Digital revolution vs Social revolution

What is the issue?

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- Claims of having achieved inclusion by operationalizing the JAM trinity appear somewhat exaggerated.
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- JAM achieved equality in the digital space but it failed to empower Indians in which they are severely deprived.
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What is JAM?

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- JAM, deriving from Jan Dhan, Aadhaar and Mobile, combines bank accounts for the poor.
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- Eliminating leakage in the transfer of benefits and enabling the poor to have bank accounts are worthy objectives of JAM.
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- Aadhaar is the pivot here, allowing the government to ensure that benefits reach the poor and enabling them to make payments through ordinary mobile phones.
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- JAM ensures seamless transfer of welfare payments and facilitates the making payments in real time.
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- It is believed that the JAM revolution can link all Indians into one common financial, economic, and digital space.
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What are the issues with JAM?

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- JAM had worthy objectives, but fall well short of the social revolution.
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- The potential of the JAM trinity for bringing about either of these conditions for economic inclusion is limited.
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- JAM functions in the digital space while much of our life is lived in the brick and mortar world.
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What are the areas needs improvement?

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- **Economy -** The latest GDP growth in the first quarter of the current financial year to be lower than the average for 2016-17.
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- There appears to be a mismatch between the government's own assessment of its policies and the private sector's valuation of their worth.
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- **Banking -**It is critical that a largely nationalised banking sector had done very little to extend banking services to the poor till recently.
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- A financial inclusion has almost been achieved but economic inclusion needs lots of efforts.
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- **Ease of doing business -** Economic reforms demands the firms to producer services ranging from water supply to waste management.
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- When private entities do provide these producers services they tend to be expensive, deterring their off-take.
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- **Infrastructure -**recent incidents of child deaths, meagre flood management in metros, and failure of waste management shows the poor governance and needs serious discourse.
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- The possibility of leveraging IT to transform the ecosystem of production for firms and the ecosystem of living for individuals is limited.
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How the issues can be addressed?

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- Significant element in ensuring inclusion is to maintain, directly or indirectly, the level of demand in the economy.
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- The potential workers must be endowed with the capabilities to address the demands.
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- The public provision of producer services should be an essential part of public policy, and must be provided by the government.
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- Social revolution will arrive when all Indians are empowered through an equality of capabilities.
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- The society needs universal health and education infrastructure accessible to all.
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- Empowerment in the brick and mortar space would require public infrastructure on a gigantic scale.
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- This would require committing resources to building the requisite social and physical infrastructure and investing time to govern its functioning.
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Source: The Hindu

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