Mysore	4,50,515	90,49,285	30,034	6,03,286
Raichur	4,16,895	59,57,921	27,793	3,97,195
Shimoga	3,29,520	89,66,960	21,968	5,97,797
Tumkur	5,45,955	1,24,48,165	36,397	8,29,878
Uttar Kannada	3,88,046	85,71,661	25,894	5,71,444
Udupi	3,34,040	54,87,750	22,269	3,65,850
1,76,30,081	**22,58,74,196**	**11,75,339**	**1,50,58,280**	

Nonetheless, there are big states that are called "BIMARU" (unhealthy or diseased) - they are far behind these states. One such state is Uttar Pradesh, although it is introducing what is called Project Allahabad, established Hi-Tech Habitat, and made land, revenue, sales tax as part of e-governance. Similar is the case with Chattisgarh, Bihar etc. This is where the differences between the states lie.

However, there are small states/Union Territories that have initiated e-governance, although their applications have not received much focus. For example a union Territory like Lakshadeep has introduced e-governance in ship ticketing, electricity bill system, entry permit holder information, driving license, disaster management etc. Small state like Himachal Pradesh has introduced successful projects of e-

governance such as the "LOKMITRA"[1] project of Hamipur modeled after Gyandoot in Madhya Pradesh. This project provides employment to local youth, through the opening Citizen Information Centre or Kiosks. Nonetheless CICs provide information about job openings, tender status, and market opening – in other words it acts as on- line bazaar. It also receives complaints or acts as Redressal centre. Now the CIC has spread to 25 Panchayats in the state. Even a small state like Sikkim has introduced VAST connectivity as part of industrial growth. All these efforts have not received much focus although some of them are far ahead of BIMARU states. This is where the differences in application of public delivery system can be located-

Despite the differences, one important specific characteristic in these initiatives is the increasing interaction between the private and public sectors. Many a states have made use of the private sectors to deliver public service through the e-governance. Although many of the private sectors are multinationals, however there are some, which are Indian origin Multinationals, including the small private sectors have participated in the e-governance initiatives in India. IBM, for example at present helping Haryana and West Bengal- in the latter case it has helped in distance learning or literacy programme in Kolkotta, Even Indian MNCs like Wipro, and NIIT have helped in literacy mission in West Bengal. The same company had helped in " IT-training 48,000 school students and 30,000 college students in Tamil Nadu as well as 20,000 school students in Karnataka"- their classic programme is "Hole in the Wall". (www.inomy.com) Even companies like TCS, SAP Tata InfoTech handles the issues of G2C, C2B and G2G. However, other than the big companies, even small companies do involve in the e-governance. Their contributions can not be overlooked. They manage electronic service, integrated information system, departments such as sales tax, (Maharastra by TCS), hospital management (Punjab by TCS), land records (IBM and Seimen in Tamil Nadu), issues of or registration of vehicles etc. they also involve in addressing citizen's grievances (MBT in Goa)., helps in the collection of property tax or administrative system (Savitr infact provides such solutions as sales tax, property tax etc in the Malegaon Municipal Corporation , Parbhani and Aurangabad districts in Maharastra) . Finally there are research institutes which are also helping. One such institute is M.S.Swaminathan Research Foundation. Its help in introducing e-market in *Oddanchatram* village in Tamil Nadu is note worthy. Even private foundation of Infosys, Wipro, Shaw Wallace in sensitizing issues of citizens charter etc in urban cities like Bangalore can not be glossed over.

Critique of e-governance

It is true that some of the e-governance initiatives have been replicated in different states. Records of Rights(RoR) of the lands for the farmers, for example is one of the best cases which is slowly being initiated and spreading. Goa for example is the first small state to declare the digitization process a complete success. In Tamil Nadu it is operating in 206 taluks- the project is known as *Tamil Nilam*, in Gujart it is known as e-Dhara and is functioning in 226 Taluks, In Madhya Pradesh is distributed in 257 Taluks, "In Orissa RoR is distributed among 171 tehsils. In West Bengal the copies are distributed to landowners in all blocks. The total numbers of copies distributed in Rajasthan are 237. In Sikkim RoRs are issued in two out of nine sub- divisions. In Chattisgarh RoRs are issued in 11 tehsils. In Andhra Pradesh RoRs are distributed in 308 mandals. 3 taluks has achieved the facility of digitisation in Pondicherry. The scheme is operational in only one taluk in Kerala. In Maharastra RoRs are given in 70 taluks and in Uttar Pradesh the data entry work is complete but updation of work is still pending. (Financial Express: December 4 2004).

All these do not mean that these e-governance initiatives have succeeded in effectively delivering the goods to the public. It is stated that at the all India level the effective usage of e-governance will not be a possibility before the year 2010. Interestingly, in 2003 a survey conducted by the National Council of Applied Economics Research clearly demonstrated that four states particularly Karnataka, Tamil Nadu ,Andhra Pradesh and Maharastra are "leading " or "forerunners' in the e-governance and e-readiness. In the former case the study took into account the parameters of rural connectivity, IT applications in agriculture, education, health services, and computerization of land records(The Hindu:, September 3 2003)for analyzing. In this context one can ask the question as to why even in the so called "leading states" the public delivery system introduced through e-governance has not totally become successful. The best example is the Tamil Nadu. In this state out of the total e-governance initiatives only 28 percent are treated as "successful" as against the 72 percent., In this state 23 percent of projects or the initiatives have been shelved. In fact new methodology of public delivery system mediating through e-governance has created two neat categories of states: "e-governance haves" such as Karnataka, Andhra Pradesh, Tamil Nadu etc and second, " e-governance have nots" such as Uttara Pradesh, Bihar, Uttarnchal, Jharkhand and North Eastern States such as Arunachal Pradesh, Assam, , Mizoram, Manipur, , Tripura, Meghalaya. In fact all this has created what is called "digital divide"both between the social categories as well as regions too. Nonetheless there are other criticisms leveled against e-governance.

