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CITIZEN EMPOWERMENT

WELFARE

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Evolution and Impact of India's Welfare Delivery Architecture

The Jan Dhan–Aadhaar–Mobile architecture, known as the JAM Trinity, was conceived as a good governance reform initiative to overcome layered intermediation through local offices, distribution agents, and disbursing officials and to establish a direct link between the exchequer and the citizen through Direct Benefit Transfer (DBT).

As a Welfare State, India is obliged to protect citizens from socio-economic vulnerabilities which is progressively being achieved through a lifecycle approach. This obligation rests firmly on the twin pillars enshrined in the Constitution of India – the Fundamental Rights and Directive Principles of State Policy. The efficacy of a Welfare State, however, is not only established at the policy formulation level but more significantly at the cutting-edge implementation and delivery level, the mechanism by which a benefit sanctioned by the government reaches the beneficiary. For much of independent India's administrative history, this mechanism relied on layered intermediation through local offices (further complicated by the constitutionally mandated federal governance structure), distribution agents, and disbursing officials. At each stage, delay, discretion, and diversion were widely identified as pain points. The *Jan Dhan–Aadhaar–*Mobile architecture, known as the JAM Trinity, was conceived as a good governance reform initiative to address this gap in intermediation and to establish a direct link between the exchequer and the citizen through Direct Benefit Transfer (DBT).

Three Pillar Architecture

JAM is best understood not as a scheme but as an enabling framework comprising three distinct Digital Public Infrastructures (DPIs), the convergence synergies of which unleash capabilities that none possesses in isolation:

- *Pradhan Mantri Jan Dhan Yojana* (PMJDY) established the requisite financial infrastructure: a bank account for every household. Since its inception in August

An Aadhaar enrolment camp at Nawada, Bihar

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Pradhan Mantri Jan Dhan Yojana camp organised by the State Bank of India, Almora

2014, the PMJDY has facilitated the opening of over 58 crore accounts, extending formal banking access to citizens previously excluded from the system, a majority of whom are women. This is complemented by an expanding network of Banking Correspondents and Common Service Centres that provide easily accessible cash-out points in remote areas.

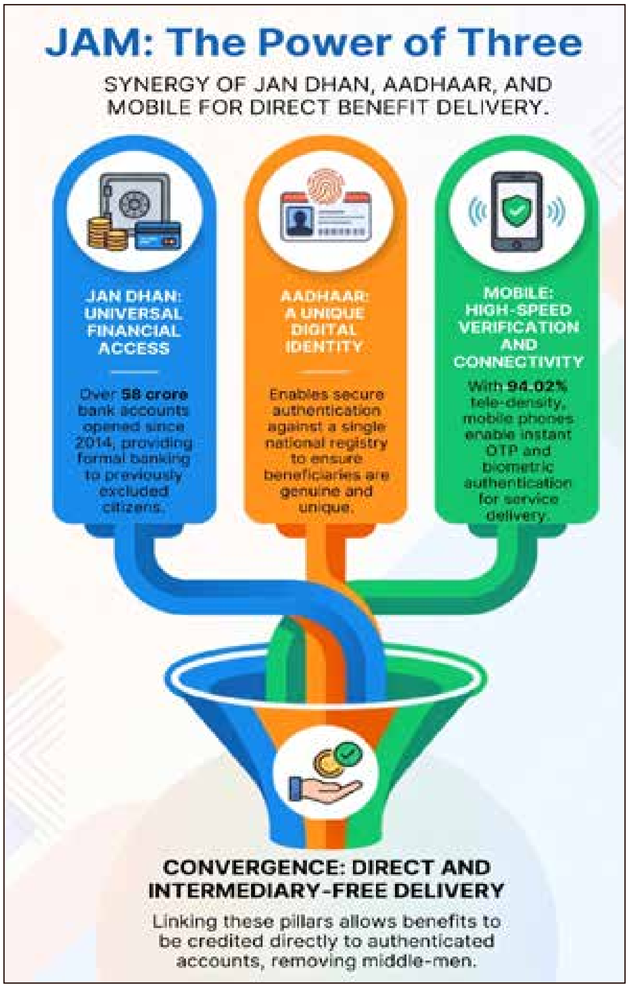
- *Aadhaar* established the digital identity infrastructure. With saturation among Indian adults now near-complete, *Aadhaar* enables a beneficiary to be authenticated against a single, de-duplicated national registry, providing scheme administrators reasonable assurance that a claimant is a genuine, alive, and unique individual.
- Mobile connectivity established the requisite communication infrastructure, enabling one-time password verification, service notifications, and increasingly facial and biometric authentication through smartphones (thereby reducing dependence on fingerprint-based devices that register comparatively higher failure rates among manual labourers and elderly citizens). Further, not only is the saturation level of mobile connectivity very high (overall tele-density of 94.02%), but tariffs are also one of the most affordable globally.

