



Mains Practice Question

Q. The Direct Benefit Transfer Scheme is a good step toward reforming the government delivery system. Discuss. (250 words)

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Approach

- Start your answer by briefly describing direct benefit transfer.
- Discuss how direct benefit transfer is reforming government delivery system.
- Conclude accordingly.

Introduction

- The process of directly transferring the subsidy amount and making other transfers directly into the account of beneficiaries rather than providing it to government offices is known as Direct Benefit Transfer.
- DBT was introduced on 1st January 2013 with the main aim of improving the Government's delivery system and redesigning the current procedure in welfare schemes by making the flow of funds and information faster, secure, and reduce the number of frauds.

Body

- **DBT transforming Governance of Delivery System:**
 - **Advantages 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.
 - **Some important schemes that are based on DBT are as follows:**
 - **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.

▪ Challenges to DBT:

- **Unfamiliarity With DBT:** Beneficiaries of DBT do not know what to do when their payments get rejected, often due to technical reasons such as incorrect account numbers and incorrect Aadhaar mapping with bank accounts.
 - More importantly, the workers/beneficiaries have rarely been consulted regarding their preferred mode of transacting.
- **Breeding of Corruption:** The digital exclusion and unfamiliarity of beneficiaries with DBT, has created new forms of corruption.
 - This was evidenced in the massive scholarship scam in Jharkhand, where many poor students were deprived of their scholarships owing to a nexus of intermediaries, government officials, banking correspondents and others.
- **Inadequate Rural Banking:** There are just 14.6 bank branches per 1 lakh adults in India. It is sparser in rural India.
 - Moreover, rural banks are short-staffed and tend to get overcrowded.
 - Accessing banks in rural areas leads to loss of one wage day for the worker. Also, people have to spend money on transportation to access the bank to withdraw their payments/subsidies.

Conclusion

DBT brings efficiency, effectiveness, transparency and accountability in the Government system and infuse confidence of citizen in the governance. Therefore, with the use of modern technology and IT tools will realize the dream of Maximum Governance Minimum Government.

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