In Indian context the critics of e-governance treat the initiative as "a tedious process, a process for staff cuts, costly, and time consuming, it is not interactive". Majority of the population incidentally do not know the larger implication of new public delivery system. Many of them are largely ignorant about its benefits, including the fact that "government is not really benefiting from it". This is reflected in the way

the resistance to e-governance grew in different states. In Andhra Pradesh the e-governance programmes incidentally came to a dead lock (Sudeshna Banerjee, 2001). In this system citizens are taken for granted. This is the reason why it is argued that e-governance is biased against women, although it stresses the need for women's empowerment (Vikas Nath, n.d). There is one more important criticism: that there is too much focus on e-governance than governance. In this context following argument require the focus: "citizens expect the government to provide basic services, they don't bother if it comes via email or by bullock cart"

Thirdly, it is also argued that the services of e-governance are still cornered by the urban metropolitan cities. Except for few e-governance initiatives, such as Tele-medicines in Kolkotta, *Bhoomi* in Karnataka, most of them cater to the needs of the urban centers. There is an inbuilt "urban bias" in the e-governance initiatives. There are large numbers of issues that the rural areas have to address: disburse loans, educational institutions, and health systems etc.

However, some of the reasons attributed for the failure of e-governance or the public delivery system are as follows:

• Frequent policy changes or the absence of a clear cut policy with regard to the delivery system. In majority of the cases the public delivery is still done in a traditional manner. The hold of the bureaucracy has not come down.

• Second important reason is the presence of rampant corruption in different departments. There is a stiff opposition to introduce e-governance as it would minimize the corruption.

• Thirdly, the absence of any involvement of end users during the process. Most of the time it remained as a one way process. Citizens get the required information, but they are made helpless to participate in the process itself

• Fourthly, over ambitious projects which hardly takes into cognizance the cultural and social practices of the people- will the rural people are receptive or are they oppose to such move? Or how the cultural practices see in this new technology a larger agenda to trap the citizens in the global market or international capital? These questions are never probed into nor are they become the major focus while introducing the new methodology of public service system mediating through e-governance.

In fact the basic work culture is going against the effective implementation of e-governance. This can be seen in the following argument of a bureaucrat, "The policy makers are old people who are not technically savvy and those who know the IT are the junior staff. The problem with these senior people is that they have a sense of power, which they do not want to surrender by sharing information". This is the reason why there is a general resistance against the implementing the e-governance initiative

One more reason is the poor management of knowledge and human resources. Incidentally there is a conflict between the "domain knowledge and the knowledge of information technology'

Nonetheless, one should not over look the fact that the e-governance has brought certain changes, although it has not completely shifted the paradigm of administration.

• E-governance has broken the geographical and cultural barriers both between the governed and the rulers. The gap between the time and space is conscripting or bridging (Sneller, 2002). Now the information is available without the loss of time.

• E-governance has shifted the paradigm of "space"- the space as a site, as a geographical location, as an actual entity existing in fixed form is no more the same. The space is no more located exactly in the legislature, government building, or local Panchayat shelves or in cash counters, rather it has moved to internet, email, and computers. This space can be located anywhere- from private room to public place. It is here the traditional notion of 'space as being sacred" has collapsed.

• It is helping in creating large amount of data base which in turn helps in the formulation of public policy. For example data on land, educational institutions, health, vehicles etc would definitely helping the state and the policy makers

• It has reduced corruption at different levels- this is because of the transparency in the dealing (this is true of other parts of the world such as Seoul Municipality, Chile etc. S.Bhatnagar: n.d)

• In Indian context e-governance is once again completing the incomplete project of modernity.

• Further e-governance has minimized the cost of services received by the individual. This has become the major component in the success of e-governance in states like Karnataka and Andhra Pradesh. The increasing cost of e-governance would have made large number of citizens, who are economically poor and backward, dither from taking any advantage from e-governance. Interestingly, the declining cost has helped the notion of e-governance to reach large chunk of citizens living in rural India. This is where the success stories lies

• More than that E-governance has become an integral part of Indian democracy. This is because through the e-governance the rights of the individuals are defended/mediated; their rights are expanded such as the right to information without any bottleneck is one such example for expanding rights. At the same time, e-governance has increased the spaces for democracy- even the person living in the remote corner can access

information without really moving out of his place-it has brought in different category of people into the main stream of governance.

Alternative Models

In this context one needs to ask the question as to the possibilities of throwing up an alternative model that would further help in effective delivery system

One model that requires focus is the "Cafeteria Model": This model believes in picking up one best option that suits the cultural taste or practice of the people.

Second important model is "Phase Model"- in fact NASSCOM – the apex industry association of software and service companies -has come out with three phase strategy to make e-governance more effective. In the first phase public servants would be made aware of the e-governance or training would be imparted. In the second phase it advocated state wide area net work by the year end, including reducing the ratio between personnel and the computers to 4:1; identifying core national projects, computerizing all the land records, and introducing national ID card. In the final phase it stressed on citizen services in the states by the year end of 2005, accelerating public and private management; multilateral funding for e-governance, making 50 percent government procurement on line and finally stressing on primary health, disaster management and education.