A bank account, an identity number, and a mobile connection have limited capabilities as standalone systems. Linked together and mapped through the National Payments Corporation of India's *Aadhaar* Payments Bridge, these instruments unleash synergies that, *inter alia*, permit a benefit sanctioned by the Government to be authenticated, deduplicated, and credited directly to the *Aadhaar*-authenticated bank account. In the case of in-kind benefits delivered to the citizen after digital *Aadhaar* authentication, thereby eliminating intermediaries.

Institutional Evolution and Impact

The institutional locus of DBT within government reflects its focus on welfare delivery. The DBT Mission – constituted as the nodal authority for oversight of DBT across government schemes is housed in the Cabinet Secretariat of the Government of India to facilitate inter-ministerial coordination, which is *sine qua non* for the implementation of more than 300 Central schemes across 50 Ministries / Departments. Besides, it also fosters the implementation of more than 2,500 State Schemes by providing the backbone delivery mechanism.

The measurable impact of this architecture is documented in successive government assessments. An assessment covering the period 2014 to 2026 records cumulative savings of approximately Rs 3.5-4 lakh crore attributable to the removal of more than 10 crore duplicate, fake, and non-existent beneficiaries from scheme databases and miscellaneous reforms leveraging DPIs. Of this, food subsidy reforms account



for the largest share, with estimated savings of Rs 3.13 lakh crore. During the same period, beneficiary coverage expanded from approximately 11 crore to over 180+ crore, with cumulative DBT transfers amounting to Rs 40+ lakh crore. During the Covid-19 pandemic when conventional delivery channels were significantly constrained and even advanced developed economics struggled to deliver, this architecture enabled the disbursal of emergancy relief to citizen bank accounts within a compressed timeframe.

These impressive numbers are a result of administrative process reforms with a salutary impact on citizen empowerment: the disbursal of a scholarship without cuts by intermediaries, the release of a pension without requiring attendance at a local office, and the crediting of wages directly to a labourer's own account rather than to a contractor's account.

Supporting Infrastructure

The durability of JAM as governance architecture, as distinct from a one-time efficiency measure, derives from its construction as a replicable DPI rather than a scheme-specific solution. Two developments are illustrative in this regard.

The first pertains to cost-effective identification, authentication and deduplication. *Aadhaar*-based facial authentication, enabled through simple smartphones, is progressively reducing dependence on fingerprint-based devices. The Beneficiary *Satyapan* Application (BSA) further enables individual schemes, including smaller ones, to undertake *Aadhaar* authentication without creating a separate identification system, thereby reducing the fixed costs of integration with the DBT framework. It also facilitates deduplication of individuals across similar schemes.

The second pertains to the evolving eligibility documentation and interoperability. DigiLocker and API *Setu* are developing into a shared, machine-readable repository for certificates, including caste, income, birth, and educational certificates, that were previously maintained only in physical form. The linking of such certificates with Aadhaar enables schemes hosted on the National Scholarship Portal (more than 150 schemes of Centre and State Governments) to draw upon a single, reliable and consent-based source for verifying inclusion and exclusion criteria, rather than establishing separate connections with numerous State-level databases. The consequent effect is not only a drastic reduction in administrative costs, both in time and rupee terms, but also 24x7x365 availability at the citizen's fingertips.

