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**ALLEVIATION OF POVERTY AND CONCURRENT DIGITAL
TRANSFORMATION IN WEAKER SECTIONS OF INDIAN SOCIETY**

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ASSIGNMENT ON ECONOMICS
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DIGITAL TRANSFORMATION IN RURAL INDIA AS A KEY ENABLER TOWARDS
POVERTY ALLEVIATION

Introduction

India with 1.35 billion people, is the second most populated nation in the world after China. On gaining independence in 1947, the first census of independent India was undertaken in 1951 resulting in a population count of 382 Million people and over the last seven decades, the population of the country has grown by 3.5 times to reach its present figures. 68.86% of the population resides in rural areas with the balance 31.14% in urban areas¹. One of the key developments in India over the last decade has been the steady progress in the efforts of the Government towards alleviation of poverty.

The World Bank defines a person as extremely poor if he/she is living on less than 1.90 International dollars a day (2011 PPP \$1.90 per person per day), adjusted for inflation as well as price differences between countries. When measuring ‘Absolute Poverty’ with respect to World Bank estimates; since the 2000s, India has made significant progress in reducing absolute poverty which has declined from 21.6 percent of the population in Financial Year 2001/12 to an estimated 13.4 percent in 2015 at the international poverty line². When analysing progress in poverty alleviation in terms of Multi-dimensional poverty, India has lifted 271 Million people out of multi-dimensional poverty within a decade from 2005/2006 to 2016/2017 according to figures released by the United Nations Development Programme in 2019.

Additionally, India’s National Poverty line is based on the recommendations of an Expert group constituted in 2009 by the erstwhile Planning Commission of India headed by Mr Suresh Tendulkar (an Indian economist and former chief of the National Statistical Commission). As per the committee’s recommendations, the National Poverty Line is currently fixed at daily expenditure of ₹27.2 in rural areas and ₹33.3 in urban areas (One USD = Indian Rupees 75.00 as per current

¹<http://statisticstimes.com/demographics/population-of-india.php>

²https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_IND.pdf

exchange rates). In accordance with these yardsticks, overall poverty in India reduced from 45% in 1993-1994 to 22% in 2011-2012 as per reports released by NITI AAYOG³ (replaced Planning Commission in 2014). While a number of measures may have contributed to this progress including government schemes for poverty upliftment, subsidies, micro-finance, cash transfers, creation of jobs for unskilled labour, economic growth etc, India has also witnessed a concurrent steady revolution and transformation during this period. This transformation has been in the spread of digital platforms and mobile telecommunications into the interiors of the nation, empowering people to take charge of their own destinies and accrue fullest advantage of opportunities offered both by the Government and the Private sector to uplift their lives. This paper therefore, seeks to examine the level of penetration of digital technology into the rural heartlands of the country and how people from the lowest strata of society are leveraging this technology to uplift themselves from poverty and move towards economic emancipation.

The Eco-System of Digital Transformation – The Key Enablers

Growth of Mobile Communication in India. India has seen a rapid growth in the field of communication and mobile telephony over the last two decades. According to data released by the Department of Telecommunications, India had a total of 3.58 million mobile subscribers in 2001 which has now grown exponentially to almost 1.16 billion subscribers in 2019 (Telecom Statistics 2019). When assessing the growth of telecom subscribers in the rural sector (both fixed line and mobile), the number of subscribers have increased from just 18.54 million in 2006 to 514 Million in 2019, a staggering ‘*28 fold*’ increase in the number of rural subscribers as compared to urban subscribers which increased by only ‘*5.4 times*’ in the same period.

Internet Users in India. India was assessed to have a total of 560 Million Internet users in 2019 which is expected to grow to 667 Million by 2023. Out of these 560 Million, 290 million internet users are from rural areas with digital adoption now being driven by rural India registering a 35% growth in internet users over the past year. Increased availability of bandwidth, cost-effective data

³<https://niti.gov.in/sites/default/files/2018-12/presentation-for-regional-meetings-NITI-AAYOG.pdf>

plans and increased awareness driven by government programmes seem to have rapidly bridged the digital gap between urban and rural India enabling penetration in the rural sector to increase from 9% in 2015 to 25% in 2018⁴. Implementation of the National Broadband Network is also playing a key role in facilitating the spread of the internet network across the country.

Proliferation of Smart Phones. The proliferation of smart phones has been another impressive growth story in India and has substituted desktops for many Indians who use it for a wide variety of services ranging from handling financial transactions, banking, education, entertainment, bookings etc. According to market research firm techARC, India had 502.2 million smartphone users as of December 2019, which means half a billion of Indians are now accessing wireless broadband through smartphones (in addition to wired broadband connections). With the extremely affordable entry level smart phones being available for a starting price of as low as Rs 5000 (USD 66), the market is set to experience further growth and numbers are likely to reach 859 million by 2022 according to current market predictions⁵.

