

## GOING PAPERLESS

# DIGITISATION: THE OTHER 'D' IN BUDGET

Focus on digital literacy, skill development, e-donation

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Just like demonetisation, digitisation dominated Finance Minister Arun Jaitley's 2017-18 Budget speech. Aware that the government's push for a less-cash society faces challenges on the ground because of a lack of enabling infrastructure, Jaitley has made some amends in his proposals. Indeed, Jaitley's speech emphasised on digitisation in every aspect of life — from social sectors such as digital literacy being part of women and child development, digital skill development in villages under the DigiGaon initiative, to online education, to even making digital donations to political parties.

Paperless digital governance in government offices, a less cash society via Unified Payment Interface (UPI), Aadhaar Pay and BHIM app (Bharat Interface for Money) were all highlighted in the Budget.

The key is promotion of the BHIM app by offering incentives to both users and merchants; reducing duties on components to make payment devices in India and look at mandating use of digital payments in petrol pumps, universities and municipalities. The government plans to bring in major digital payment infrastructure and grievance handling mechanisms. To promote digital money in villages the focus would be on rural and semi urban areas through post offices, fair price shops and banking correspondents.

The push to go digital, part of the Narendra Modi-led government's flagship 'Digital India' campaign, was visible everywhere from initiatives at village level to Reserve Bank of India (RBI). The government has allocated ₹10,000 crore for its BharatNet programme, with a target to reach 150,000 *gram panchayats* with high-speed broadband by year end. In three years, it plans integrate 65,000 primary agriculture credit societies with the back-end banking infrastructure of district cooperative banks at a cost of ₹1,900 crore.

Analysts say there is no demarcation made in the Budget by the government of which departments would spend the money.

"The government is talking about digitisation of everything from villages, initiatives for women and child to digital economy everywhere, but

## THE GREAT TECH PUSH

<b>12.5 mn</b> people have adopted the BHIM app so far	<b>2</b> new schemes to boost BHIM adoption; referral bonus scheme for individuals and cashback scheme for merchants	<b>25 billion</b> digital transactions target to be achieved for 2017-18 through UPI, USSD, Aadhaar Pay, IMPS and debit cards
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**Aadhaar Pay, a merchant version of Aadhaar Enabled Payment System, will be launched shortly**

**1 mn** new PoS terminals by March

**2 mn** Aadhaar-based PoS terminals by September

**155,000 km** of optical fibre cable laid under BharatNet

**₹10,000 cr** allocated for BharatNet

**150,000 gram panchayats** to get high-speed broadband connectivity on optical fibre during 2017-18

## PAYMENTS REGULATORY BOARD

The government plans to create a Payments Regulatory Board within the Reserve Bank of India to bring structural reforms in the payments eco-system. This will be replacing the existing Board for Regulation and Supervision of Payment and Settlement Systems. Necessary amendments are proposed to this effect in the Finance Bill 2017

which ministry will spend what is still not clear," said a senior analyst in an international consultancy.

The Ministry of Electronics and Information Technology, which builds the technology direction to other ministries, has seen its Budget increase by ₹534 crore to ₹4,039 crore for the year ahead. "The promotion of a digital economy is an integral part of government's strategy to clean the system and weed out corruption and black money. It has a transformative impact in terms of greater formalisation of the economy and mainstreaming of financial savings into the banking system. This, in turn, is expected to energise private investment in the country through lower cost of credit. India is now on the cusp of a massive digital revolution," Jaitley said in his speech.

In the coming weeks, concrete steps would be taken to promote and possibly mandate petrol pumps, fertiliser depots, municipalities, block offices, road transport offices, universities, colleges, hospitals and other

institutions to have facilities for digital payments, including the BHIM app. A proposal to mandate all government receipts through digital means, beyond a prescribed limit, is under consideration.

In the social sector, a Mahila Shakti Kendra, which would be set up at the village level with an allocation of ₹500 crore in 140,000 Integrated Child Development Scheme Anganwadi Centres, would provide digital literacy among a host of other services.

As far as education is concerned the government plans to leverage information technology and launch a SWAYAM platform with at least 350 online courses. This would enable students to virtually attend the courses taught by the best faculty, take tests and earn academic grades.

Even donations given to political parties will get a digital touch. Any donation above ₹2,000 has to be made by cheque or digitally.

The government has pegged the allocation for the BharatNet Project at ₹10,000 crore in 2017-18.