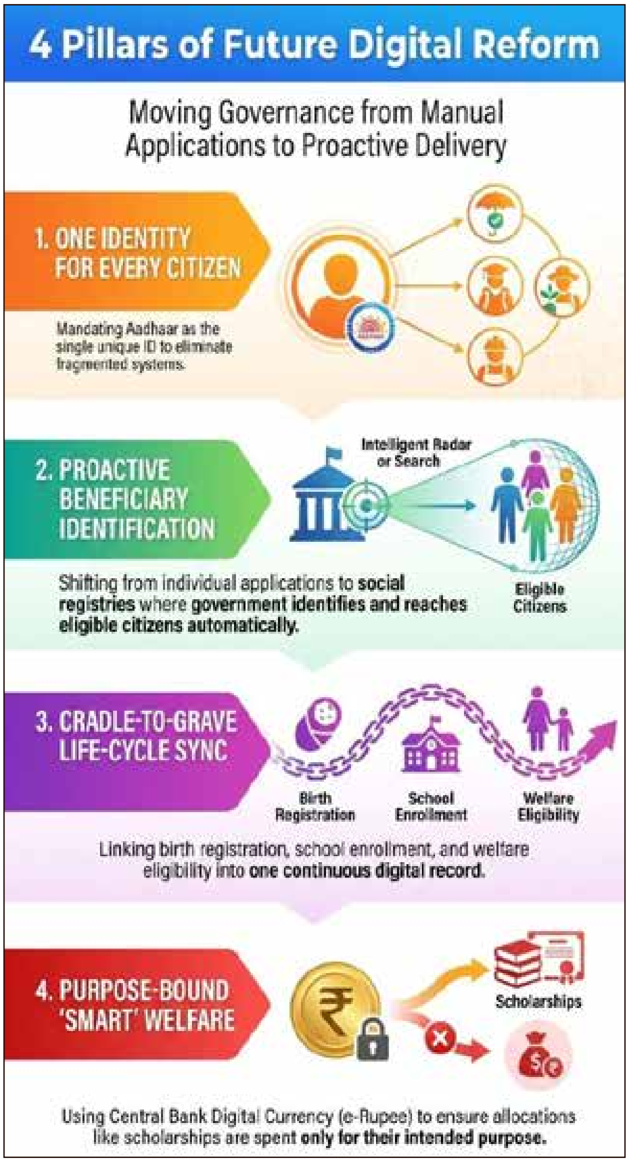
JAM as Digital Public Infrastructure

A further development of consequence is the characterisation of JAM not merely as a payment mechanism, but as foundational platform infrastructure. *Aadhaar* is increasingly conceived not only as a digital identifier but as a universal authentication layer, capable of functioning as a single sign-on across public services, as well as a financial address (through the *Aadhaar* Payments Bridge). Together with UPI, DigiLocker, and API *Setu*, JAM constitutes the core of what is designated India's Digital Public Infrastructure: open-source, interoperable, publicly governed, and designed for scale. This model has attracted the attention of other jurisdictions exploring large-scale digital inclusion but not reliant upon proprietary private platforms.

Priorities for Future Reform

Looking ahead, four areas of reform deserve wider consideration. The first relates to leveraging *Aadhaar* fully by mandating it as the single unique identity, as originally conceived, and by unchaining it from the constraints that it has been progressively subjected to – especially by way of issuance of 'multiple unique IDs' for different classes like students, farmers, patients, gig workers, etc.

The second reform pertains to the transition from application-based processes to proactive identification of beneficiaries. Rather than requiring citizens to apply individually for schemes for which they may be eligible, social registries are being conceptualised to enable the government to identify and reach eligible beneficiaries *suo moto*, with State-level registries (e.g. *Kutumba* of Karnataka, *Parivaar Pehchaan Patra* of Haryana, *Jan Aadhaar* of Rajasthan, etc.) which can converge, in due course, into a federated national system.



The third concerns convergence across systems associated with different stages of life on a 'cradle to grave' model, including the linking of birth registration with *Aadhaar* issuance, school enrolment with welfare eligibility, and *Aadhaar*-linked mobile numbers with service communication, such that entry into the formal record system at birth establishes eligibility for associated benefits without further application and culminating in flagging of *Aadhaar* number of deceased after receipt of such data from the Registrar General of India.

The fourth, at a preliminary stage of consideration, concerns programmable welfare delivery through Central Bank Digital Currency (CBDC, or e-Rupee), under which allocations for an agricultural loan or an educational scholarship could be restricted solely for their designated purpose. Should this be implemented at scale, India would be among the first countries to operationalise purpose-bound welfare disbursal of this nature at population scale.

Welfare Delivery in a Federal Democracy

These reforms do not diminish the role of State Governments, which continue as the primary agencies for service delivery, including in respect of Centrally Sponsored Schemes. Cooperative and competitive federalism through benchmarking, comparative State rankings, and the dissemination of good practice, following the precedent of the 'Ease of Doing Business' and 'Ease of Living' reforms, will determine the consistency with which these gains are realised across States.

Direct Benefit Transfer (DBT), powered by the JAM Trinity, has been transformational in making public welfare delivery more efficient, effective, and inclusive. It has been recognised within the country through broad consensus in the political economy domain as the most preferred implementation model – despite the complexities of federal governance. Even in the global domain, it has been applauded by the International Monetary Fund (IMF), World Bank and the Global South. However, it can be further refined by 'actually' using *Aadhaar* as a single identifier across schemes and services, targeting zero inclusion and exclusion errors, 100% saturation in interlinkages between the three JAM components, 100% seeding of eligibility documents with *Aadhaar* and the publication thereof on data exchange platforms like DigiLocker and API *Setu*. This will simultaneously engender 'Ease of Living' for citizens and efficient and accountable governance. ❑