The ‘JAM’ Trinity for Poverty Alleviation

‘*JAM*’ represents the Trinity or the three interlinked pillars for inclusion and integration of the Indian population and represents the following key elements:-

‘*J*’ for Jan Dhan (Zero Balance Accounts for the Poor).

‘*A*’ for AADHAR (Unique Identification Code for every single Indian Citizen).

‘*M*’ for Mobile.

While the rapid expansion and growth of mobile communication and internet penetration discussed above provides the framework for digital transformation and outreach across the Indian sub-continent, the ‘*Trinity of JAM*’ has revolutionised implementation of government sponsored assistance schemes by linking Jan Dhan accounts, Mobile numbers and Aadhar cards of all Indians to directly transfer subsidies to intended beneficiaries and eliminate ghost beneficiaries, middlemen ,

⁴<https://www.livemint.com/industry/telecom/internet-users-exceed-500-million-rural-india-driving-growth-report-1552300847307.html>

⁵<https://economictimes.indiatimes.com/tech/hardware/smartphone-users-expected-to-rise-84-to-859m-by-2022-assoacham-pwc-study/articleshow/69260487.cms>

intermediaries and cash as well as commodity leakages. The elements of the '**JAM**' Trinity are discussed in the following paragraphs.

Banking and Financial Inclusion. The Pradhan Mantri Jan Dhan Yojana (PMJDY) or the Prime Minister's Zero Balance Account Scheme was launched in Aug 2014 as a national mission encompassing an integrated approach to bring about comprehensive financial inclusion and provide banking services to all households in the country. The scheme provides a platform for universal access to banking facilities and financial services like availability of a basic savings bank account (***Zero Balance***), access to need based credit, remittances facility, insurance and pension⁶ with at least one such bank account in every household. It covers both urban and rural areas and those who open an account also get the benefit of an indigenous Debit Card (RUPAY card). A '***Jan Dhan***' Account can be opened in any bank branch directly or through a Business Correspondent (***Bank Mitra*** or ***Bank Friend***) outlet. Every bank account is hosted on the Core Banking System (CBS) of banks with an added Mobile banking feature using USSD facility supported even on basic feature phones. A facility of a nationwide call centre and toll-free number is also available as part of the Scheme's infrastructure.

To elaborate on the outreach initiatives, in order to provide universal access to banking facilities for all households across the country, even in remote areas where bank branches are inaccessible, the Scheme has provisioned employment fixed-point Business Correspondent (BC) called '***Bank Mitra***' (Bank Friend) as previously mentioned. Any Indian citizen with basic computer knowledge and above 18 years of age can become a '***Bank Mitra***' for a Bank and start their own entrepreneurial journey. The '***Bank Mitra***' is provided with a device capable of on line interoperable transactions using RUPAY cards and an Aadhaar enabled payment system to assist people in remote or inaccessible areas with basic banking services viz opening of Jan Dhan account, cash deposits, cash withdrawal, money transfer, Fixed Deposits, Recurring Deposits and Loan services. Since the

⁶https://www.pmindia.gov.in/en/major_initiatives/pradhan-mantri-jan-dhan-yojana/

launch of the scheme, 126,000 Bank Mitras have been appointed by various banks creating new jobs as well as enhancing the reach of banking into the hinterland of India.

According to data released on the PMJDY archives, the number of Jan Dhan Accounts increased from 179 Million in Aug 2015 (one year after launch of the scheme) to 382.5 Million accounts by Apr 2020, *an increase of almost 207 Million bank accounts in five years*. In terms of cash deposits in these accounts; deposits have increased from Rupees 22393.99 Crores (equivalent 3.43 Billion dollars) in Aug 2015 to Rs 132118.17 Crores (19.8 Billion USD) by Apr 2020⁷, registering an increase of 16.4 Billion USD over five years. Further, in accordance with a statement issued by the Finance Minister in 2015, the distribution of new bank accounts opened under the PMJDY indicates 60% in rural and 40% in urban areas, indicative of a widespread acceptance of the scheme by the weaker sections of society irrespective of their place of residence or livelihood. *The assessment of poverty alleviation in India by independent (both national and international) agencies seem to have a clear linkage with the enhanced financial inclusion of the rural population / underprivileged citizens achieved by PMJDY as is evident from the increase in number of bank accounts and deposits therein*. Details of PMJDY Accounts is further elaborated at Appendix A.

Unique Identification Card (AADHAR Card). The second pillar of ‘JAM’ is the Unique Identification Card (AADHAAR) which is a 12-digit random number issued by the Unique Identification Authority of India to every single Indian resident (including Non-Resident Indians, Overseas Citizens of India or Foreigners provided they have resided in the country from more than 182 days). Applying for AADHAR Card is a voluntary activity and a person desirous of enrolling in the scheme is required to provide minimal demographic and biometric information.

