

Building a New Kerala

Ideas and Reflections



**Who will control the next-generation technology
that will rebuild Kerala?**

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The news about [KPMG's involvement](#) in managing reconstruction work in Kerala - as "project consultant partner in the massive exercise to rebuild the state ravaged by recent floods" comes as a let down.

But it is perhaps no surprise.

A lot has been written about the rise and rise of new public management (NPM) techniques in governance and how the essentials of twenty first century bureaucracy include a devout faith in Public Private Partnerships (PPPs). The promise of digital technologies for good governance has only further legitimised such private sector involvement in public administration.

The problem here is neither the case for efficiency, passionately argued in the NPM rhetoric, nor the merits of digital technology and data, arguably vital for effective governance. An efficient public system that recognises and responds to citizen claims is most welcome from the standpoint of the poorest and most vulnerable. Similarly, digitally mediated methods for transparency and accountability, like the NREGS website and its open data repositories, are immensely inspiring for the active and vigilant citizenship they have generated across the country.

The problem really is the widespread and deep rooted conviction about corporate supremacy in matters of digital age government. No surprise then that we find entire sections within various ministries run by leading IT companies and transnational corporations (referred to, innocuously, as 'private consulting firms').

This has not happened simply by accident. The new age of big data and its promises have been essentialised as a private sector 'driven' process. From the build up to the SDGs around 2014 that underlined "data for development", to current conjuncture, the discourse has rapidly evolved along a spectrum that includes big data analytics, artificial neural networks, blockchain, machine learning, 'AI for good' and the like. A beholden international development community has succeeded in naturalising Big Tech's ideas of governance and development. Foreign policy imperatives of the developed world neatly slip into big data projects for the developing world, which – while using the rhetoric of 'local ownership' – are no more than the means to create and expand markets.

Welcome to [digital colonialism](#).

KPMG pledging support to the effort to rebuild Kerala by drawing upon its global expertise and human resources, is part of this wider shift – an unchallenged redefinition of the social contract

and a mission creep – that implies the take over of public space in the name of expertise. The “next generation technology”, invoked in the media briefing, must be read as the marvels made possible by this phenomenon called ‘data’, a resource that provides the base structure for recoding human institutions and social processes.

Today, a handful of companies like Google, with the data empire that they have painstakingly built over the years, are crafting digital intelligence solutions that can come to the aid of social problem-solving. Combining algorithmic power with huge volumes of data to train computers in pattern recognition, these solutions portend the future tools of public decision making. In 2008, researchers from Google claimed that their big data innovation, Google Flu Trends, could predict the disease spread of flu. Based on online searches for flu-related information on Google, the big data model was touted as providing almost instant signals of overall flu prevalence. In the 2013 flu outbreak, Google Flu Trends failed spectacularly, and was way off the mark. Evidently, something had gone wrong in the way the AI had not been updated.

Data-based intelligence that is privately held can be totally opaque in terms of method and data, with real dangers for public decision-making.

The KPMG team is reported to have discussed with the Chief Minister of Kerala how rebuilding the state’s economy, assets, and infrastructure and the revival of livelihoods could benefit from next-generation technology. Towards this, they will provide personnel and services pro bono. The Big Four in the management consulting world – PwC, Ernst & Young, Deloitte, and KPMG – have, in the past few years, made [systematic inroads into AI](#), not only in their accounting services, but also, advisory services aimed at business process reengineering. The business of drawing up strategic plans based on AI, towards the cherished goal of what rather ominously in tech lingo is called ‘disruptive’ change, be it for organisations or cities or agriculture and retail supply chains, is big capital’s new horizon.

This is why KPMG’s ostensibly large hearted gesture requires to be put through a serious scrutiny. Transnational corporations have a huge stake in accessing public data infrastructure in the global South. A state like Kerala - with its strong grassroots democracy - has a solid track record of data based local planning. Public data sets will have to be handed over to any firm that will process them for putting in place a new, digitally booted infrastructure. Sitting on top of existing public data sets and newly generated ones that will quite certainly use existing government resources, can place such a firm in a remarkably smug position. Even as the company will provide suitable big data and AI solutions to the government, it will become an irreplaceable link in the wider public administration ecosystem.

