



# Impact Assessment Of The Direct Benefit Transfer Scheme In India: A Case Study Of Haryana\*

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## Abstract:

The Direct Benefit Transfer (DBT) scheme in India has transformed welfare delivery by directly transferring funds to the bank accounts of beneficiaries. It has significantly impacted households, with 85% of rural and 69% of urban households benefiting from the scheme. The integration of Jan-Dhan bank accounts, Aadhaar cards, and mobile numbers, known as the "Jam triangle," has eliminated intermediaries and reduced corruption. In FY 2022-23 alone, the Indian government transferred Rs 7.17 lakh crore through the DBT scheme, providing crucial support during the COVID-19 pandemic. Haryana has excelled in implementing DBT and introduced the Parivar Pehchan Patra, automating essential document creation and disbursing old-age pensions. This has resulted in savings of Rs 1,200 crore by detecting fake beneficiaries. The success of DBT and Parivar Pehchan Patra demonstrates the government's commitment to transparent and efficient welfare delivery. This research assesses the impact of the DBT scheme in Haryana, providing insights for future policy decisions and enhancing the scheme's effectiveness.

**Keywords:** Direct Benefit Transfer (DBT), Jan-Dhan, Aadhaar card, Mobile number, Corruption, Parivar Pehchan Patra, Ration card, Old age pension, Fake beneficiaries.

## Introduction:

The Direct Benefit Transfer (DBT) scheme is a significant initiative introduced in the Indian welfare system. It is a program aimed at improving the delivery of government subsidies and welfare benefits to eligible beneficiaries. Under the DBT scheme, the subsidies are directly transferred to the bank accounts of beneficiaries, eliminating intermediaries and minimizing leakages.

The importance of the DBT scheme becomes evident when considering the prevalence of corruption and leakage in traditional subsidy delivery systems. The statement, "If there is a gathering of people looking for 'opportunity in disaster' at every level in this country, if out of one rupee sent from the center, the whole hundred paise is reaching the poor, then it will be considered a great achievement," highlights the significance of ensuring that the entire amount allocated for welfare reaches its intended beneficiaries.

The reference to former Prime Minister Rajiv Gandhi's statement during his visit to drought-affected Kalahandi in 1985 underscores the long-standing issue of corruption and leakages in government spending. At that time, it was estimated that only 15 paise out of every rupee spent by the government reached the intended recipients, with the rest being lost to corruption and leakages.

In this context, the DBT scheme's significance lies in its ability to address these concerns and ensure that the full amount of subsidies and welfare benefits is directly transferred to the bank accounts of the beneficiaries. By eliminating intermediaries and leveraging technology, the DBT scheme minimizes leakages and corruption, enabling the entire sum to reach the intended individuals and families. This achievement is crucial in a country like India, where numerous individuals and groups seek to exploit disasters and crises for personal gain.

By focusing on direct transfers and utilizing the Jam triangle of Jan-Dhan, Aadhaar card, and mobile numbers, the DBT scheme has reduced the scope for corruption arising from leakages, thereby increasing the

effectiveness and impact of welfare spending. It represents a commendable achievement in the journey towards greater transparency, accountability, and equitable distribution of government resources.

Overall, the DBT scheme's ability to ensure that the full amount allocated for welfare reaches the intended recipients is a testament to its importance and effectiveness in combating corruption and leakage. It addresses the concerns raised by the former Prime Minister and demonstrates a significant step towards achieving greater efficiency and fairness in the welfare system of the country.

The DBT scheme has emerged as a transformative initiative in India's welfare system, revolutionizing the delivery of subsidies and financial support to the underprivileged. Through the integration of the Jan-Dhan bank accounts, Aadhaar cards, and mobile numbers - popularly known as the "Jam triangle" - the DBT scheme has streamlined the process of disbursing funds directly to the beneficiaries, effectively eliminating intermediaries and ensuring efficient subsidy delivery. For the success of Direct Benefit Transfer (DBT) in India, three important factors are:

**Financial Inclusion:** The presence of 47.8 crore Jan Dhan accounts indicates a high level of financial inclusion. These accounts provide a platform for transferring benefits directly to the intended beneficiaries, eliminating intermediaries and reducing leakages in the system.

**Aadhaar Registration:** With more than 130 crore registered Aadhaar numbers, the government has a robust identification system in place. Aadhaar enables targeted delivery of benefits and helps in identifying genuine beneficiaries, ensuring that the benefits reach the intended recipients effectively.

**Mobile Penetration:** The presence of over 120 crore mobile users, including 60 crore smartphone users, signifies widespread mobile penetration in the country. Mobile phones provide a convenient channel for accessing and receiving benefit transfers, making the DBT process more accessible and inclusive.

These three factors collectively contribute to the success of DBT by providing a strong foundation for efficient and targeted benefit delivery, reducing leakages, and ensuring that benefits reach the intended beneficiaries in a timely manner.

The impact of the DBT scheme has been substantial, with a remarkable reach across both rural and urban areas. In rural regions, the scheme has facilitated food and cash support for an impressive 85 percent of households, while 69 percent of households in urban areas have benefited from the scheme's provisions.