Nonetheless what requires is the combination of Cafeteria Model and Phase Model, which takes into cognizance the Indian cultural setting, including the fact that India should take into account the success stories of e-governance both in the west and non-west world. This should be backed by three "P's"-– People- commitment of the public servants, Process- the transparency in the implementation and finally, Product- utility of service and effective use of such service. This is where one can develop a new discourse, new framework and new methodology for a new public delivery system

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Notes

[1] There are many success stories with regard to the *Lok Mitra* in Himachal Pradesh.One story is the story of the village called Morasu, which was hit hard by the draught The moment the Lok Mitra received complaints from the Village headman, the District collector released the fodder. Another story is the story of Dalip Singh , a retired police constable whose land was not demarcated despite many please with the government. Ultimately his complaint to the *Lok Mitra*, the problem was solved. Another story is the repairing of the hand pump for the irrigation in village Larhana.

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Rural Poverty Alleviation in India:
An Assessment of Public Programs

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Abstract. India adopted a centralized development strategy after independence. The development strategy focusing on high growth postulated that the benefits of such growth would percolate down and would mitigate problems of income inequality, unemployment and poverty. Empirical evidence of the 1950s and 1960s, however, did not lend support to this 'trickle down' hypothesis. As a consequence social justice (i.e. equity) was added as another principal concern to the development strategy. In the 1970's, *'Garibi Hatao'* (i.e. removal of poverty) was the buzzword among policy makers. With a view to solve the problems of unemployment and poverty, both the central and the state governments initiated a series of programs. The growing significance of poverty alleviation programs in planning evinced interest among scholars for poverty studies.

      The objective of the paper is to make an assessment of public programs for alleviating rural poverty.

      The paper is organized into five sections. In Section I, data and methodology used in the study have been explained. Public programs for rural poverty alleviation programs have been described in Section II. Section III deals with the extent of rural poverty across the states. In Section IV assessment of public programs for rural poverty has been made. Section V includes conclusions and policy recommendations.

Section I: Data and Methodology

The study is based on secondary data. The data have been compiled from various sources such as publications of the Planning Commission of India, Economic Surveys of India, Census of India, Central Statistical Organization of India, Reserve Bank of India and Ministry of Rural Development, Government of India. After a careful review of literature on rural poverty (Subbarao, 1985; Alhuwalia, 1986; Bardhan, 1986; Desai, 1986; Mellor, 1986; Mellor and Desai, 1986; Vyas, 1986; Hirway, 1988; Hirway, 1991; Minhas, Jain and Tendulkar, 1991; Rao, 1992; Planning Commission, 1993; Vyas and Sagar, 1993; Kannan, 1995; Parthasarathy, 1995; Dev and Ranade, 1997; Dreze and Sen, 1999; Vyas and Bhargava, 2000; Deaton and Dreze, 2002; Planning Commission, 2002; Srinivasan, 2002; Basu, 2003; Government of India, 2004), in this study it is hypothesized that alleviation of rural poverty depends upon both public policy and socio-economic factors. The public policy factors include direct poverty alleviation programs; rural housing for the poor; public distribution system and loans by regional rural banks. The economic and social variables, which influence rural poverty, are rural non-farm employment and rural literacy. With a view to capture the overall contribution of the all the policy variables and also that of other variables towards alleviation of rural poverty, multiple regression analysis has been used in this study. For regression analysis, state level data covering 14 major states have been used. Regression analysis has been carried out at two levels. At level I, only policy variables are included in the

model. The regression results of this level would help to identify the impact of public programmes on rural poverty alleviation. At level II, variables other than policy variables are also included. The results of this model would help to identify the collective role of both policy and non-policy variables in rural poverty alleviation.

      In addition to regression analysis, statistical/cartographic techniques such as percentage, means, standard deviation, coefficient of variation (CV), correlation, and maps have also been used to analyze the data.

Section II: Public Programs for Rural Poverty Alleviation: An Overview

The prominent direct rural poverty alleviation programmes in India can be grouped into four categories:

1. Wage Employment Programmes;
2. Self Employment Programmes;
3. Rural Housing; and
4. Public Distribution System.

Wage Employment Programs

      The federal government has launched various wage employment programmes from time to time. The important wage employment programmes include *Jawahar Rozgar Yojana* (JRY), Employment Assurance Scheme (EAS), *Jawahar Gram Samridhi Yojana* (JGSY) and *Sampoorna Grameen Rozgar Yojana* (SGRY). With a view to improve the effectiveness of

wage employment programmes, from restructured and also redesignated a couple of them. At present *Sampoorna Grameen Rozgar Yojana* (SGRY) is the only major wage employment generation programme. The SGRY was launched in September 2001, by restructuring the erstwhile *Jawahar Gram Samridhi Yojana* (JGSY) and Employment Assurance Scheme (EAS). It has two streams, namely, EAS/SGRY-I and JRY/JGSY/SGRY – II.

The objective of SGRY is to provide additional wage employment in the rural areas as well as also food security and the creation of durable community, social and economic infrastructure in rural areas. The rural poor who are in need of wage employment and desire to do manual and unskilled work in and around the village/habitat are eligible to get benefits of the SGRY. The Scheme aims to generate 100 crore man-days of employment in a year. Central and state government share the cost of each component in the ratio of 75:25 (Government of India, 2003; Government of India, 2004).

With a view to promote participatory democracy and decentralization, the activities under SGRY are implemented by the *Gram Panchayat* (Village level democratically elected government). The District Rural Development Agencies (DRDAs)/*Zila Parishad* (ZPs) (democratically elected body at district level) release funds directly to *Gram Panchayat*. Based on the needs of the area/people the *Gram Panchayat* formulates the Annual Action Plan and implement activities with the approval of the *Gram Sabha* – village assembly consisting of all eligible voters of the village. Overall guidance, coordination, supervision and periodical reporting are the responsibility of the DRDAs/ZPs.
Table 1 shows a comparative picture of targets and achievements of various wage employment programmes. Clearly in most of the cases achievements fall short of targets.