Public data processes that are dependent on private control risk being captured. They can also hold public interest to ransom. This, by no means is a notional threat. In 2017, the welfare system in South Africa was severely compromised as a result of the South Africa Social Security Agency (SASSA) entering into a poorly framed contract with a private company, Cash Paymaster Services (CPS). The contractor, which was entrusted with the task of administering

welfare entitlements to beneficiaries in the country from April 2012 to March 2017, was able to exploit the database of welfare beneficiaries to make unauthorised debit deductions from beneficiaries' welfare grants through their SASSA bank accounts, towards payments for airtime, electricity and various types of loans and financial instruments that were held by its sister concerns. The contract was allowed to continue for the stipulated time period, despite the fact that it was declared invalid by the Constitutional Court in 2013 (following legal action filed by a competitor), since revoking the service provision agreement would have created a serious governance crisis. SASSA was due to take over in April 2017 from CPS, by building in-house capabilities to manage its grants while it waited out the contract period, but it failed to realise its objectives and had no contingency plans to take over from CPS. Thus, the agency was left with little or no recourse but to consider extending an already unlawful contract with CPS, which not only demanded an increase in fees, but also threatened to walk away with the database of welfare beneficiaries in the event that the agreement was terminated. In a nation where welfare is a critical lifeline for the poor, the looming vacuum of the grants payment system presented a situation threatening to escalate to civil unrest. This crisis was only narrowly averted through legal intervention and civil society action through the ['Hands off our Grants' programme](#). When SASSA approached the Constitutional Court for approval of the proposal in February 2017, the court ruled that the contract would be allowed to continue for a period of one year, within which SASSA would develop a clear transition plan. The court also emphasised that the confidentiality of beneficiaries' data needed to be protected and that providers working for the state could not assert ownership over the data. This move has undone some of the damage to the welfare system, but it only goes half-way.

Worryingly, in May 2017, CPS's parent company, Net1, successfully moved the courts to have the regulations against unauthorised deductions from grant beneficiaries that were issued in 2016 struck down. Civil rights organisation Black Sash, a key actor in the 'Hands off our Grants' programme, makes a sharp observation on how weak norms in such arrangements directly impinge upon citizen rights:

“The reality for many grant beneficiaries is that deductions and debit orders often go off before they have received their grants, leaving people with insufficient funds to care for themselves or their families for the rest of the month which perpetuates the cycle of indebtedness. These financial institutions that appear to have captured a portion of the social grants budget have no qualms in continuing to sell financial products to the poor, as their repayments are basically guaranteed irrespective of the undue hardship this creates.”

Earlier this year, Net1 was held guilty of mishandling public funds for private gain.

What is at stake with enlisting KPMG's 'offer of support' is basically the simple, cornerstone ideal of participatory democracy, something that Kerala prides itself in.

Assuming KPMG's offer does not come with any axe to grind, and is purely well meaning, it would still be necessary to ask the question - who will own the next generation technology - the big data about people, things, forests, weather, land, roads, rivers and more - that will scaffold the new Kerala?

Kerala has been at the forefront of a different kind of IT revolution. Its well conceived Akshaya programme provided a viable public access model, in the days before the mobile revolution. Even though a wee bit ahead of times and hence somewhat of an unsuccessful experiment, projects like e-krisi did seek to provide the farming community in the state a pioneering digital infrastructure prototype. If any state can convert the extraordinary social crisis owing to the floods into a collective social opportunity of reconstruction, it is Kerala. The resilience of local people, especially youth, during the rescue operations, has been widely acclaimed.

It may therefore be apt for the government to embark on a bold experiment through public consultations to explore a blueprint for a community-owned data infrastructure model. This will require a comprehensive policy about how spatial data, data from Internet of Things, sensors, drones etc. will be collected, aggregated and processed for local governance and future environmental sustainability in a transparent and accountable way.

Innovative governance models for data, based on a citizen-centric data ethics, are urgently needed. Some big data repositories are already engaging with this need; the UN has its Global Pulse initiative, setting up collaborative data repositories around the world; Flowminder, based in Sweden, is a nonprofit dedicated to gathering mobile phone data that could help in response to disasters.

Obviously there is a role for various kinds of expertise in designing and executing the ambitious task of citizen-led, citizen-controlled, local data repositories. Not only the private sector, but civic institutions and local organisations must play their part. But the government needs to be in the driving seat, putting in place the frameworks necessary to hand over to the people the possibilities for data infrastructures owned and driven by the people.

Gratitude for corporate largesse won't do. It could even prove to be a costly mistake.

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