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Direct Benefit Transfer (DBT) Vis-a-Vis Digitally Empowered India: A Brief Analysis

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ABSTRACT

The official website of Direct Benefit Transfer (DBT), under the Government of India, states thus, "DBT will bring efficiency, effectiveness, transparency and accountability in the government system and infuse confidence of citizen in the governance. Use of modern technology and IT tools will realize the dream of MAXIMUM GOVERNANCE MINIMUM GOVERNMENT" (About Us, 2019). This statement in itself underlines the emphasis that the Government of India is attaching to the scheme. Since its inception on January 1, 2013, the scheme has done its bit to weed out a lot of corruption and inherent delay in the Public Distribution System (PDS) in India (Correspondent, 2016). However, going by the second part of the government statement itself, as quoted above, the success of the scheme depends a lot on an enhanced use of technology. This in turn necessitates an increasing number of digital awareness drives across the country so that the beneficiaries can truly reap the advantages of the system. This paper would try to see the various implications of the DBS and strive to link its present and future successes with the digital empowerment of India.

1. Introduction

In order to dig deep into the technicalities of Direct Benefit Transfer (DBT), let us first try to understand as to what the policy is all about. In order to rationalize the living standards in India, which still happens to be a developing country, the government provides certain subsidies to the less privileged sections of the society. In this case, however, let us see what a subsidy is. According to a definition given by renowned economist Sudipto Mundle, "When a government meets a part of the cost of providing a good or service to a beneficiary, this is a subsidy" (Mundle, 2016). Depending on the kind of services offered, certain other subsidies are provided across the board without any bar. DBT happens to be an earnest attempt to modify the way the subsidies are transferred to the beneficiaries. The subsidies are transferred directly to the bank accounts of the beneficiaries through this system. The system was launched so that delays in transferring the subsidies and resultant corruption could be nipped in the bud. The policy was given a limited launch on January 1, 2013 when 20 districts were covered under it (Service, 2013). With this modest initiation, the scheme has come a long way. As on June 1, 2016, DBT covers 487 Schemes pertaining to 62 ministries of the Government of India (DBT Applicable Schemes & Services, 2019). This is no small feat considering the fact that many pundits had expressed reservations concerning its probable success when it was launched. There are three pillars based on which DBT is being doled out. According to the government parlance, these three pillars are collectively termed as JAM – J for Jan Dhan, A for Aadhaar and M for Mobile. Currently, there are 34.14 crore Jan Dhan accounts (PTI, 2019), in excess of 121 crore Aadhaar holders (Online, 2018) and nearly 102.6 crore mobile connections in the country (Verma, 2019). The government has repeatedly termed DBT as one of its priorities. According to government statistics, Rs. 1, 82,671.36 crores have been disbursed to more than 35.7 crores beneficiaries until March 2017 (DBT Progress Report, 2019).

2. Opportunities and Pitfalls – A Careful Relook:

Some of the declared and obvious advantages of the system could be categorized under the following pointers (Mundle, 2016):

1. DBT eliminates the need for intermediaries and middlemen. Consequently, leakages can be effectively controlled.
2. Although Aadhaar numbers are not compulsory, most of the beneficiaries of DBT have been covered by the Aadhaar project. Aadhaar numbers are generated based on biometric information. Thus, the linkage of DBT with Aadhaar numbers propels the elimination of fake and non-existent beneficiaries.
3. Before the introduction of DBT, it was a long and tedious process to transfer the subsidies to the beneficiaries. The introduction of DBT has helped in reducing the delays in transferring the subsidies to the concerned beneficiaries.
4. As the intermediaries have been removed subject to the introduction of DBT, unnecessary expenditures and pilferages have been reduced to a significant degree. Thus, this has helped in rationalizing the Indian economy to a significant degree.
5. DBT has brought in transparency and accountability to the entire Public Distribution System (PDS).
6. DBT encourages people to come under the folds of the banking system. This significantly consolidates the economy.
7. DBT enhances the circulation of money in the market, which in turn enhances the Gross Domestic Product (GDP).
8. Last but not the least; DBT propels people to be more conscious about technology.

However, there are certain roadblocks as well. Some of the most notable ones are (Mundle, 2016):

1. There are still areas in the country that continue to remain unbanked. According to a report that was prepared by PricewaterhouseCoopers India, the total unbanked population in the country was roughly 23.3 crore as on 2015 (Venkataramakrishnan, 2016).

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2. According to government data, only 3.81 percent of Indians pay taxes (Saha, 2016). Consequently, it a rather difficult task to determine the actual income of the rest of the Indian citizens thereby making it impossible for the authorities to identify bonafide beneficiaries.
3. Banking corruption subject to ignorance might be a dampener. Consider for example the fact that the banking representatives taking advantage of the rampant illiteracy in the country for their own benefits. There have been numerous reports from across the country where the beneficiaries have not been handed over the account passbooks.
4. Ethically speaking, there is a possibility that the subsidies transferred to the accounts directly are not actually used for the intended purpose.
5. Probably the biggest impediment to the system is a substantial shortage of technological awareness. Digital empowerment could go a long way in reducing this gap between what actually is the case currently and what could be the possible opportunities ahead.