Self Employment Programmes
The wage employment generation programme mainly supplements the earnings of agricultural labour during lean season. However, the extent and nature of unemployment and underemployment in rural India necessitates having programmes, which aim to create assets for generating self-employment on a sustained basis. Keeping this in view, the Government of India has introduced a number of programmes like Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), the *Ganga Kalyan Yojana* (GKY), the Million Wells Scheme (MWS), and Supply of Improved Toolkits (SITRA). Empirical evidence suggested that each programme instead of strengthening other programmes through intended linkages gradually started operating as a separate and independent programme and as a consequence the substantive issue of sustainable

income generation was lost in the process (Government of India, 2000). Keeping this inadequacy of self-employment generation programs in view, the Government of India decided to launch on April 1st 1999 a new, self-employment program namely *Swarn Jayanti Gram Swarozgar Yojana* (SGSY) by merging earlier self-employment generating programmes.

The major objective of SGSY is to bring every assisted family or groups (self-help groups) of rural poor above the poverty line within three years through the promotion of self-employment generation opportunities on a sustainable basis. Under this program preference is given to those activities, which generate self-employment to the vulnerable groups among the rural poor like Scheduled Castes/Scheduled Tribes and Women.

The SGSY envisages providing sustainable income through micro-enterprises development both land based and otherwise. For this purpose effective linkages have been established between capacity building of the poor, credit, technology, marketing and infrastructure.

The SGSY prefers activities to be undertaken through a group approach with a stipulation that 40 percent of all Self-Help Groups (SHGs) would be exclusively women self-help groups. The SGSY also prefers activity clusters. Under the activity cluster approach, the Block SGSY Committee identifies 4-5 activities keeping in view the resource base for each Block (A cluster of villages). This Committee for the identification of cluster activities also makes use of potential link plans prepared by the National Bank for Agriculture and Rural Development (NABARD), annual credit plans of commercial banks and surveys carried out by technical organizations. The expertise of the officials of local *Khadi* and Village Industries and District Industry Centre (DIC) is also available to the Block SGSY Committee.

District Rural Development Agency (DRDA) implements the SGSY in association with the *Panchayati Raj* Institutions (rural democratically elected bodies) particularly the *Panchayat Samiti* (the second tier of rural democratically elected bodies having headquarters at the block level), the banks, the line departments and the NGOs.

Under SGSY the Central and the State Governments share the funds in the ratio of 75:25.

Table 1 reveals that, barring a few years, target goals of self-employment programmes also have not been achieved.

Table 1
Physical Performance of Special Employment and Rural Poverty Alleviation Programs (in million)

PROGRAMMES		YEAR										
		1993-94		1994-95		1995-96		1996-97		1997-98		1998-99	
		T	A	T	A	T	A	T	A	T	A	T	A
Wage Employment Programmes	**JRY/JGSY/SGRY- II** – Mandays of employment generated	1038.33	1025.84	986.55	951.71	848.01	895.83	414.14	400.63	386.70	395.80	396.66	375.21
	EAS/SGRY- I* – Mandays of employment generated	*	49.47	*	273.96	*	346.52	*	403.00	*	471.77	*	416.53
Self Employment Programmes	**SGSY**** – total Swarozgaris assisted**	-	-	-	-	-	-	-	-	-	-	-	-
	IRDP	2.57	2.54	2.12	2.22	*	2.09	*	1.92	*	1.71	*	1.66
	TRYSEM	0.35	0.303	0.32	0.28	0.35	0.302	0.29	0.36	0.30	0.25	0.29	0.17
	DWCRA **Groups formed**	0.011	0.015	0.013	0.038	0.03	0.038	0.03	0.04	0.03	0.03	0.06	0.05
	Membership	*	0.27	*	0.59	*	0.69	*	0.58	*	0.46	*	050
Rural Housing Programme	**IAY- Dwelling Units**	-	-	-	-	1.15	0.86	1.12	0.80	0.72	0.77	0.99	0.83

PROGRAMMES		YEAR									
		1999-2000		2000-01		2001-02		2002-03		2003-04	
		T	A	T	A	T	A	T	A	T	A
Wage Employment Programmes	**JRY/JGSY/SGRY- II** – Mandays of employment generated**	*	268.3	*	268.29	*	262.42	*	297.97	*	391.65^p
	EAS/SGRY- I* – Mandays of employment generated**	409.16	278.6	259.45	218.39	339.19	260.55	*	306.67	*	372.83^p
Self Employment Programmes	**SGSY**** – total Swarozgaris assisted**	*	0.94	*	1.09	*	0.94	*	0.6	*	0.86
	IRDP	-	-	-	-	-	-	-	-	-	-
	TRYSEM	-	-	-	-	-	-	-	-	-	-
	DWCRA Groups formed	-	-	-	-	-	-	-	-	-	-
	Membership	-	-	-	-	-	-	-	-	-	-
Rural Housing Programme	**IAY- Dwelling Units**	1.27	0.93	1.24	1.29	1.29	1.17	1.39	1.06	1.48	1.25^p