Aadhaar has been envisaged as a strategic policy tool for social and financial inclusion, public sector delivery reforms, managing fiscal budgets, increase convenience and promote hassle-free people-centric governance and most importantly eliminate ‘*Ghost Beneficiaries*’ of Government

⁷<https://pmjdy.gov.in/Archive>

Welfare schemes. Aadhaar can be used as a permanent financial address and facilitates financial inclusion of the underprivileged and weaker sections of the society and therefore serves as an enabler for distributive justice and equality. The Aadhaar identity platform is one of the key pillars of ‘Digital India’⁸ and as of Dec 2019, a total of 1.25 Billion AADHAR cards have been issued by UIDAI making it the largest biometrics-based identification system in the world. The success of the initiative can be gauged by the statistic that Aadhaar-based authentication services have been used almost 370 Billion times since inception⁹. *Registration of 1.25 Billion AADHAR Cards out of a population of 1.35 Billion indicates that more than 90 % of India’s population irrespective of caste, creed, religion, economic means, being affluent or weaker / under privileged sections of society have all embraced the AADHAR Scheme to access government services, welfare schemes and subsidies.*

Mobile. The third pillar of ‘JAM’ is the mobile. The Mobile Phone has finally facilitated ‘*Last Mile Connectivity*’ with the intended beneficiary of the financial inclusion project envisaged under the PMJDY. As highlighted above, Rural India has shown a rapid expansion of mobile phones with 514 Million connections of the 1.16 Billion mobile subscribers in India. With a mobile, the control of financial management with respect to receipt of government subsidies, banking functions, transparency of transaction and access to information; have all been transferred from intermediaries and middle men to the individual, plugging leaks and corruption.

Uniquely, for many Indians, the first experience of the Internet has been on a ‘*Smart Phone*’ and not through a traditional Desktop, Laptop or Tablet. Today the mobile phone serves as a ‘*one stop kiosk*’ for many Indians not only for secure banking and financial transactions but also as a platform for receiving authentications, One Time Passwords, access to information, monitoring receipt of government entitlements, updates, access to government apps and portals in vernacular languages, education, ticketing, bookings, SMS alerts and many other facilities. Most interestingly,

⁸<https://uidai.gov.in/my-aadhaar/about-your-aadhaar.html>

⁹<https://www.indiatoday.in/india/story/over-125-crore-people-now-have-aadhaar-cards-government-1631952-2019-12-27>

one of the biggest revelations about the rapid expansion of use of mobiles across India was that even officially illiterate people are able to use smartphones, access internet, execute financial transactions through mobile payment apps as well as use Social Media. *The Mobile Phone has therefore truly empowered every Indian irrespective of his or her social and/or economic status and has transformed the Indian citizen into an active participant in 'governance'.*

The 'JAM Trinity', Direct Benefit Transfer and the Common Service Centre. The JAM Trinity unleashes its full potential when *firstly*, a unique and duplication free AADHAR identity is obtained which *secondly*, facilitates in opening of a PMJDY Account and *thirdly*, the account can thereafter be operated or monitored through the registered mobile number of the individual completing the '*triad of enablers*' for an individual citizen.

Once the triad is operational for an individual citizen, the *Direct Benefit Transfer Scheme (DBT)* riding on the 'JAM' Trinity enables cash deposits, benefits, subsidies, transfer of monies of various Central and State Government sponsored social welfare schemes directly into the Jan Dhan Account of an eligible individual. These payments are coordinated by the National Payments Corporation of India (NPCI), an umbrella organisation of the Reserve Bank of India, which provides infrastructure to the entire Banking system in India for physical as well as electronic payment and settlement systems focussing on bringing technological innovation in the retail payment systems for achieving greater efficiency in operations and widening the reach of payment systems¹⁰. Transfer of 7266.74 Billion Rupees to eligible beneficiaries across the country since Financial Year 2014/15 is reflective of the efficiency and success of the initiative¹¹.

The integration of the 'JAM' Trinity and 'DBT' has truly revolutionised governance as well as financial inclusion in India and has emerged as a harbinger of a 'social' and 'economic' transformation across the length and breadth of the nation. Prima facie, the figures reflected above are indicative of the significant contribution in alleviation of poverty and enhancement of livelihoods across myriad weak and under privileged sections of Indian society.

¹⁰<https://www.npci.org.in/about-us-background>

¹¹<https://www.mygov.in/48months/performance-dashboard/index.html>

Common Service Centres- The Foot Soldiers of ‘JAM’ and ‘Digital India’. An initiative of this magnitude, size and reach is being executed through a novel concept of Common Service Centres (CSCs). The CSCs are a pan-India network catering to regional, geographic, linguistic and cultural diversity of the country, thus enabling the Government’s mandate of a socially, financially and digitally inclusive society. They function as access points for delivery of essential public utility services, social welfare schemes, healthcare, financial, education and agriculture services, apart from hosting Government to Citizen (G2C) and Business to Citizen (B2C) services to citizens in rural and remote areas of the country. The CSCs are equipped to deliver all Central and State Sponsored Welfare Schemes as well as Private initiatives to the people residing in the hinterland and remote areas of the country. As on date there are a total of 389000 CSCs servicing 662770 villages of India governed at the grass root levels by 283590 village committees/ local bodies¹² in conjunction with District Authorities.

