

Technology is driving efficiency and effectiveness in government and transforming India

# Digital Within Every Grasp



Amitabh Kant

**D**uring my tenure in Kerala, I got a unique opportunity to work in the fisheries sector. The task was to improve the livelihood of traditional fishermen. The sector was riddled with middlemen, and fishermen were getting only 25% of the market price of fish.

We formed self-help groups and provided them with new technology: fibreglass crafts, outboard motors and fishing nets to enhance their productivity. We also introduced beach-level auctions so that earnings from their daily catch could be deposited in their bank accounts. The biggest challenge was to get bank accounts opened for the fishermen. It took us 10 months of chasing physical banks and bank managers to get this done. The process of 'Know Your Customer' (KYC) was a nightmare.

Contrast this with my experience last month. I walked into a bank branch and opened my account using my biometric on a hand-held device in one minute flat. From 10 months to one minute has been the paradigm shift.

In the last few years, governance in India across sectors has been redefined through business process reengineering, technology and data analytics. Technology is reshaping the way government is designing and implementing programmes. The use of technology has brought in better systems, greater efficiency and is beginning to have a profound impact on governance.

India has combined the use of uni-

que biometric identifiers and financial inclusion for effectiveness in social benefits and to reduce the vast number of illegitimate beneficiaries under welfare programmes. The Direct Benefit Transfer (DBT) has been implemented across 437 schemes, and helped save ₹83,000 crore till date. Its implementation has led to 2.75 crore duplicate, fake or non-existent ration cards being deleted, and 3.85 crore duplicate and inactive consumers for liquefied petroleum gas (LPG) subsidy being eliminated.

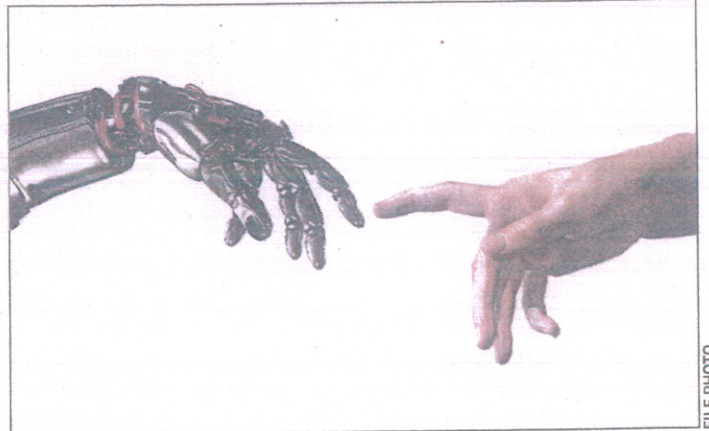
The Public Financial Management System (PFMS) has led to the creation of a financial management platform for all plan schemes, a database of all recipient agencies, integration with core banking solution of banks, integration of state treasurers and tracking of fund flow to the lowest tier of implementation of plan schemes on real-time basis. PFMS has also led to just-in-time release of funds and efficient management in the use of funds, including ultimate utilisation.

## Pay Like Bhim

On March 28, ₹72,000 crore was digitally transacted through the PFMS portal for 98 lakh transactions. This is a record of number of digital transactions processed in a single day.

Digitisation has led to lower costs in collection of direct taxes. Almost 98.5% of all income-tax (I-T) returns have been filed online. The I-T Department received 6.84 crore income-tax returns in 2017-18, a growth of 26%, and additionally, more than one crore new tax returns.

Unified Payments Interface (UPI) and Bharat Bill Payment System (BBPS) have triggered a plethora of private sector-innovated apps, which have significantly eased citizens' bill payments towards services provided by GoI. BBPS has more than doubled the number of bills paid digitally from April 2017 when the pilot was launched. The value of bills paid on the plat-



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## Social networked

form has jumped by about 46% during this period. According to a KPMG report, the size of the bill payments market in India will reach ₹9.4 trillion by 2020.

Digital payment transactions have now become extremely simple, thanks to the Bharat Interface for Money (BHIM) UPI. We have seen the emergence of Google Tez and WhatsApp payment. In 2017-18, India has seen over a billion transactions in volume and over a trillion rupees in value. There will be increased disruption with new players and new technologies.

The rollout of the goods and services tax (GST) has resulted in a 50% increase in unique indirect taxpayers compared with the pre-GST system. This translates to a substantial 3.4 million new indirect taxpayers leading to a radical formalisation of the economy.

Finally, in the Pro-Active Governance and Timely Implementation (PRAGATI) programme, Prime Minister Narendra Modi has used technology to cut across departmental silos and geographical boundaries to ensure speedy project implementation. He has dealt directly with senior central and state officials to monitor, review and evaluate progress of social sector schemes and infrastructure projects that were facing severe bottlenecks.

Through video conferencing, Modi held 25 PRAGATI meetings and cleared over 227 projects worth more than

₹10.5 lakh crore.

A recent Microsoft-International Data Corporation (IDC) study, 'Unlocking the Economic Impact of Digital Transformation in Asia Pacific', predicts that digital transformation will add \$154 billion to India's GDP by 2021, increasing the growth rate by 1% annually. In 2017, about 4% of GDP was derived from digital products and services created directly through the use of technologies like Cloud, Internet of Things (IoT) and artificial intelligence (AI).

## Live Life Ayushman

The Ayushman Bharat scheme will digitally link primary and community health centres with district hospitals. Along with the ₹5 lakh health insurance, which will cover 50 crore Indians, it will ensure healthcare through a paperless, cashless, portable scheme. The health stack linked to Aardhaar will be transformational.

For years, India has been a complex nation, making it difficult for the common man to access government services. The rapid adoption of digital technology across sectors is making things easy and eliminating all forms of human intervention. This has a major impact on the efficiency and effectiveness of governance.

The writer is CEO, NITI (National Institution for Transforming India) Aayog

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