T stands for targets
A stands for achievements

JRY - *Jawahar Rozgar Yojana,* JGSY - *Jawahar Gram Samridhi Yojana,* SGRY - *Swarnjayanti Grameen Rozgar Yojana,* EAS - Employment Assurance Scheme, SGSY - *Swarnjayanti Gram Swarozgar Yojana,* IRDP - Integrated Rural Development Programme, TRYSEM - Training of Rural Youth for Self-Employment, DWCRA - Development of Women and Children in Rural Areas, IAY - *Indira Awas Yojana*

*   Targets were not fixed
**   JRY was restructured and renamed as *Jawahar Gram Samridhi Yojana* (JGSY) from April 1999 and after that, JGSY has been emerged into *Swarnjayanti Grameen Rozgar Yojana* (SGRY) with effect from 2001-02 and is now SGRY - II, SGRY is self-targeting scheme.
***   EAS has been merged into SGRY with effect from 2001-02 and is now SGRY - I, SGRY is self-targeting scheme.
****   IRDP and its allied programmes like TRYSEM, DECRA etc have been merged with *Swarnjayanti Gram Swarozgar Yojana* (SGSY), which was introduced from April 1999.

Source: Various Issues of Economic Survey, Government of India

Rural Housing

The 1991 Census data reveal that nearly 3.1 million households were without shelter and another 10.31 million households resided in unserviceable *kutcha* (mud) houses (Government of India, 2003). Keeping in view the magnitude and severity of the problem, the Central Government in 1998 announced a National Housing and Habitat Policy aiming to provide 'Housing for All' and also facilitating construction of 20 lakh additional housing units (13 lakh in rural areas and 7 lakh in urban areas) annually with an emphasis on extending benefits to the poor and the deprived (*ibid*). The major rural housing programmes under the Action Plan for Rural Housing are *Indira Awaas Yojana* (IAY), Credit-Cum-Subsidy Scheme for Rural Housing, Innovative Stream for Rural Housing and Habitat Development, Rural Building Centres, *Samgara Awaas Yojana*, Enhancement of equity contribution by Ministry of Rural Development to Housing and Urban Development Corporation (HUDCO), and National Mission for Rural Housing and Habitat.

IAY is the most important component of the Action Plan. IAY was launched in 1985-86 to provide dwelling units free of cost to below-poverty-line (BPL) families subject to the condition that non-Scheduled Caste (SC)/Scheduled Tribe (ST) families do not receive more than 40 percent of IAY allocation (Government of India, 2003; Government of India, 2004). Beneficiaries under IAY are selected by *Gram Sabha*.

A perusal of Table 1 shows that targets in the areas of rural housing have not been fully achieved except during 1997-98 and 2000-2001.

Public Distribution Scheme

The major objective of the public distribution system (PDS) is to provide food security to the poor by supplying food grains to them at subsidized prices. PDS, started during World War II, is one of the oldest and largest systems of its type in the world. The PDS has a network of nearly 500,000 fair price shops (FPSs). These shops distribute annually food grains worth Rs. 30,000,000 million. About 1600 million households below the poverty line are the beneficiaries of PDS both in urban and rural India. With a view to plug the leakages of PDS and serving specially the poor, the PDS was revamped under the Target Public Distribution System (TPDS) in June 1997. In the new scheme each poor household is entitled to 25 kgs of food grain per month at prices almost half of the economic cost of the food grain. For the poorest of the poor families (i.e. the vulnerable section of the society), the price charged is almost one-fourth of the economic cost (Planning Commission, 2001). In rural India the beneficiaries of TPDS include landless agriculture labour, marginal farmers, rural artisans/craftsmen such as potters, weavers, blacksmiths, carpenters, etc.