Poverty Alleviation Schemes riding on the ‘JAM’ Trinity and ‘Digital India’ Backbone

Having discussed the foundational framework for the revolution in governance and execution of assistance programmes described above, a few of the major schemes in different sectors which are functioning on the ‘JAM’ Trinity, ‘*Digital India*’ and ‘*DBT*’ backbone are elucidated in the succeeding paragraphs. According to a Press Release issued by the Ministry of Finance of the Government of India in Mar 2020, a total of **427** schemes are being supported and executed by various ministries, however; for the purposes of this paper only a few major schemes in the field of employment, provision of LPG, Maternity Benefits, Insurance and Pension, Agriculture and Public Distribution System are being elaborated to substantiate the functioning and execution of welfare schemes by harnessing and leveraging technology through digital transformation of India.

Mahatma Gandhi National Rural Employment Guarantee Scheme. In order to ensure the ‘*Right to Work*’, alleviate poverty and support unskilled labour from the weakest sections of society, the

¹²<https://lgdirectory.gov.in/>

Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) was enacted in September 2005 and the initiative guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to undertake unskilled manual work to enhance livelihoods on a sustained basis with concurrent development of economic and social infrastructure in rural areas. Public works related to water, roads, irrigation, canals, conservation etc are undertaken by these workers under the Scheme which are sanctioned at the Gram Panchayat (Village Committee) level and monitored at the district / state / national level. The wages for these workers are promulgated through a Gazette notification by the Central Government and as per the latest gazette issued in Mar 2020, the wages for the Financial Year 2020-21 vary from a minimum of Rs 190 (2.5 USD) to maximum of Rs 309 (4.3 USD) per day of labour depending upon the state and area. In accordance with updates published on the national portal of MNREGA, a total of **272.6 Million** people have registered with the scheme out of which **128.4 million** are ‘*active workers*’ and so far **49.2 million** assets have been created across the country in the aforementioned sectors with wages of **15.3 Billion Rupees**¹³ being disbursed till Financial Year 20-21. *The entire process from registration as a MNREGA worker, to issuance of job card and payment of wages is undertaken digitally.*

Provision of LPG Cooking Gas to Replace Traditional Fuels. Launch of the Pradhan Mantri Ujjwala Yojana (PMUY) or Prime Minister Brightness Scheme in May 2016, aims to safeguard the health of women & children through provisioning of LPG Cylinders for cooking instead of traditional fuels like firewood, coal or kerosene. Under the framework of this scheme, a total of 71.9 million LPG connections have been issued to families below the National Poverty Line as well as other poor people. In order to facilitate purchase of the connection, a subsidy of Rs 1600 is paid for every subscriber registered under this scheme, through the DBT platform.

Maternity Benefit Programme. Pradhan Mantri Matru Vandana Yojana (PMMVY) is a maternity benefit programme offered by the Government of India under which a cash incentive of Rs. 5000 is provided to pregnant women and lactating mothers. The objective of the scheme is to provide

¹³http://mnregaweb4.nic.in/netnrega/all_lvl_details_dashboard_new.aspx

compensation for the wage loss in terms of cash incentives so that the woman can take adequate rest before and after delivery of the first living child. Upon registering and meeting the laid down eligibility criteria, the amount is once again transferred to the Jan Dhan account of the mother through the DBT module.

Insurance and Pension Schemes. With the financial inclusion afforded by the ‘JAM Trinity’, the benefits of the initiative have been diversified to the field of insurance and pensions as well to create a universal eco-system of social security for the poor and under-privileged people of the country. Under the Prime Minister ‘Security’ as well as ‘life Insurance’ Schemes, people who volunteer to join these initiatives are provided cover against accidental death with a coverage of Rs 200000 annually with monthly premiums as low as Rs 12 (equivalent of about 20 Cents). This premium is once again debited automatically from an individual’s ‘Jan Dhan / Post Office’ account on joining. In addition, under the pension scheme, every person who enrolls can get upto Rs 5000 per month on attaining the age of 60 by contributing monthly premiums of Rs 210 (2.7 USD), if starting at the age of 18. As in the insurance schemes, the premium of the pension scheme is also debited through an ‘auto debit’ mechanism from an individual’s registered account¹⁴. As on date, a total of 173 Million Indians have enrolled in the aforementioned schemes.

