

Empowering Rural Communities through E-Governance: A Case Study Analysis of Village Level Entrepreneurs in Common Service Centres, Rayagada District, Odisha

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1. Abstract

The Common Service Centres (CSCs) initiative, established by the Ministry of Electronics and Information Technology (MeitY), Government of India, aims to bridge the digital divide by delivering Government-to-Citizen (G2C) services to rural populations. This study examines the socio-economic impacts of CSCs on Village Level Entrepreneurs (VLEs) in Rayagada district, Odisha, through a qualitative case study approach. Drawing on data from 55 VLEs across 11 blocks, the research highlights operational challenges, including inadequate commission structures, proximity-based competition, and public trust deficits. Findings suggest that while CSCs enhance rural access to e-governance, systemic issues such as insufficient training, limited government support, and socio-political barriers hinder their sustainability. Recommendations include increasing VLE commissions, regulating CSC proximity, and launching public awareness campaigns to foster trust and utilization.

Key Words: Common Service Centres (CSCs), Special Purpose Vehicle (SPV), Village Level Entrepreneurs (VLEs)

2. Introduction

E-governance has emerged as a transformative mechanism for delivering public services, promoting transparency, and fostering inclusive development in rural areas (Bhatnagar, 2004). In India, the Common Service Centres (CSCs), locally termed "Jana Seva Kendra" or "Mo Seva Kendra" in Odisha, serve as critical intermediaries in the Government-to-Citizen (G2C) service ecosystem. Established under the Ministry of Electronics and Information Technology (MeitY), CSCs operate as Special Purpose Vehicles (SPVs) to deliver digital services to underserved populations, reducing dependency on physical government offices (MeitY, 2023). As of November 2023, India hosts 562,901 operational CSCs, with 447,857 in rural areas, facilitating over 95% of G2C services (CSC e-Governance Services India Limited, 2023).

Despite their proliferation, challenges such as digital illiteracy, unreliable internet infrastructure, and limited awareness impede effective service delivery in rural regions (Sanyal, 2018). In Rayagada district, Odisha, a predominantly tribal and socio-economically marginalized area, 252 CSCs operate to address these barriers, yet their implementation remains uneven. This study investigates the socio-economic benefits and challenges faced by Village Level Entrepreneurs (VLEs) operating CSCs in Rayagada, emphasizing their role in fostering digital inclusion and sustainable livelihoods. Through a case study approach, the research explores operational dynamics, stakeholder experiences, and policy implications for enhancing the CSC model.

3. Literature Review

E-governance initiatives, such as CSCs, align with the principles of New Public Management, emphasizing efficiency, accessibility, and citizen-centric service delivery (Dunleavy & Hood, 1994). CSCs serve as "access points" for rural citizens, mitigating the digital divide by providing affordable and localized access to government services (Bhatnagar, 2004). However, studies highlight persistent challenges, including inadequate infrastructure, low digital literacy, and insufficient entrepreneurial training for VLEs (Sanyal, 2018; IJEDICT, 2007).

The CSC model relies on VLEs as micro-entrepreneurs, yet their financial sustainability is often undermined by low commission structures and operational constraints (Sanyal, 2018). Moreover, regional factors, such as socio-political instability and trust deficits among rural populations, further complicate CSC implementation (MeitY, 2023). This study contributes to the literature by examining the lived experiences of VLEs in Rayagada, offering insights into the interplay of structural, socio-economic, and policy-related factors shaping e-governance outcomes.

4. Methodology

4.1 Study Area

Rayagada district, Odisha, comprises 11 administrative blocks, 171 Gram Panchayats, and 2,671 revenue villages, with a significant tribal population. The district was allocated 446 CSCs based on population and village distribution, but only 252 were operational by December 2023 (CSC Locator, 2023).

4.2 Data Collection

A qualitative case study approach was adopted, focusing on 55 VLEs across 11 blocks (Table 1). Data were collected through semi-structured interviews, supplemented by secondary sources from CSC databases and government reports. Three in-depth case studies were selected from Gunupur, Kolnara, and Muniguda blocks to illustrate diverse VLE experiences.

4.3 Data Analysis

Thematic analysis was employed to identify key patterns, including operational challenges, financial sustainability, and public trust. Quantitative data on CSC distribution (Table 2) were analyzed to assess

Serial No	Name of the Block	No of Gram Panchayats	No of Revenue Villages	Total no of Sanctioned CSCs	Total no of rolled out CSCs Till December 2018	Total no of rolled out CSCs Till December 2023
1	Muniguda	16	416	69	28	32
2	Bisam Cuttack	20	308	51	23	25
3	Gunupur	18	129	22	28	30
4	Rayagada	28	294	49	21	30
5	Kolnara	15	199	33	14	17
6	Kalyansinghpur	13	254	42	13	27
7	Padmapur	13	125	21	22	32
8	Ramnaguda	12	119	20	18	18
9	Kashipur	20	449	75	17	23
10	Chandrapur	7	219	37	3	3
11	Gudari	9	159	27	10	15
	Total	171	2671	446	197	252

implementation disparities. The study adheres to ethical standards, ensuring participant anonymity and informed consent.

Rayagada district, comprising 11 blocks, was allocated 446 Common Service Centres (CSCs) by the Government of India, based on population and the number of revenue villages. However, implementation has been uneven. By the end of 2018, only 197 CSCs were operational, increasing to 252 by the end of 2023 (Table 1). While blocks such as Gunupur and Padmapur exceeded their sanctioned CSC allocations, Chandrapur block significantly underperformed, with only 8% of its allocated CSCs operational. Village Level Entrepreneurs (VLEs) in Chandrapur cited security concerns, particularly threats from Naxal activities, as a primary barrier to CSC rollout. These disparities highlight the influence of regional socio-political challenges on the deployment of e-governance initiatives in rural Odisha.

