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Budget 2026: Why India needs a family ID system to fix welfare delivery

Budget 2026: A deeper look at these welfare schemes is warranted to evaluate their efficacy of beneficiary mapping (inclusion), design, delivery, and best-fit impact, even when the intent is 100%



Read on: <https://www.businesstoday.in/opinion/columns/story/where-every-rupee-matters-evaluating-family-construct-for-welfare-delivery-in-india-511445-2026-01-19>

Article Content:

Social Protection has been deeply rooted in India's Governance structure for several centuries, to provide Quality of Life to every citizen. In 2025, more than 1,100 Welfare Schemes exist across central and state governments with a budget outlay of over INR 25 lakh crore, representing more than 7% of India's GDP.

Schemes related to rural employment, agriculture, water supply, health, women and child welfare alone account for over 50% of the welfare, thus creating a positive impact on citizens' quality of life.

According to the latest World Bank multidimensional poverty analysis, India has made substantial progress in reducing non-income deprivations over the past 2 decades. The numbers declined from ~50% in 2005–06 to 15–16% in 2022–23, reflecting improvements in access to education, basic infrastructure, sanitation, electricity, and housing. Extreme monetary poverty has also fallen sharply, to low single-digit levels by international standards. Despite the progress in reducing poverty, it can be safely said that "wiping tear from every eye" is still a faraway reality.

A deeper look at these welfare schemes is warranted to evaluate their efficacy of beneficiary mapping (inclusion), design, delivery and best-fit impact, even when the intent is 100%. Managing a large welfare delivery ecosystem leads to structural inefficiencies, including benefit leakages from ghost or ineligible beneficiaries (for instance, in a northern state, PDS identified ~12% ineligible

beneficiaries), lack of standardisation across schemes, disbursement failures (with 2–3% of DBT transfers failing over the last 3 years), uneven fund utilisation, and low beneficiary awareness. In addition, there is:

- Fragmented Information Silos - Scheme and Beneficiary data dispersed across departments, requiring multiple approvals even for basic information.
- Siloed, Multi-Ministerial Execution - Welfare schemes independently implemented by multiple ministries/departments, leading to weak coordination, overlapping objectives, and duplication of efforts.
- Complex and Inconsistent Eligibility Criteria - Varying definitions of “beneficiary” (individual vs household) and scheme-specific rules make it difficult for citizens to assess eligibility and for governments to ensure accurate targeting.
- Proliferation of Applications and Portals - Each scheme operates its own portal, resulting in low beneficiary awareness, duplicated registrations, and exclusion of eligible households due to complexity and digital fatigue.

These challenges persist irrespective of intent, administrative design, or political commitment.

This highlights that Governments have a fragmented view of their citizens (i.e beneficiaries). The same citizen, is identified as a farmer by one department, disabled by another, poor by another, woman by another, and so on. There is no “Golden Data” about each citizen, which is recent, accurate, and complete. Further, it can be argued that it is a family that represents society’s aspiration and an individual is a subset of it. Afterall, a family has retirees, elderly, disabled, widows, unwell, students, unemployed, etc. Hence, social protection will be most effective when it targets the family as 1 unit and not just individuals alone.

India should implement family-based identifiers, starting with assigning a unique “Family ID” to each family supported by a common citizen’s database, which will act as a Golden Source of Truth for welfare and service delivery. Uttarakhand, Haryana, Madhya Pradesh, and Karnataka are a few of the pioneering states with their initiatives such as the Devbhumi Parivar, Parivar Pehchan Patra, Samagra, and Kutumba are pioneering states with family-based welfare system. Maharashtra, Bihar, UP, and Andhra Pradesh are also in works for a similar model.

Family ID also empowers citizens to choose what is best for the family and to reconstruct the benefits being provided by the State as per their own needs. A family-based integrated and adaptive platform enables end-to-end benefits management encouraging a shift to an integrated inter-ministerial approach from the multi-ministerial mechanism promoting inter-department coordination, transparency and accountability.

Other citizen-centric benefits can be:

- Eliminate Ineligible beneficiaries under various services and benefits after thorough analysis and verification.
- Identify a student issued School Leaving Certificate (say at the end of Std. 9) and does not join any education institution in the state
- Identify a child aged 3 plus not enrolled in any school
- Help in savings due to removal of fake and ineligible beneficiaries

- All eligible and often ignored residents (such as Divyangs, etc) be a part of Family construct
- Proactive Service and Welfare delivery regardless of awareness among beneficiaries

In an ideal world, when every family is covered rather than governments using a top-down approach to design welfare schemes, Families will proactively call out the benefits they need to improve Quality of Life. Using AI, governments can even ascertain the budgetary allocations needed in advance, as demographic shifts happen. That's the real choice they will have.

In this upcoming budget, I expect that the Government of India will further its DPI ecosystem and encourage states to incorporate Family ID in their governance.

The Golden Family Mission, in addition to a Family Construct Framework with strong element of Data Privacy and Consent measures (in line with the DPDP Act) should include, Technology Tool-kit supported by AI utilities to expedite the database creation, capacity building among departments to seed all their welfare schemes and awareness campaign among citizens to participate and exercise their rights to benefit from every rupee earmarked for their Quality of Life.

PS: - I must admit that there is no single database to source the above information. The scheme-wise data was scattered across multiple department documents and state budget sheets. The lack of structured data often creates doubts in the minds of citizens regarding intent and efficacy of governments to improve their lives. This is the biggest business case for creating Family construct for efficient Service delivery in India.

The new budget thus has a unique opportunity to improve welfare delivery. With this, no family will be left behind, and India will truly be a *Viksit Bharat*.