



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](#)