3. Digital India Campaign, e-Governance and Digital Empowerment

Launched on July 1, 2015; Digital India happens to be a flagship programme of the Government of India (Panwar, 2015). It aims to modify the complete framework of doling out public services. If we are to decrypt what it means, Digital India aims to provide public services to the common citizens through the electronic means. This is being done to transform India into a digital empowered society and knowledge economy. In order to achieve the desired objectives, steps are being undertaken to improve online infrastructure, enhance the internet penetration and increase digital awareness. The principal pillars based on which the scheme is being implemented are (PROGRAMME PILLARS, 2019), (Nidhi, 2015):

1. **Creating Broadband Highways:** According to this ambitious plan, the government envisages to provide information infrastructure throughout the country. The Department of Telecommunications (DoT) will act as the nodal department for this.
2. **Ensuring Universal Access to Mobile Connectivity:** According to this project, all the villages of the country will be covered through mobile connectivity. It will be done in a phased manner. In this case, as well, the Department of Telecommunication (DoT) will act as the nodal department.
3. **Public Internet Access Programme:** Two sub-components make up this programme – Common Service Centres (CSCs) and Post Offices in the form of Multi-Service Centres. The government plans to put up information infrastructure for all the citizens. The Ministry of Electronics and Information Technology (DeitY) will act as the nodal department for this programme.
4. **Ensuring e-Governance – Reforming Government through the Usage of Technology:** Long and tedious government application processes would be made simpler and hassle-free through the improvement of e-Governance. Aadhaar cards, payment gateways and mobile platforms will be used for the quicker examination of data.
5. **Initiating eKranti – Electronic Delivery of Public Services:** Basic citizen services will be made available through the electronic mode.
6. **Ensuring Information for All:** The dissemination of information from the government level to the public level will be made easy though multiple electronic means including social media.
7. **Making Improvements in Electronics Manufacturing:** This project emphasizes on manufacturing electronic items in the country so that there shall be zero imports by the year 2020.
8. **Ensuring the Availability of Information Technology (IT) for creating jobs:** This project plans to create jobs by providing IT training to youths from villages and small towns. The Ministry of Electronics and Information Technology (DeitY) will act as the nodal department for this programme.
9. **Initiating Early Harvest Programmes:** This programme consists of some sub plans including the setting up of biometric attendance system, making email the primary mode of communication and setting up Wi-Fi facilities in all the universities of the country.

4. Direct Benefit Transfer, Digital India and Digitally Empowered India

One of the pillars for DBT to be successful across the board is a seamless transfer of information to all and sundry. The lower strata of the society would be able to take advantage of the policy only when they are aware about their dues. One of the primary reasons why the PDS in India got away with corruption is the absence of a unified mechanism to sort out public grievances. However, with the Digital India programme, there is a distinct possibility that the leakages at the grassroot level could be substantially reduced. As mentioned earlier, one of the principal pillars of the Digital India initiative is an emphasis on information for all. Thus, the government would be able to upload all the necessary information pertaining to DBT across multiple forums thereby helping in spreading awareness. As it has been already mentioned, the success of DBT depends on the availability of mobile connectivity. As the Digital India initiative seeks to connect all the villages of the country through mobile connectivity, DBT would be given a significant boost. Currently, DBT faces a major bottleneck as not all beneficiaries under the scheme have access to either mobile telephones or internet connectivity. With the establishment of CSCs and Multi-Service Centres at the Post Offices, the common citizenry would be able to gain an easier access to internet. This would significantly decrease the information gap that is existent at present and substantially help the successful implementation of DBT. It has been repeatedly stated that transparency is one of the fundamental objectives of the Digital India mission. Consequently, citizens would be able to raise their voices just in case there is any instance of corruption at the ground zero level. Additionally eKranti, a sub plan under the Digital India initiative, seeks to make all public services available through the electronic means. Consequently, people would be able to better connect with the officials if there is a need concerning the implementation of any of the DBT schemes. Most

importantly, every development could be scientifically tracked using the provisions of the Digital India plan while carrying out any or all the provisions of the DBT. It would not be an exaggeration to note that the successful implementation of DBT and the various clauses of the Digital India initiative are complementary and could be effectively linked in the future. It is important to remember that DBT could prove to be a game changer in the history of modern India if technology is used to aid the distribution of benefits and more so for the underprivileged section of the society.

5. Conclusion

As on June 1, 2019, 487 schemes were being doled out using the DBT system (DBT Applicable Schemes & Services, 2019). These 487 schemes fall under 62 ministries and include the much-touted Jan Dhan and Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) programmes. There are plans afoot to introduce cash transfer in PDS for cities with population more than 10 lakhs. If the plan succeeds, we might shift to a system where money for all government projects and all sorts of subsidies would be given to the beneficiaries through DBT. Given the changed world order where everything is becoming electronic, it is only natural that an enhanced application of technology might go a long way in making DBT a roaring success. However, the stark illiteracy figures in India and a decided gap in technological knowhow might prove to be major hindrances. Thus, it is a prerequisite that the awareness components of the Digital India initiative are given a relook and reworked in accordance with the ground realities in India and more so for the rural regions. A comprehensive digital empowerment of citizens is the need of the hour if at all any of the schemes under the DBT has to be comprehensively successful. With the Government of India putting a lot of emphasis on digital expansion, things seem to be moving in the right direction. However, what the present system lacks is a streamlined approach that would remove the digital divide existent across multiple corners of the country. While the cities and the towns rank pretty high in terms of digital awareness, the villages have not yet been able to be parts of the wave. As it can be well understood, the number of beneficiaries in terms of the DBT schemes is much higher for the villages. Consequently, awareness drives in addition to a push for development of technological infrastructure should be the order of the day. The current internet penetration in the country is 40 percent (PTI, 2019). If at all, DBT has to be more inclusive in its scope, this figure has to go up substantially. Provided the right intent exists, there is no reason why sky cannot be the limit.

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