AIR Spotlight - Digital India and Financial Inclusion

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panelists discuss issues of importance which can be quite helpful in the IAS exam preparation. In this article, the discussion is on Digital India and Financial Inclusion.

Context:

We live in a world driven by technology. Technological progress has played an important role in the development of human civilization. Technology offers innovative ways of working with various smart media.

The following are some of the initiatives by the Government of India to develop our country using Technology.

- **Digital India**

- Digital India was an initiative of the Government of India to provide high-speed Internet networks to rural areas.
- Digital India mission is mainly focused on three areas:

1. Providing digital infrastructure as a source of benefit for all citizens.
2. Governance and services on demand.
3. Caring for the digital empowerment of all citizens.

- There is an increase in electronic transactions related to electronic government.
- A 2,74,246 km fiber optic network has connected more than 1.15 lakh gram panchayats under the Bharat Net program.
- As part of the Government of India's National E-Governance Project, Common Services Centres (CSC) are being established to provide access to information and communication technologies (ICT). Through computer and Internet access, the CSC provides multimedia content related to electronic governance, education, health, telemedicine, entertainment and other government and private services.
- Activities include the construction of digital villages with well equipped facilities such as solar lighting, LED mounting unit, sanitary napkin production and Chopal WiFi.
- Internet data is used as an important tool for service delivery and urban Internet penetration has reached 64%.

Read more on Digital India.

2. **Pradhan Mantri Jan-Dhan Yojana (PMJDY)**

- It aims to ensure access to various financial services for excluded areas, including weaker areas and low-income groups, at an affordable cost and using technology.
- It is a national mission with the goal of providing affordable access to a variety of financial services, including remittances, loans, insurance, retirement, savings, and deposit accounts.

Pradhan Mantri Jan Dhan Yojana (PMJDY) – National Mission for Financial Inclusion

Some of the features of the Pradhan Mantri Jan Dhan Yojana are given below.

- Universal Access to Banking Services – Bank Branches and Correspondents. The focus has changed from "Any household" to "Any adult without a bank account, basic savings bank accounts with overdraft (OD) service of Rs 10,000 for each household.

- Financial education program to promote savings, use of ATMs, use of simple cell phones for banking operations, etc.

- Interoperability through the RuPay debit card or the payment system enabled by Aadhaar "AePS".

- Creation of a loan guarantee fund: provide banks with some guarantee against default.

- Insurance – Free accident insurance coverage for RuPay cards from Rs. 1 lakh to Rs. 2 lakh for PMJDY accounts opened after August 2018.

- Unorganized sector pension scheme.

Some of the benefits provided under this system are listed below:

- The system covers both urban and rural areas and provides a national debit card (RuPay card) to each account holder.

- No minimum balance is required to open an account under this rule. The beneficiary can open his account at any bank branch or commercial correspondent with a zero balance.

- For accounts opened between August 15, 2014 and January 26, 2015, eligible beneficiaries will receive Rs 30,000 life insurance coverage. Even after 6 months of activity, the beneficiary is entitled to an overdraft of up to Rs 5,000.

3. **India Post Payments Bank (IPPB)**

- India Post Payments Bank (IPPB) is a wholly owned payment bank, a subsidiary of the Indian Postal Department with 100 percent Government of India equity through a network of post offices and almost 3 lakh postmen.

- India Post Payments Bank, with a vision to build the most affordable, accessible and reliable bank for the common man and advance the financial inclusion agenda for the low-income banking population, is led by RBI.

- IPPB's main focus is on low-income households, social sector beneficiaries, the unorganized sector, migrant workers, Micro, Small & Medium Enterprises(MSMEs), and panchayats in rural areas, and banking segments in urban and rural areas.

- There are currently around 50,000 bank branches in rural India, while the Post Offices in rural India alone have almost 130,000 points of service which, when converted to banking services, can expand the presence of IPPB banking services in rural India by 3.5 times.

- Along with convenient, simple, and affordable digital solutions, IPPB intends to leverage the public's trust in India Post.