TABLE 1: Block-wise Distribution of Sanctioned and Operational CSCs in Rayagada District

Source: <https://www.csclocator.com>

As per the data available in the table no 2 there is a growth in the number of CSCs in the district which is 28% in last 5 years.

TABLE 2 : Block wise CSCs selected for the study

SLNO	BLOCK NAME	TOTAL NO OF FUNCTIONAL CSC AS ON 2023	NO OF CSC ON SURVEY
1	Muniguda	32	6
2	Bisam Cuttack	25	6
3	Gunupur	30	6
4	Rayagada	30	5
5	Kolnara	17	5
6	Kalyansinghpur	27	5
7	Padmapur	32	5
8	Ramnaguda	18	5
9	Kashipur	23	5
10	Chandrapur	3	2
11	Gudari	15	5
	TOTAL	252	55

Source: Primary Data (2023)

5. Results

5.1 CSC Implementation in Rayagada

Between 2018 and 2023, the number of operational CSCs in Rayagada increased by 28%, from 197 to 252 (Table 1). However, disparities persist, with blocks like Gunupur and Padmapur exceeding sanctioned allocations, while Chandrapur achieved only 8% of its target, citing Naxal-related security concerns.

5.2 Case Studies

Three case studies illustrate the challenges and opportunities faced by VLEs:

Case 1: Mr. Subash Chandra Pani (Gunupur Block)

Mr. Pani, a 53-year-old VLE, established a CSC in 2010 opposite the Sub-collector's office in Gunupur. Initially successful due to its strategic location, his business faced disruption in 2018 when his landlord,

Mr. Ipili Mohan Rao, opened a competing CSC in the same premises, forcing Mr. Pani to relocate temporarily to his residence. After securing a nearby shop, Mr. Pani regained his customer base but highlighted the adverse impact of CSC proximity, stating, “The government should not allow CSCs in such close proximity, as it creates unnecessary competition.”

Case 2: Mr. Tripathi Raiguru (Kolnara Block)

Mr. Raiguru, aged 34, opened “Maruti Jana Seva Kendra” in 2014 with an investment of INR 110,000. Despite operational knowledge, he reported low commissions (e.g., INR 2.50 for electricity bill payments) and insufficient returns, stating, “The condition of VLEs is not as good as the government promised.” He estimated monthly earnings of INR 12,000–15,000 with 70–80 daily customers, underscoring the need for revised commission structures to ensure financial sustainability.

Case 3: Mrs. Mamata Manjari Jena (Muniguda Block)

Mrs. Jena, a postgraduate in Public Administration, opened “Muniguda Digital Service Center” in 2016 to support her family. Transitioning from a retail business, she faced challenges due to public skepticism and low service uptake, as citizens preferred visiting government offices 4 km away. She noted, “Neither the government nor the SCA is doing anything for VLEs,” emphasizing the need for awareness campaigns to build trust in CSC services.

5.3 Key Findings

Thematic analysis revealed three critical challenges:

1. **Proximity-Based Competition:** Overlapping CSC locations, as seen in Mr. Pani’s case, create unhealthy competition and customer confusion.
2. **Inadequate Commission Structures:** Low commissions, as reported by Mr. Raiguru, undermine VLEs’ financial viability.
3. **Public Trust Deficit:** Mrs. Jena’s experience highlights a lack of awareness and trust in CSC services, necessitating robust publicity efforts.

6. Discussion

The findings align with prior research highlighting the CSC model’s potential to bridge the digital divide while underscoring systemic challenges (Sanyal, 2018; IJEDICT, 2007). The uneven implementation in Rayagada, particularly in Chandrapur, reflects the impact of socio-political factors, such as Naxal activities, on e-governance initiatives. The case studies reveal that while VLEs contribute to social inclusion, their entrepreneurial success is hampered by inadequate training, low commissions, and insufficient government support.

Sanyal (2018) notes that the lack of comprehensive needs assessments and training by Service Centre Agencies (SCAs) exacerbates VLE challenges. The proximity issue, as seen in Mr. Pani’s case, suggests a need for stricter spatial regulations by SCAs. Similarly, Mr. Raiguru’s financial struggles highlight the

necessity for revising commission structures to align with VLEs' operational costs. Mrs. Jena's experience underscores the importance of public awareness campaigns to enhance trust and service uptake, particularly among rural populations with limited digital literacy.

7. Conclusion and Recommendations

CSCs in Rayagada district have significantly enhanced access to e-governance services, yet VLEs face operational and financial challenges that threaten the model's sustainability. To strengthen the CSC ecosystem, the following recommendations are proposed:

1. **Regulate CSC Proximity:** SCAs should implement spatial guidelines to prevent overlapping CSCs, reducing competition and customer confusion.
2. **Revise Commission Structures:** The government should increase VLE commissions to ensure financial viability, particularly for low-margin services like bill payments.
3. **Enhance Public Awareness:** Mass publicity campaigns, supported by the government and SCAs, are essential to build trust and promote CSC services.
4. **Strengthen Training and Support:** Comprehensive training programs and ongoing SCA support are critical to equipping VLEs with entrepreneurial and technical skills.

Future research should explore longitudinal impacts of CSCs on rural economies and assess the effectiveness of policy interventions in addressing VLE challenges.

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