Rural Poverty Across States

The proportion of rural population below the poverty line (BPL) at the national level has declined consistently over time (See Table 2). In 1973-74, more than half of rural population (i.e. 56.44 percent) was living below poverty line. This percentage has declined to one-fourth of total rural population (i.e. 27.10 percent) during 1999-2000. The absolute number of rural population has also declined from 261.3 million in 1973-74 to 193.2 million in 2000-2001.
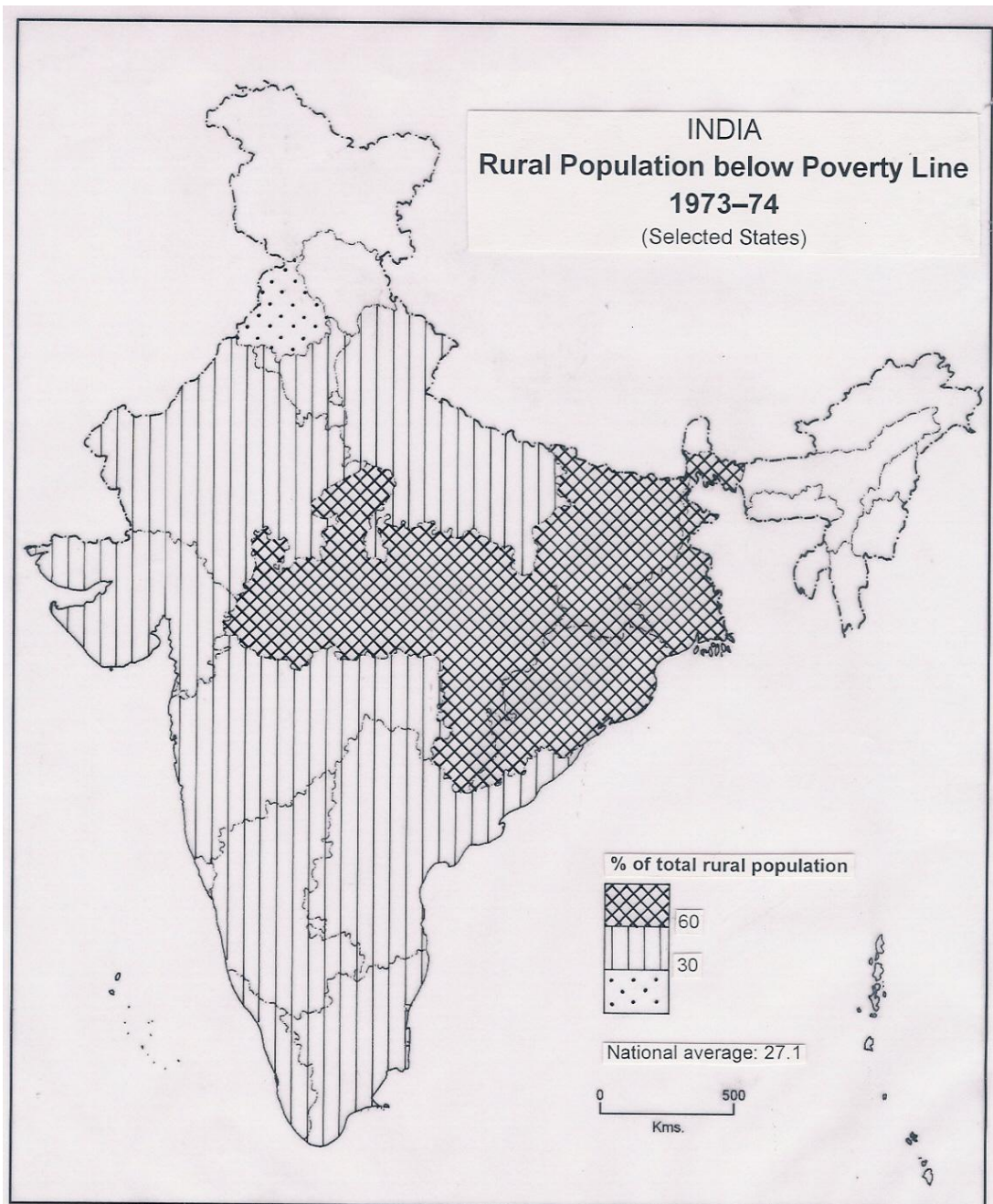
Table 2
All India Rural Poverty Estimates

Year	Poverty Lines (Rs. monthly per capita)	Poverty Ratio (percentage)	Number of Poor (in million)
1973-74	49.63	56.44	261.3
1977-78	56.84	53.07	264.3
1983-84	89.50	45.65	252.3
1987-88	115.20	39.09	231.9
1993-94	211.30	37.27	244.0
1999-2000	327.56	27.10	193.2

Source: Planning Commission of India

A close look at inter-state variations of estimates of rural poverty shows that in 1973-74, four states, namely, West Bengal, Orissa, Bihar and Madhya Pradesh had high (above 60 percent) percentage of rural people below the poverty line in that order (Map 1 and Table 3). States such as Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka, Andhra Pradesh, Gujarat and Haryana had a medium level of rural poverty (i.e. between 30 and 60 percent). Punjab with a percentage of 28.21 was the only state in the category of low-poverty states.

Map 1

INDIA
Rural Population below Poverty Line
1973–74
(Selected States)

% of total rural population

60
30

National average: 27.1

0   500
Kms.

Map 2

INDIA
Rural Population below Poverty Line
1999–2000
(Selected States)

% of total rural population

30

15

National average: 56.44

0   500
Kms.
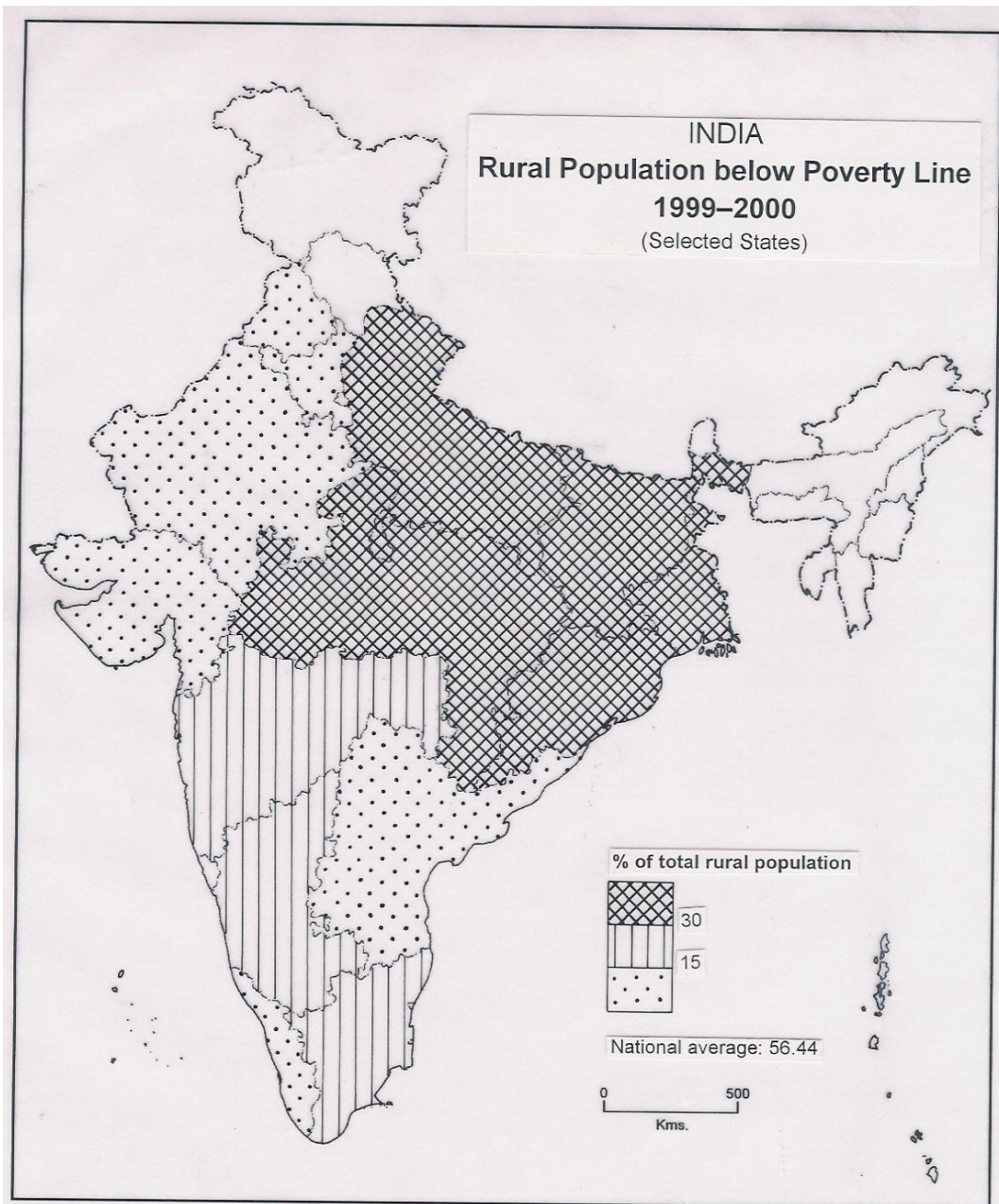
Table 3
Percentage of rural population below poverty line by States – Selected States

