

Direct Benefit Transfer

DBT-Related Update: With the Electricity Amendment Bill 2020, the Direct Benefit Transfer (DBT) is in the news as it strikes a chord with the 'Free Power Scheme' of Punjab. Under this scheme, 14.16 lakh electricity-run tubewells of the agriculture sector are supplied free power through 5,900 Agricultural Pumpset Feeders (APFs). Farmers get free powers for their Kharif and Rabi crops for a designated time period. But, the Electricity Amendment Bill proposes to introduce DBT following which farmers have to pay for the electricity consumed and the later get the subsidies in their bank accounts.

This brings the topic, 'Direct Benefit Transfer' up for debate. Hence, [IAS Exam](#) aspirants should know what DBT is, what are its advantages and disadvantages.

What is Direct Benefit Transfer? 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. 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.

Direct Benefit Transfer Latest News

Ajay Seth, the Secretary of the Department of Economic Affairs, announced in March 2023, that India saved \$27 billion in various central government schemes through the implementation of Direct Benefit Transfer.

- In the 2020-21 fiscal year also, the government is estimated to have saved ₹44,000 crores with help of DBT. This led to total savings crossing 2.2 lakh crores by march 2021.
- There was a maximum gain for the PDS scheme since it deleted crores of duplicate and fake/non-existent ration cards between 2013 to 2020.
- MGNREGA scheme also benefited through the introduction of direct benefit transfer. According to the government, the Rural Development Ministry has been estimated to have saved 10% on wages due to the deletion of fake and ineligible beneficiaries.
- There were savings in LPG subsidy also to the tune of ₹72,000 crores through the deletion of fake and ineligible beneficiaries.

History of Direct Benefit Transfer (DBT)

The program was launched in selected cities of India on 1 January 2013. The former Union Minister for Rural Development, Jairam Ramesh, and former Chief Minister of Andhra Pradesh N. Kiran Kumar Reddy inaugurated the scheme at Gollaprolu in East Godavari district on 6 January 2013.

The first phase of DBT was launched in 43 districts, covering scholarships and social security pensions initially.

With effect from December 2014, it expanded across the nation. [MGNREGA](#) was also brought under DBT along with 34 other schemes.

Structure of the DBT

The primary aim of this Direct Benefit Transfer program is to bring transparency and terminate pilferage from the distribution of funds sponsored by the Central Government of India. In DBT, benefit or subsidy is directly transferred to citizens living below the poverty line.

The Central Plan Scheme Monitoring System (CPSMS), being implemented by the Office of Controller General of Accounts, acts as the common platform for routing DBT. CPSMS can be used for the preparation of the beneficiary list, digitally signing the same and processing of payments in the bank accounts of the beneficiary using the [Aadhaar](#) Payment Bridge.

Note: Aadhar is not mandatory to access benefits under DBT.

The following programmes are part of the DBT initiative:

- National Child Labour Project
- Student Scholarship
- LPG subsidy

Direct Benefit Transfer Schemes

There are 317 schemes under DBT. The list of some important schemes under direct benefit transfer that remain in the news or are important for the civil services examination is given below:

1. Pradhan Mantri Fasal Bima Yojana
2. National Food Security Mission
3. National Mission for Sustained Agriculture - NMSA-Rainfed Area Development
4. Pradhan Mantri Krishi Sinchai Yojana
5. PM KISAN
6. National Livestock Mission
7. Swachh Bharat Mission Gramin
8. Atal Pension Yojana
9. Pradhan Mantri Vaya Vandana Yojana
10. Pradhan Mantri Matsya Sampada Yojana
11. Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)
12. Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana (PMBJP)
13. Deen Dayal Upadhyay Grameen Kaushalya Yojna
14. DAY-NRLM

15. Khelo India
16. National AYUSH Mission - Medicines under AYUSH Services
17. Green India Mission National Afforestation Programme
18. Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM)

Conclusion: Thus the DBT has brought transparency, accountability and efficiency in the government system of implementation of schemes. The DBT also instilled confidence in citizens in governance as it boosted good governance objectives of the government. Proactive use of modern technology and information technology has enabled the government to move towards the 'Maximum Governance, Minimum Government,' objective.

Frequently Asked Questions about Direct Benefit Transfer (DBT)

Q. What is the aim of the Direct Benefit Transfer?

Ans. With DBT program, the Government of India aims to make payments directly into the Aadhaar linked bank accounts of the end beneficiaries, removing any malpractices from the existing system such as diversions and duplicate payments.

Q. When was Direct Benefit Transfer Programme launched?

Ans. The program was launched in selected cities of India on 1 January 2013. It was launched in 20 districts, covering scholarships and social security pensions initially. Former Union Minister for Rural Development of India Jairam Ramesh and former Chief Minister of Andhra Pradesh N. Kiran Kumar Reddy inaugurated the scheme at Gollaprolu in East Godavari district on 6 January 2013. The government has decided to review the progress on regular basis.