

Photographs by APNA BHASKARAO

**PLASTIC POWER:** Villagers flash their smart cards in Warangal district



# SWIPING REFORMS

**The smart card project vindicates the belief that technology can help in delivering relief to the poor and curbing leakage. The Centre must take the cue and replicate it nationally.**

■ **By Amarnath K. Menon**

**T**okala Rajita, 20, is challenged. But the deaf and dumb daughter of Kondal Reddy, a farm worker of Dharmasagar, needs no help in collecting her social security payout. All she has to do is turn up with a plastic card at the home of customer service provider (CSP) G. Vijayalakshmi, in this dusty village in Warangal district. A swipe of the card and Rajita's thumb impression on a special mobile phone is all that Vijayalakshmi needs to pay out Rs 200 that the poor girl receives every month from the state Government in the name of social security. It is equally simple for 50-year-old unlet-

tered widow Kudikala Kausalya and mentally challenged Marepally Kala. They do not have to venture out of the village to collect their money.

The usage of electronic smart cards in the disbursement of social security pension as well as wages under the Andhra Pradesh Rural Employment Guarantee Scheme (APREGS)—which provides at least 100 days of guaranteed employment every year to each household whose adult members volunteer to do unskilled manual work—on a pilot basis in Warangal and Karimnagar districts, has shown remarkable results with zero leakages. The fingerprint-based biometric card not only enables fool-proof identification of the benefi-

ciary and prompt payment but also promotes financial inclusion.

Banks and other financial institutions have, therefore, joined hands with government agencies to roll out the smart card in every village. The biggest advantage of these cards is that they effectively control siphoning off of funds by low level bureaucrats, politicians and the ubiquitous middlemen. The pilot programme revealed that in the 150 villages spread over six mandals of Warangal, there were 474 fictitious names out of a list of 1,284 social security pensioners. The system ensures effective targeting of subsidies and better monitoring of programmes. Tracking unspent amounts and getting it back also becomes possible.

The system works in this manner: once the beneficiaries have been identified, banks and other financial institutions move in to issue cards and position the hardware. Literate women identified by the local village officer are trained by the bank and positioned as the CSP to make payments. The money is disbursed four days after release by the government and, conse-