States	1973-74	1977-78	1983-84	1987-88	1993-94	1999-2000
Andhra Pradesh	48.41	38.11	26.53	20.92	15.92	11.2
Bihar	62.99	63.25	64.37	52.63	58.21	44.3
Gujarat	46.35	41.76	29.80	28.67	22.18	13.2
Haryana	34.23	27.73	20.56	16.22	28.02	8.3
Karnataka	55.14	48.18	36.33	32.82	29.88	17.4
Kerala	59.19	51.48	39.03	29.10	25.76	9.4
Madhya Pradesh	62.66	62.52	48.90	41.92	40.64	37.1
Maharashtra	57.71	63.97	45.23	40.78	37.93	23.7
Orissa	67.28	72.38	67.53	57.64	49.72	48.0
Punjab	28.21	16.37	13.20	12.60	11.95	6.4
Rajasthan	44.76	35.89	33.50	33.21	26.46	13.7
Tamil Nadu	57.43	57.68	53.99	45.80	32.48	20.6
Uttar Pradesh	56.53	47.60	46.45	41.10	42.28	31.2
West Bengal	73.16	68.34	63.05	48.30	40.80	31.9
India	**56.44**	**53.07**	**45.65**	**39.09**	**37.27**	**27.1**

After a gap of about twenty-five years (i.e. in the year 1999-2000), the states of Orissa, Bihar, Madhya Pradesh and West Bengal remained in the category of having a high percentage of rural population below the poverty line, i.e. above 30 percent (See Map 2 and Table 3). Uttar Pradesh was the new entry into this category. Maharashtra, Karnataka and Tamil Nadu were in the category of medium (between 15-30 percent) poverty states. The low level of poverty was a feature of Rajasthan, Gujarat, Andhra Pradesh, Kerala, Haryana and Punjab. Interestingly Punjab again had the lowest (6.4 percent) rural population below poverty line.

The foregoing analysis shows that rural poverty has declined in all the states, but at different rates. This trend has resulted in perpetuation of interstate disparities in rural poverty. This is confirmed by the notable increase in the value of coefficient of variation (C.V.) of rural poverty from 22.97 percent during 1973-74 to 60.84 percent in 1999-2000 (Table 4).

Table 4
Mean, Standard Deviation and Coefficient of Variation (C.V.) of Rural Poverty in India: Selected States

Year	Mean	Standard Deviation	C.V.
1973-74	53.8607	12.3734	22.97
1977-78	49.6614	16.3345	32.89
1983-84	42.0336	16.6581	39.63
1987-88	35.8364	13.4769	37.61
1993-94	33.0164	12.7901	38.74
1999-2000	22.6000	13.7497	60.84

Assessment of Public Programmes for Rural Poverty Alleviation

Rural poverty alleviation is affected by a variety of factors. In the study, as mentioned in the methodology section, the factors affecting reduction in rural poverty have been classified into two categories. The first set of factors is from public policy domain. It includes wage-employment and self-employment programmes; rural housing; advances by regional rural banks (RRBs) and the public distribution system. The second set of variables has its roots in socio-economic development and includes the variables of rural non-farm employment and rural literacy.

In order to investigate the combined role of these variables and also the role of each independent variable in explaining variation in rural poverty for the year 1999-2000, correlation and regression analyses have been worked out by using state-level data. The variables included in the model are given as under:

1. Y: Percentage of rural people below poverty line;
X1: Per Capita (Rural Poor) Expenditure on Wage Employment and Self-Employment.

Programmes (in Rupees);
2. X2: Per Capita (Rural Poor) Expenditure on Rural Housing Programmes (in Rupees);
3. X3: Per head (Rural Poor) Monthly Supply of Rice and Wheat for BPL under Public Distribution System (PDS) (in kgs);
4. X4: Per Capita (Rural Poor) Advances by Regional Rural Banks (in Rupees);
5. X5: Rural Non-Farm Employment (in percent);
6. X6: Rural Literacy (in percent).

