Indian Economy · GS - III

Explain the role of Direct Benefit Transfer in improving the transparency and efficiency of welfare schemes such as PM-KISAN. Discuss the institutional and technological challenges associated with its implementation.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 30/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Direct Benefit Transfer; financial inclusion; Aadhaar authentication; PFMS; NPCI; beneficiary verification; transparency; digital exclusion

Model Answer

Introduction

Direct Benefit Transfer (DBT) is an important governance reform that enables government benefits to reach beneficiaries directly through bank accounts. PM-KISAN demonstrates its application in agricultural income support.

Role of DBT in PM-KISAN

- **Direct payments:** Eligible farmers receive ₹6,000 annually in three instalments.
- **Transparency:** Digital records and payment tracking improve accountability.
- **Leakage reduction:** Aadhaar-based authentication and e-KYC help identify duplicate or ineligible beneficiaries.

- **Financial inclusion:** Bank-linked transfers strengthen access to formal financial services.

Implementation Challenges

- Inaccurate or outdated land records can exclude eligible farmers.
- Aadhaar-bank linking errors and authentication failures may delay payments.
- Tenant farmers and agricultural labourers may remain outside eligibility criteria.
- Limited digital literacy and banking access can create difficulties in rural areas.

Way Forward

Regular land-record updates, accessible grievance redressal, assisted e-KYC facilities and reliable banking infrastructure are essential.

Conclusion

DBT can strengthen welfare delivery, but its success depends on accurate beneficiary identification, technological reliability and inclusive access.

BECOME IAS
AI POWERED UPSC PREP