Polity & Governance · GS - II

Reforming the government delivery system through the Direct Benefit Transfer Scheme is a progressive step, but it has its limitations too. Comment.

EXAM YEAR	PAPER	SUBJECT
2022	GS - II	Polity & Governance

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Direct Benefit Transfer (DBT) improves welfare delivery by transferring benefits directly to beneficiaries, reducing intermediaries and potentially curbing leakages. However, authentication failures, exclusion errors, digital illiteracy, banking-access problems and inadequate grievance redressal can prevent eligible beneficiaries from receiving entitlements.

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Model Answer

Introduction

Direct Benefit Transfer (DBT) transfers government subsidies and welfare payments directly into beneficiaries' bank accounts. It seeks to improve transparency, efficiency and accountability in public expenditure.

Body

Advantages

1. Reduced Leakages: Direct transfers can limit diversion of funds and eliminate certain intermediaries.

2. Greater Transparency: Digital transaction records improve monitoring and facilitate auditing.

3. Timely Payments: Automated transfers can reduce administrative delays and transaction costs.

4. Financial Inclusion: DBT encourages bank-account usage and strengthens the formal financial system.

Limitations

1. Exclusion Errors: Incorrect beneficiary databases and documentation problems may exclude eligible people.

2. Digital Barriers: Limited digital literacy, connectivity and access to banking facilities particularly affect vulnerable populations.

3. Authentication Failures: Aadhaar-related authentication or account-mapping errors may delay payments.

4. Grievance Redressal: Weak local support and difficult correction procedures can leave beneficiaries without timely relief.

Way Forward

Governments should maintain updated beneficiary records, provide assisted access, establish effective grievance mechanisms and offer alternative verification arrangements wherever legally permitted.

Conclusion

DBT is a progressive reform, but its success depends on inclusion, reliable infrastructure and accountability. Technology should simplify welfare delivery without making access conditional on overcoming unreasonable digital or administrative barriers.

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