The correlation coefficients between rural poverty and other variables are shown in Table 5. All the variables have negative correlation with rural poverty. However, three variables, namely, per capita (rural poor) expenditure on wage employment and self-employment programmes, per head (rural poor) monthly supply of rice and wheat for BPL under public distribution system (PDS) (in kgs), and per capita (rural poor) advances by regional rural banks (RRBs) have very high and significant (1 percent level) negative correlation with rural poverty. Out of the remaining three variables, two, namely, rural non-farm employment (in percent) and rural literacy (in percent) have low negative correlation with rural poverty, which is significant at 5 percent level. The third variable, viz, per capita (rural poor) expenditure on rural housing programmes has very low negative correlation with rural poverty, which is significant at 10 percent level.

Table 5
Correlation Matrix

Variable	Y	X1	X2	X3	X4	X5	X6
Y	1.000						
X1	-.735	1.000					
X2	-.413	.639	1.000				
X3	-.790	.612	.538	1.000			
X4	-.725	.681	.590	.583	1.000		
X5	-.476	.374	.405	.428	.493	1.000	
X6	-.455	.286	.355	.355	.370	.816	1.000

Regression analysis has been used to identify the extent of cause and effect relationship between rural poverty (dependent variable) and independent variables. As mentioned in the methodology, regression analysis has been carried out at two levels. The results of the first level of regression analysis having policy variables are as under:

Regression Equation I

$$Y = 47.45 - 0.0491X1 + 0.128X2 - 2.094X3 - 0.005X4$$
$$(8.385) \quad (-1.716)^{**} \quad (1.622)^{**} \quad (-2.744)^{*} \quad (-1.665)^{**}$$

$R^2 = 0.816$
Adjusted $R^2 = 0.734$
Figures in parentheses are t-values
* Significant at 5 percent level.
** Significant at 20 percent level.

The regression equation I shows that the public policy variables included in the model together explain about 81 percent of the total variation in the dependent variable (i.e. rural poverty). These results further suggest that three policy variables, namely, per capita (rural poor) expenditure on wage employment generation and self-employment programmes, per head (rural poor) monthly supply of rice and wheat for BPL under PDS, and per capita (rural poor) loans by RRBs help in reducing rural poverty. The positive impact of distribution of food grains to the poor at subsidized prices on rural poverty is significant at 5 percent level.

The positive influence of remaining two policy variables on rural poverty reduction is significant at 20 percent level. The fourth policy variable, namely, per capita (rural poor) expenditure on rural housing programmes, however, adversely affects rural poverty. The negative impact of this programme on rural poverty is significant at 20 percent level.

The regression equation II reveals that both policy and non-policy variables included in the model together explain about 83 percent of the total variation in the dependent variable (i.e. rural poverty). Four variables, namely, per capita (rural poor) expenditure on wage employment generation and self-employment programmes, per head (rural poor) monthly supply of rice and wheat for BPL under PDS, per capita (rural poor) advances by RRBs, and rural non-farm employment help in reducing the percentage of rural poor in the country. In this model also the positive impact of supply of food grains to the poor at reduced prices under PDS on rural poverty is significant at 5 percent level.

Regression Equation II

$$Y = 40.21 - 0.0447X1 + 0.134X2 - 2.451X3 - 0.004X4 - 0.239X5 + 0.290X6$$
$$(2.510) \quad (-1.386) \quad (1.547)^{**} \quad (-2.234)^{*} \quad (-1.156) \quad (-0.789) \quad (0.608)$$

$R^2 = 0.831$
Adjusted $R^2 = 0.686$
Figures in parentheses are t-values
* Significant at 5 percent level.
** Significant at 20 percent level.

The influence of the remaining three variables though is positive but is insignificant. The regression results further show that two variables, namely, per capita (rural poor) expenditure on rural housing programmes and rural literacy are causing increase in rural poverty. The negative impact of rural housing programme on rural poverty is significant at 20 percent level. The positive relationship between rural housing variable and rural poverty is partly due to the leakages of the funds given to the rural poor below the poverty line for the construction of their houses and the identification of wrong beneficiaries or fake rural poor under this scheme (Policy and Development Initiatives, 2000; Bhargava and Sharma 2002; Dev and Rao, 2002). On the other hand, the positive relationship between rural literacy and rural poverty may be due to skewness in rural literacy covering mainly non-poor rural population.

Conclusions and Policy Recommendations

In India the proportion of rural poor below the poverty line has declined over time. The same trend is noticeable in all the selected states. The pace of decline, however, has varied considerably across states. Kerala has experienced maximum decline (i.e. 49.79 percent) whereas Bihar has witnessed minimum decline (i.e. 18.69 percent) between the study periods. Though a declining trend is noticeable in most of the states, interstate disparities have widened.

Factors such as per capita (rural poor) public expenditure on wage employment and self-employment programmes; per head (rural poor) monthly supply of rice and wheat for BPL under PDS; per capita (rural poor) advances by RRBs and rural non-farm employment have helped in reducing the percentage of rural poor in the country. In contrast, rural housing scheme(s) and rural literacy have adversely affected rural poverty.

From the policy perspective the study recommends allocation of more public funds for the wage-employment and self-employment programmes, and for the public distribution system. Non-farm activities should be promoted in the villages to provide employment to the rural poor. The number of rural regional banks should also be increased in the country, which would play an important role in reducing the number of rural poor. The leakages/corruption in housing programs for the rural poor need to be corected with a view to improve its delivery. Introduction of a focused literacy programme for the rural poor can also help in mitigating rural poverty in India.

Acknowledgment

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