National Agriculture Market. National Agriculture Market (eNAM) is a pan-India electronic trading portal which networks the existing Agriculture Produce Market Committee (APMC) wholesale markets across the country to create a unified national market for agricultural commodities. Small Farmers Agribusiness Consortium (SFAC) is the lead agency for implementing eNAM under the aegis of Ministry of Agriculture and Farmers’ Welfare, Government of India. eNAM intends to promote uniformity in agriculture marketing by streamlining of procedures across integrated markets, removing information asymmetry between buyers and sellers and promoting real time price discovery based on actual demand and supply. The integration of APMCs across the country is intended to be achieved through a common online market platform to facilitate pan-India

¹⁴<https://financialservices.gov.in/sites/default/files/Social%20Security%20Schemes.pdf>

trade in agriculture commodities, providing better price discovery through a transparent auction process based on quality of produce along with timely online payment. The eNAM portal can be accessed through a Mobile App as well. Currently, there are 16.6 Million farmers, 942 Farmer Produce Organisations, almost 200,000 Agents/Service Providers and 785 vegetable/grain markets that are linked to the eNAM network from 16 states and two Union Territories gradually moving towards the vision of '*One Nation – One Market*'.

Reforms in Public Distribution System. The Public Distribution System of India, the largest of its kind in the world, serves eligible citizens for purchasing food grains, sugar, oil etc at special heavily subsidised rates set for those living '*below the poverty line (BPL)*' as well as a special category of people within the BPL who are assessed to be unable to afford two square meals a day. The intended benefits of providing subsidised grains to the common man was always plagued with pilferage, leakages in the supply chain, corruption, siphoning of grains for hoarding / sale in black market as well as registration of 'Ghost Beneficiaries'.

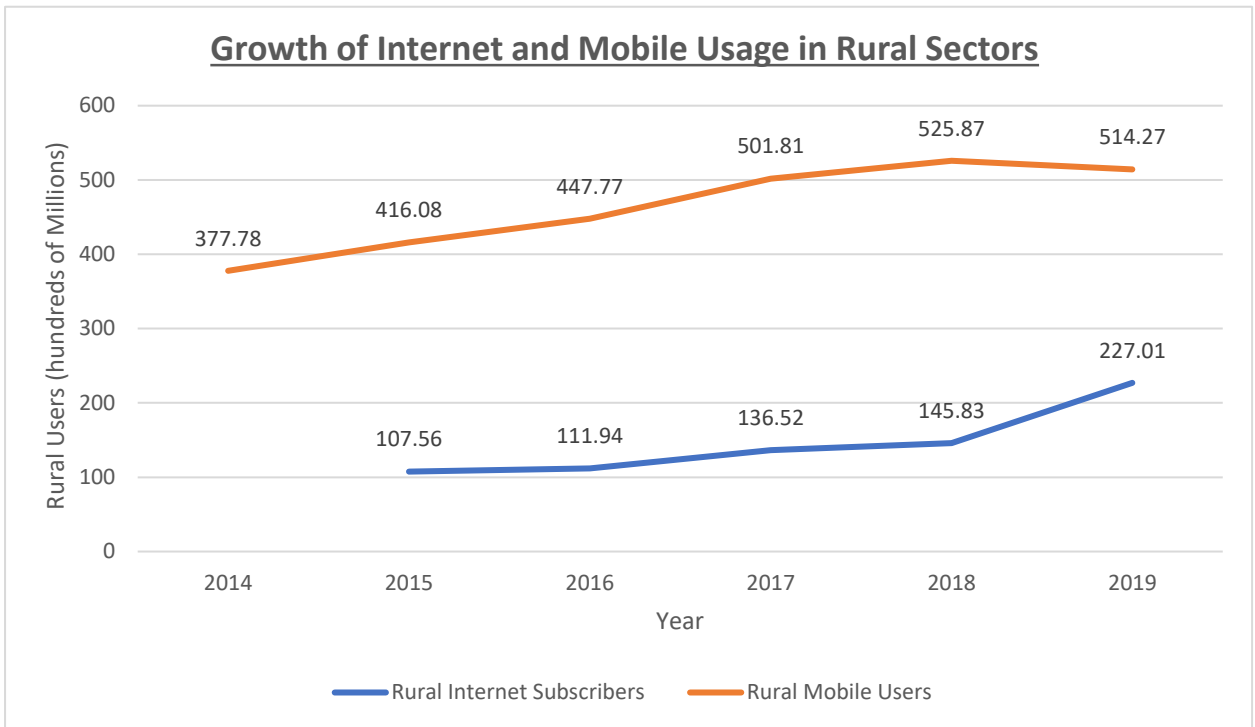
The inherent weaknesses of the system have paved the way for initiation of a substantial reform of the Public Distribution System through digitisation of 230 million ration cards, 56% of which are strengthened with a universal ID and Aadhaar. Further, manual record keeping and accounting is being replaced with electronic point-of-sale devices facilitating real-time tracking of opening stock, daily sales and closing stock at the 530,000 Fair Price Shops across the country which are the terminal nodes through which the subsidised grains are finally distributed to consumers¹⁵. Concurrently, with the digitisation of Ration Cards, a large-scale exercise is underway towards de-duplication of records which will mitigate the aforementioned issue of '*Ghost Beneficiaries*'. The final vision of the reforms of the Public Distribution System is creation of '*One Nation – One Ration Card*' which will allow seasonal migrant workers and labourers to gain access to subsidised grains all across the country as they travel seeking employment as opposed to their current restriction of accessibility to subsidised rations only in their respective home states.

