**What is Blockchain’s potential for Indian economy**

*Reportedly,some states have made headways into digitizing land records on Blockchain*

May 24, 2023

Blockchain has been around for a while now and has cemented its place in the list of technologies which hold the potential to transform the world around us. Much of the attention that it has garnered has come from the volatility of cryptocurrencies, disruption caused by decentralized finance (DeFi) or the speculative nature of digital assets in the form on NFTs. Having said that, there’s much more that the tech can deliver, especially for countries like [India](https://www.financialexpress.com/india-news/).

For the world’s largest democracy, and by some estimates the world’s most populous country, digital transformation across government services can bring accessibility, inclusion, and convenience to the daily lives of the masses. Blockchain can further add a layer of transparency and can be a highly effective way to counter corruption, fraud, and bureaucracy. For instance, consider the transformational benefits of moving land records on a decentralized ledger. It is estimated that almost 25% of all cases in the country’s [supreme court](https://financialexpress.com/about/supreme-court/) are related to land dispute, clogging an already overburdened and frustratingly slow judicial system.

According to Center for Policy Research, a non-profit, independent institution, the average pendency of a land acquisition dispute case is 20 years from creation to resolution. Granted that a Blockchain based land record system wouldn’t magically eliminate all disputes, however it can provide verifiability and trust in the system in effect dissuading bad actors. Although some states have made headways into digitizing land records on Blockchain, we are far from a large-scale nation-wide implementation.

Blockchain [technology](https://www.financialexpress.com/life/technology/) can also bring significant improvements to the financial sector, especially for the large unbanked population or people who are unable to access traditional banking services. Blockchain technology can create a more inclusive financial system by providing low-cost banking services to these individuals. For example, blockchain-based microfinance platforms can enable small business owners to access credit and other financial services without the need for a traditional bank account.

Blockchain has long been explored by financial institutions in both public and private sector too. Banks are collaborating by forming consortia and participating in Blockchain networks with the common goals of improving efficiency and enhancing customer experience. Case in point is a recent example of the Indian arm of a large MNC Bank that just piloted a letter of credit transaction on Blockchain, supposedly cutting down the processing time by 90%.

Another area where blockchain technology has a significant impact is supply chain management. It can be an effective way of bringing about transparency and accountability across the value chain and help address issues of supply chain pilferage, counterfeiting, contamination, and non-compliance with local laws, to name a few. Coupled with other technologies like NFC (Near Field Communication) and Internet of Things, Blockchain technology can provide consumers with the assurance of ethically and sustainably sourced raw materials, something that is gaining importance as our focus shifts towards environmental wellbeing.

A fitting application is the traceability of goods with Geographical Indication (GI) tags. A GI tag is applied to products that come from a particular geographic location and carry the characteristics or a reputation derived from that origin. Blockchain technology might be the right platform for providing the provenance for certain goods originating from India, which can help bolster demand and inspire confidence amongst the buyers, at a global stage. Its great to see strides being made by some states but the opportunity is ripe for a much broader adoption.

In closing, the use of blockchain technology will certainly play a crucial role in India’s quest to become more digitally advanced. However, its success will depend on various factors, including regulatory frameworks, infrastructure, and digital literacy. It is essential for businesses and policymakers to work together to create an enabling environment that can maximize the potential of blockchain technology in India.