



## Direct Benefit Transfer Scheme

**For Prelims:** Direct Benefit Transfer Scheme, Pradhan Mantri Kisan Samman Nidhi (PM-Kisan), Pradhan Mantri Fasal Bima Yojana

**For Mains:** Benefits of Direct Benefit Transfer Scheme, Issues Regarding Direct Benefit Transfer Scheme

### Why in News?

Most economists advocate the conversion of all agricultural subsidies into direct income support i.e., [Direct Benefit Transfer](#) to farmers.

### What is Direct Benefit Transfer Scheme?

- **Aim:** It has been visioned as an aid for simpler/faster flow of information and funds to the beneficiaries and to reduce the fraud in the delivery system.
- **Implementation:** It is a mission or an initiative by the government of India started on 1st January 2013 as a way to reform the government delivery system.
  - Central Plan Scheme Monitoring System (CPSMS), the earlier version of the [Public Financial Management System \(PFMS\)](#), of the Office of Controller General of Accounts, was chosen to act as the common platform for routing of the Direct Benefit Transfer.
- **Components of DBT:** Primary components in the implementation of DBT schemes include Beneficiary Account Validation System, a robust payment and reconciliation platform integrated with [Reserve Bank of India \(RBI\)](#), [National Payments Corporation of India \(NPCI\)](#), [Public & Private Sector Banks](#), [Regional Rural Banks and Cooperative Banks](#) (core banking solutions of banks, settlement systems of RBI, Aadhaar Payment Bridge of NPCI) etc.
- **Schemes under DBT:** There are 310 Schemes from 53 Ministries under DBT. Some important schemes are:
  - [Pradhan Mantri Fasal Bima Yojana](#), [National Food Security Mission](#), [Pradhan Mantri Krishi Sinchai Yojana](#), [PM KISAN](#), [Swachh Bharat Mission Gramin](#), [Atal Pension Yojana](#), [National AYUSH Mission](#).
- **Aadhaar not Mandatory:** Aadhaar is not mandatory in DBT schemes. Since Aadhaar provides unique identity and is useful in targeting the intended beneficiaries, Aadhaar is preferred and beneficiaries are encouraged to have Aadhaar.

### What are the Benefits of DBT?

- **Expanded the Coverage of Services:** In a mission-mode approach, it endeavoured to open bank accounts for all households, expanded [Aadhaar](#) to all and scaled up the coverage of banking and telecom services.
- **Instant and Easy Money Transfer:** It created the Aadhaar Payment Bridge to enable instant money transfers from the government to people's bank accounts.
  - This approach not only **allowed all rural and urban households to be uniquely linked under varied government schemes** for receiving subsidies directly into their bank accounts but also transferred money with ease.

- **Financial Assistance:** In rural Bharat, DBT has allowed the government to provide financial assistance effectively and transparently to farmers with lower transaction costs – be it for fertilisers or any of the other schemes.
- **Transfer of Funds & Social Security:** In urban India, the [PM Awas Yojana](#) and [LPG Pahal scheme](#) successfully use DBT to transfer funds to eligible beneficiaries. Various scholarship schemes and the [National Social Assistance Programme](#) use the DBT architecture to provide social security.
- **A Door to New Opportunities:** DBT under rehabilitation programmes such as the [Self Employment Scheme for Rehabilitation of Manual Scavengers \(SRMS\)](#) opens new frontiers that enable social mobility of all sections of society.

## What are the Issues Regarding DBT?

- **Lack of Accessibility:** One of the most prominent issues faced by citizens attempting to enroll is the lack of accessibility/proximity to enrolment points, unavailability, or erratic availability of officials/operators responsible for enrolment, etc.
- **Shortage of Facilities:** Still there are many rural & tribal areas, which don't have banking facility and road connectivity. There is also a need for **financial literacy which would enhance awareness among people.**
- **Uncertainties:** Delays in accepting and pushing the applications forward. There is difficulty in procuring the required documentation and errors/issues found therein.
- **Disruption in the Process:** In terms of receiving money in their bank accounts through DBT, one of the most prominent issues is disruptions to payment schedule.
  - **Reasons for disruptions could be** spelling errors in Aadhaar details, pending KYC, frozen or inactive bank accounts, mismatch in Aadhaar and bank account details, etc.
- **Lack of Beneficiaries: Various Direct Benefit Transfer (DBT) schemes,** including the [Pradhan Mantri Kisan Samman Nidhi \(PM-Kisan\)](#), the Telangana government's Rythu Bandhu and Andhra Pradesh's YSR Rythu Bharosa **do not reach tenant farmers**, i.e., those who undertake cultivation on leased land.

## Way Forward

- **Systemising Innovation:** Empowering innovation system are some of the aspects that would require continued focus.
  - This **would play a vital role for India in meeting the diverse needs of its population** and ensuring balanced, equitable and inclusive growth.
- **Availability:** There is an urgent need to increase the accessibility of enrolment points for citizens across schemes, specifically in rural and peri-urban areas.
- **A Common Body for All:** A common grievance redress cell for all DBT schemes across tiers – State, district, and block to help the beneficiaries to resolve their issues.
- **Leasing:** It can help both tenant and reverse-tenant farmers operate consolidated holdings, while allowing owners to take up non-agricultural employment without risking loss of their lands.

## UPSC Civil Services Examination, Previous Year Question (PYQ)

**Q.** Reforming the government delivery system through the Direct Benefit Transfer Scheme is a progressive step, but it has its limitations too. Comment. **(2022)**

[Source: IE](#)