¹⁵<https://pib.gov.in/newsite/mbErel.aspx?relid=146019>

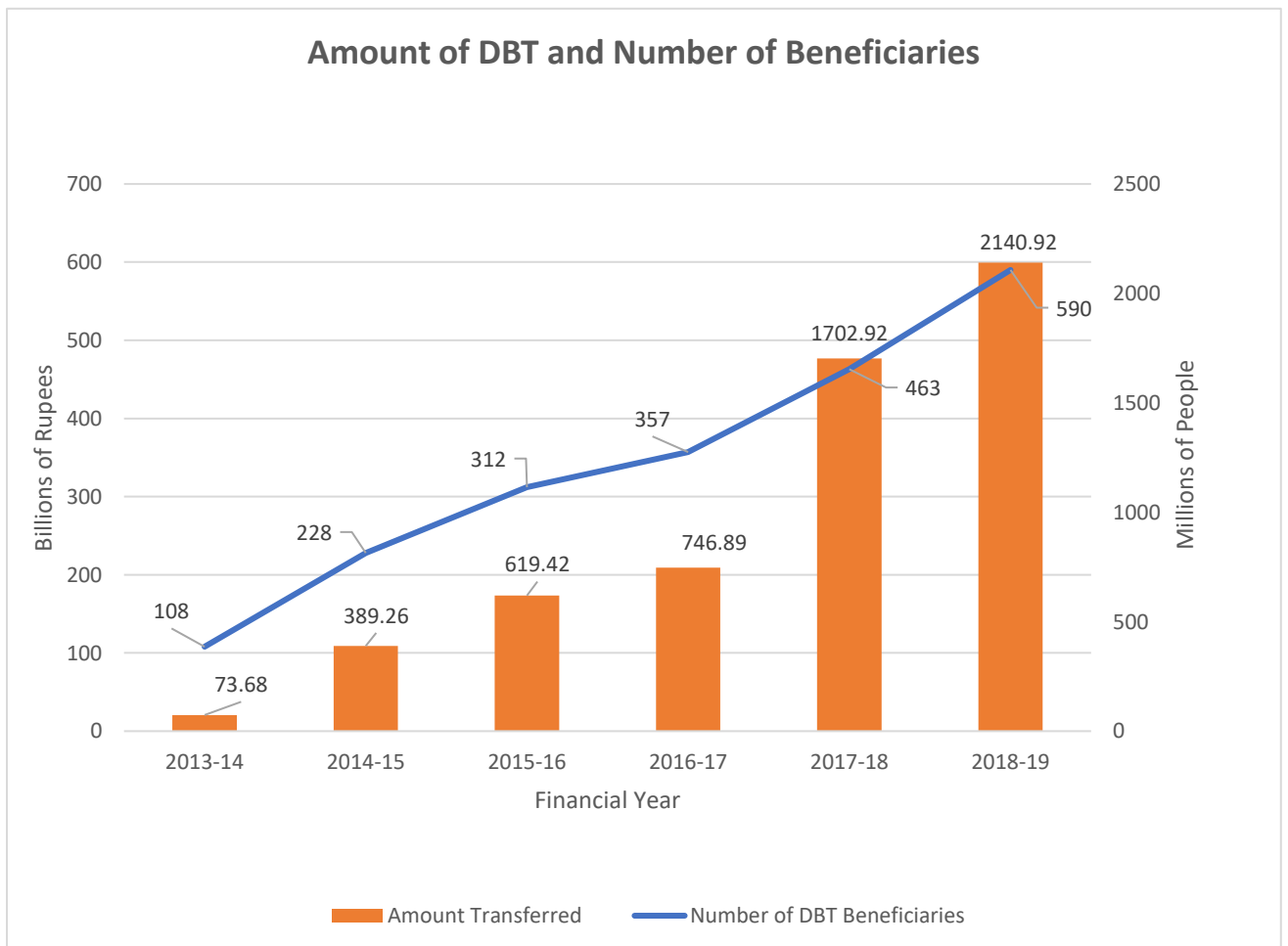
Comparison of Indicators – Spread of Digitisation/ Mobile vs Performance of Initiatives

A comparison of progress in expansion of JAM pillars and concurrent improvement/progress in performance of welfare schemes in approximately the same time frames is depicted in the following table (*Table 1.1*) as well as Graphs 1.1 and 1.2 :-