- Biometric and wearable devices are provided for 300,000 employees of the Indian Postal Service to offer door-to-door sales.

- IPPB can help increase rural per capita income through domestic savings by taking advantage of the savings of the rural population.

- IPPB will reduce the exploitation of the rural population by moneylenders and provide effective financial services.

- The expansion of rural banking has become difficult as increasing pressure from NPAs has pushed banks to take on the daunting task of collecting credit. IPPB will alleviate this pressure and facilitate the expansion of banking services.

4. **Aarogya Setu Mobile App – Tracking COVID-19**

- In the fight against the COVID19 coronavirus in India, the government has launched an Aarogya Setu mobile application to connect basic health services with the citizens of India.

- Aarogya Setu is a COVID19 tracking application that uses the GPS and Bluetooth functions of smartphones to track the infection. It helps determine if the person has been in close contact with another infected person.

- To take a step forward in protecting citizens, the government launched the app in 11 different languages (now 12). With Aarogya Setu, people can more accurately and effectively identify or track the infection in their immediate vicinity.

The Aarogya Setu was developed with the following objectives in mind:

- Publicize the outbreak of the new coronavirus among Indian citizens.

- Support the initiatives of the Government of India, especially the Ministry of Health, proactively reaching out to users and informing them of the risks, best practices and relevant advice related to the containment of COVID19.

- Connecting the Government and the people for health services, facilities and updates to the Department of Health at the national and state levels.

5. **Bharat Interface for Money (BHIM)**

- Bharat Interface for Money (BHIM) is a mobile payments application based on NPCI's Unified Payments Interface (UPI) developed by the National Payments Corporation of India (NPCI)—the umbrella organization for all retail payment systems in India.

Know more about the BHIM interface in the linked article.

6. **CoWIN Platform**

- CoWIN (Covid Vaccine Intelligence Work) is the Indian government web portal to register for COVID19 vaccination. It shows the hospitals/clinics where COVID19 vaccines are available in nearby areas and vaccine slots can be reserved on the website.

- CoWIN is a cloud-based IT solution for planning, implementing, monitoring and evaluating Covid19 vaccination in India.

- This allows the system to monitor Covid19 vaccine use, waste, and coverage at the federal, state, district, and sub-district levels.

- The CoWIN system follows the vaccination campaign in India in real time.

- The portal also provides vaccination certificates in digital format.

- CoWIN is essentially an extension of eVIN (Electronic Vaccine Intelligence Network).

- CoWIN has become the world's fastest technology platform, accumulating more than 200 million records in a record four months, and then 300 million records in just five months.

7. **Digital Locker**

- DigiLocker is a key initiative of Digital India.

- Digital Locker is a system that provides citizens with real-time access to dematerialized documents issued by various government and private agencies.

- The digital locker provides citizens with a shared private space in a public cloud and provides all documents/certificates in this own cloud.

- This digital space can be used to store personal documents such as university certificates, PAN cards, electoral cards, URIs of documents issued by various departments.

- The objective of the service is to reduce the use of physical documents and also to give authenticity to the documents.

- It also guarantees secure access to documents issued by the government.

- It also aims to get rid of the administrative expenses of the various government departments.

8. **EGram Vishwagram Project**

- The EGram Vishwagram (eGVG), Gujarat State Government Project was formulated to establish an E-Governance Business Model in Gram Panchayats (Village Administrative Unit).

- Its aim is to bridge the digital divide between urban and rural Gujarat using ICT (Information and Computing Technology). It ensures the information rights of citizens and promotes the town of Panchayat as the point of provision of electronic services for various government agencies.

- EGram (Gram Rural Accounting Management Software) is made by Village Computer Entrepreneur (VCE) on the basis of income distribution in the project operated under the Public Private Partnership model (PPP). This adopts the Five E's in Governance, namely, Ease, Economy, Efficiency, Effectiveness and Ethics.

Read more Gist of AIR Spotlight here.