Digitally enabled, govt saves big

Around ₹5.9 lakh crore disbursed via DBT over 4 years, ₹90,000 cr saved, UPI payments surge

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WHEN THE MODI government launched the Digital India programme, it was expected that multiple purposes would be served with it—catalysing the move towards a less-cash (more formalised) economy and cutting the enormous waste in assisted government subsidies and other schemes. But better targeting being the top two.

During the course of last four and a half years, it has been able to provide a digital identity, that is Aadhaar, to over 1.33 crore people in India, which is double the number in 2014, when 1.1 crore people had Aadhaar numbers.

On the lack of various digital initiatives, India ranks on the United Nations eGovernance Index has climbed 11 positions to 96 in 2018 from 108 in 2014. The move towards digital India has entered into the top 100 for the first time. In fact, India landed at 96 in 2016, when Congress-led UPA government was in power.

With most of this digitisation, growth in digital payment systems such as BHIM, UPI and BHIM-Aadhaar have gained traction. As per data shared by the government, over the past four years, digital payment transactions have grown manifold from 8.5 crore transactions in 2015-16 to 70.71 crore in 2017-18. BHIM app has become one of the leading digital payment instruments for sending, collecting the money and pay for various utility bills.

In November 2018, more than 1.34 lakh transactions of value ₹7.98 lakh were made using BHIM app, the government said.

The Government's measures and smartphones have transformed the ecosystem of digital delivery of services. With the combination of national bank accounts, mobile phones and Aadhaar numbers, lakhs of people are able to receive monetary benefits directly to their bank accounts.

While its intent to link Aadhaar to welfare schemes met some criticisms, the Supreme Court in September 2018 ruling upheld the Constitutional validity of the Aadhaar Act even as it fenced the law from possible misuse by those and against utilisation of the personal information on connecting the permanent account number (PAN) to the Aadhaar and linkage of the process of warding accounts and benefits provided by the government to the unique identity. While UPI-based digital payments are on the rise, banks see both as an opportunity and a challenge to this.

According to Ministry of Electronics and Information Technology, the number of users over 199,396 has been disbursed through Aadhaar-based DBT to beneficiaries of 433 government schemes which have led to savings of over ₹90,000 cr in the last 4 years by removing fictitious claims, said an official of the IT Ministry.

To make government services easily accessible to people, a mobile platform, UMANG (Unified mobile application for new age governance) was created. The platform offers access to 3.25 services, 72 applications of 17 states as on December 2018.

Another initiative of the government to promote electronic services in rural areas was common service centres (CSC). At present, 3.01 lakh CSCs are functional of which 2.11 lakh are functional at gram panchayat level. The CSCs, which work under the public private partnership model offers a wide range of digital services to the people.

The government had also announced MyGov as a citizen centric digital collaboration platform in 2014. Started in July 26, 2014, the platform got 8,734 lakh users in the first year. Today, it has over 71 lakh active users, about 64 groups who contribute ideas through 796 discussion groups and participate through 784 earned badges that have grown from 36 lakh active users in April 2018, the government said.

The IT ministry has been steering BPO in rural areas. Under the BPO scheme, 43,984 seats have been allocated to 163 companies, which resulted in setting up of 240 units distributed across 155 locations in 20 states and J Union Territories. A 1,996 rise was witnessed in electronics production in 2018.