<u>COMPARATIVE DATA – MACRO INDICATORS (TABLE 1.1)</u>					
<u>Field</u>	<u>Base Year</u>	<u>Qty</u>	<u>Assessment Year</u>	<u>Qty</u>	<u>Change</u>
<u>Mobile and Digital Sectors</u>					
Total Telephone Subscribers	2009	429.73 Million	2019	1183.1 Million	+753 Million
Rural Telephone Subscribers	2009	123.51 Million	2019	514.27 Million	+390.76 Million
Rural Internet Subscribers (Mob)	2015	107.56 Million	2019	227.1 Million	+119.54 Million
Rural Internet Subscribers (Broadband)	2015	21.32 Million	2019	190.03 Million	+168.71 Million
Rural Internet Density Per 100	2015	12.89	2019	25.36	Almost Doubled
Rural Broadband Network-connecting Village Committees	2019	-	2020	138,440 Village Committees out of 250000 across India connected*	*Project completion by 2022
Optic Fibre Cable Laid	2020	433046 Kms	-	-	*Project completion by 2022
<u>Assessment of JAM, Major Schemes</u>					
New Jan Dhan Accounts	Aug 2015	179 Million	Apr 2020	382Million	+207 Million
Direct Benefit Transfer Beneficiaries	FY 2014-2015	228 Million	FY 2018-19	590 Million	+362 Million
Amount of Funds Transferred under DBT	FY 2014-2015	389.26 Billion Rupees	FY 2018-19	2140.92 Billion Rupees	+1751.66 Billion Rupees
Wages disbursed under MNREGA	FY 2014-2015	Rs 241.87 Billion	2019-20	Rs 484.85 Billion	+Rs 242.98 Billion (Doubled)
Active Workers under MNNREGA	FY 2014-2015	62.1 Million Workers employed	FY 20-21	78.9 Million Workers employed	+16.8 Million
Agriculture Mkts connected under e-National Agriculture Mkt	Apr 2016	21 Agriculture Markets integrated on e-NAM	May 2020	785 Agriculture Markets integrated on e-NAM	+764 Markets
Production of Food grains	2014-2015	252.1 Million Tonnes	2018-2019	283.4 Million Tonnes	+31.7 Million Tonnes
<u>Sources – Government of India Data</u>					



Graph 1.1 - Source - Telecom Statistics 2019



Graph 1.2 - Source NABARD Annual Report

A New Approach to Poverty Estimation – Need of the Hour.

Poverty estimation in India is carried out by a NITI Aayog's (erstwhile Planning Commission) Task Force through calculation of the National Poverty Line based on the data captured by the National Sample Survey Office (NSSO) steered by the Ministry of Statistics and Programme Implementation (MOSPI). Poverty estimation involves calculation of income or consumption levels and specifies a minimum expenditure (or income) required to purchase a basket of goods and services necessary to satisfy basic human needs and this minimum expenditure is designated as the poverty line. In case income or consumption falls below the established minimum level, then the household is said to be Below the Poverty Line (BPL). *India thus far followed measurement of 'consumption' rather than 'Income' to measure poverty.* The last two initiatives to arrive at India's National Poverty Line based on the aforementioned rationale were undertaken in 2009 and 2014 respectively through establishment of special committees to undertake the same, resulting in different evaluation of number of people Below the Poverty Line. The two committees had a difference of 100 Million people in their estimates. *Designation of the Poverty Line has its inherent debates since setting it too 'low' would exclude a large number of people from benefit programmes and social welfare schemes and setting it too 'high' would disproportionately increase the numbers requiring state assistance.*

India has embarked on a project to revitalise its poverty estimation methodology and bring it in line with the model of United Nation Development Programme which measures poverty using a Multidimensional Poverty Index (MPI) that ranks countries on the basis of health, education and living standards spanning across ten indicators. Aligning with the UNDP model would facilitate in a more comprehensive and globally accepted form of poverty estimation. Implementation of an internal ranking system of individual federal states within the country based on the UNDP measurement indices would encourage competition between states and assist in further integrating and stimulating a national approach and effort to poverty alleviation. While the MPI methodology would focus on undertaking a comprehensive survey of living conditions of the people of India, it

will also expose social welfare schemes and benefit programmes to better scrutiny in sectors of the measuring indices of the model. This will be unlike the previous methodology which was unidimensional in its approach.

Poverty Alleviation – Focus Areas

While India may have lifted almost 271 million people out of poverty in the ten years between 2005-06 and 2015-16 in accordance with UNDP indicators, internal estimates based on 2011-12 data indicates that 22% of the population, which is a staggering ***300 million people***, are still afflicted by poverty. Even though significant progress has been achieved for a country with a population of 1.35 Billion humans in terms of its efforts towards poverty alleviation, there are still significant challenges in ensuring that India achieves its Sustainable Development Goal (SDG) of ‘***No Poverty***’ by 2030¹⁶ which involves lifting another 300 Million Indians out of poverty in the decade commencing 2020. ***Data presented at Table 1.1 clearly indicates enhanced effectiveness and performance of poverty alleviation initiatives with the concurrent growth of Digital Inclusion in rural India / weaker sections of society.*** Based on the aforementioned deduction, a few focus areas which need to be implemented or aggressively pursued are as under:-

- Along with adoption of the MPI model, the survey planned to be conducted by the NSSO for poverty estimation needs to include statistics on the extent of the role played by ‘***JAM Trinity***’ and ‘***Digital India***’ towards poverty alleviation in the survey methodology and questionnaire.
- Additional periodic (annual/biennial surveys) need to be instituted by independent agencies to assess the effectiveness of welfare schemes for the poor. The aim being to establish a reliable feedback mechanism and bring transparency in implementation of schemes. These data points would be critical in identifying bottlenecks and applying ‘mid-course’ corrections. The survey and feedback system for National Level Monitoring has to be ‘***digital***’ and ‘***instant***’ through technology supported by field visits for interaction with target beneficiaries.

¹⁶<https://www.in.undp.org/content/india/en/home/post-2015/sdg-overview/goal-1.html>

- Undertake aggressive publicity of poverty eradication and welfare schemes at grassroots levels by leveraging the power of print, audio, television and social media in vernacular languages. ***This would be the key in ensuring that the maximum target populace is brought under the umbrella of various schemes.***
- Focus on ‘**Computer**’ and ‘**Smart Phone**’ literacy for citizens who have already joined the labour market and are beyond the education years bracket while continuing to focus on capsules on exploitation of digital tools with the school curriculums for existing and future students.
- Development of Apps for Welfare Schemes covering all local and vernacular languages supported by pictorial descriptions / Audio User Interfaces.
- Connecting each and every of the 250000 Village Committees in the National Broadband Network by 2020 bringing e-Governance to the grassroot levels.
- Rating of various State Governments in implementation of social welfare schemes, digital literacy, SDGs and other macro indicators to instil a sense of competition and accountability. This should be a well-publicised nationally covered event with aggressive media coverage on national as well as vernacular channels.

COVID-19.

The ongoing global pandemic has been a true test of the digital infrastructure put in place since 2014 to provide urgent aid in terms of monetary grants and food grains to the poor and the marginal sections of society. In a special economic package amounting to USD 22.6 Billion, the Government intends to provide relief through cash transfers to the needy using the DBT module. In addition, free LPG Cylinders and food grains will also be handed over through the digital distribution systems. In addition, the daily wages of the 50 million workers registered under the MNREGA scheme are also being enhanced. As stated by the Finance Minister, the aim of the package is to ***‘immediately take care of the concerns and welfare of the poor and suffering workers as well as those who need***

*immediate help*¹⁷. It is clearly evident that had it not been for the digital transformation and financial inclusion initiatives, it would have been a challenge beyond proportions to reach out to the poor in these unprecedented times with aid and assistance.

Conclusion

There are two underlying facts which emerge clearly. The first is that '**271 Million**' people have been pulled out of multi-dimensional poverty in the last decade and a half and the second is that there has been a '**digital transformation**' in India in the same timeframes. It is time to connect the two and ensure that they are inter-linked as well as intertwined and not mutually exclusive. If the Social Welfare Schemes have always been there considering the socialist nature of India guided by the Directive Principles of State Policy which are enshrined in the constitution and provide the state with the '**fundamentals of governance**', what has really changed?...And as this paper reveals, what has changed is the digital transformation of India, which *prima facie* indicates a higher outreach, easy access, widespread inclusion and reliable feedback of social and welfare initiatives. The change has also been the empowerment of the citizen through this revolution which makes him/her an equal partner, stakeholder and executor in governance when he/she actively participates in these schemes and initiatives. Future successes to achieve the ambitious SDG of '**No Poverty**' by 2030 is conditional on how we can enhance the effectiveness of the four aforementioned pillars ie outreach, access, inclusion and feedback riding on the 'JAM Trinity' and 'Digital India'.

No longer can an under privileged citizen or a member of the weaker sections of society wait passively for change to come to his doorstep; today's eco-system and technological environment demands that he claims and avails what is due to him without fear or prejudice. After all, 'Nation Building is the responsibility of ordinary citizens who constitute the Nation as much as it is for those who govern the Nation'.

¹⁷ <https://timesofindia.indiatimes.com/business/india-business/free-foodgrain-cash-to-deal-with-economic-cost-of-lockdown-government-unveils-rs-1-7-lakh-crore-package/articleshow/74829218.cms>

Special Benefits under PMJDY Scheme

1. Interest on deposit.
2. Accidental insurance cover of Rs. 2 lakhs
3. No minimum balance required.
4. The scheme provide life cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfilment of the eligibility condition.
5. Easy Transfer of money across India
6. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
7. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
8. Access to Pension, insurance products.
9. The Claim under Personal Accidental Insurance under PMJDY shall be payable if the Rupay Card holder have performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank i.e. on-us (Bank Customer/RUPAYcard holder transacting at same Bank channels) and off-us (Bank Customer/RUPAYcard holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the RUPAYInsurance Program 2019-2020.
10. Overdraft facility upto Rs. 10,000/- is available in only one account per household, preferably lady of the household.

(Source - <https://www.pmjdy.gov.in/scheme>)