The financial scale of the DBT scheme is equally noteworthy. In the fiscal year 2021-22 alone, the Indian government successfully transferred a staggering Rs 6.3 lakh crore directly to the bank accounts of beneficiaries. The following year, this amount further increased to Rs 7.16 lakh crore, with a cumulative transfer of Rs 33 lakh crore since the scheme's inception in 2015.

The relevance and impact of the DBT scheme were further highlighted during the COVID-19 pandemic, where it proved to be a lifeline for countless individuals and families. The scheme played a pivotal role in ensuring the provision of essential financial support to vulnerable segments of society during the crisis. Presently, the DBT scheme is linked to 319 schemes of 53 central government ministries, and when combined with state government programs, it benefits individuals across more than 450 schemes. This widespread integration has resulted in over 105 crore

people benefiting from these programs, with many individuals receiving support through multiple schemes.

The sheer magnitude of the DBT scheme's impact is evident from the substantial number of transactions it facilitates. In the fiscal year 2021-22 alone, an astounding 783 crore transactions took place under the DBT scheme, underscoring its efficacy in providing direct financial assistance to the intended beneficiaries.

## Results and Analysis:

In light of the DBT scheme's success and its critical role in enhancing welfare delivery and financial inclusion, it is crucial to undertake a comprehensive research study to assess its impact, particularly focusing on specific case studies such as Haryana. By analyzing secondary data and evaluating the outcomes, challenges, and potential policy improvements of the DBT scheme, this research aims to provide valuable insights that can inform future policy decisions and further enhance the effectiveness of the scheme in India.

**Table 1. DIRECT BENEFIT TRANSFER SCHEME PERFORMANCE RANKING OF STATE/UT**

Sr.No.	State/UT	RANK
1	HARYANA	1
2	UTTAR PRADESH	2
3	TRIPURA	3
4	GUJRAT	4
5	UTTARAKHAND	5
6	JHARKHAND	6
7	BIHAR	9
8	Madhya Pradesh	10
9	Punjab	15
10	Delhi	17
11	Maharashtra	26
12	Chandigarh	29
13	Assam	35
14	West Bengal	36

The table represents the performance ranking of different states and union territories in terms of the Direct Benefit Transfer (DBT) scheme. The DBT scheme aims to improve the delivery of government subsidies and welfare benefits to eligible beneficiaries by directly transferring the funds to their bank accounts.

Here is a summary of the rankings mentioned in the table:

1. Haryana: Haryana secured the 1st rank in the DBT scheme performance ranking. This indicates that the state has performed exceptionally well in implementing the scheme and ensuring the efficient transfer of subsidies and benefits to the intended recipients.
2. Uttar Pradesh (UP): Uttar Pradesh obtained the 2nd rank in the ranking. This suggests that the state has made significant progress in implementing the DBT scheme and has demonstrated effective delivery of subsidies and welfare benefits.
3. Gujarat: Gujarat achieved the 3rd rank in the performance ranking. The state has demonstrated commendable performance in terms of implementing the DBT scheme and ensuring the direct transfer of funds to the beneficiaries' bank accounts.
4. Punjab: Punjab secured the 15th rank in the ranking. While not among the top performers, the state has made some progress in implementing the DBT scheme and improving the delivery of subsidies and benefits.
5. Delhi: Delhi obtained the 17th rank in the performance ranking. This indicates that the Union Territory has made moderate progress in implementing the DBT scheme and ensuring the efficient transfer of funds to eligible beneficiaries.
6. Assam: Assam secured the 35th rank in the ranking. While lower in the overall performance, the state has made some efforts in implementing the DBT scheme and improving the delivery of subsidies and welfare benefits.
7. West Bengal: West Bengal obtained the last position in the ranking, ranking 36th. This suggests that the state has faced challenges in implementing the DBT scheme and ensuring the effective transfer of funds to the intended recipients.

Overall, the ranking provides an assessment of how different states and union territories have performed in implementing the DBT scheme and delivering subsidies and welfare benefits to eligible beneficiaries. Higher ranks indicate better performance in terms of efficient implementation and effective delivery of funds, while lower ranks suggest the need for improvement in these areas.

**Table 2. YEAR WISE TOTAL DIRECT FUND TRANSFER UNDER DBT**

Sr.No.	YEAR	FUND TRANSFER (in Crore)
1	2013-14	7367
2	2015-16	61942
3	2017-18	190870
4	2020-21	552527
5	2022-2023	716390

The table shows a steady increase in the amount of funds transferred through the DBT scheme over the years, indicating the growing importance and effectiveness of the scheme in delivering financial support and subsidies to eligible beneficiaries.

**Table 3. YEAR WISE TOTAL DBT BENEFICIARIES**

Sr.No.	YEAR	BENEFICIARIES (in Crore)*
1	2013-14	10.8
2	2015-16	35.7
3	2020-21	179.9
4	2021-22	178.9
5	2022-23	166

\*Sum total of beneficiaries across schemes.

It's important to note that the figures provided in the table represent the sum total of beneficiaries across various schemes under the DBT program. The increasing number of beneficiaries over the years indicates the government's efforts to extend the reach of welfare programs and provide direct financial assistance to a larger section of the population.

Overall, the table demonstrates the growing scale and impact of the DBT program in reaching and benefiting a significant number of individuals and households across different years.

DBT and other governance reforms have led to removal of duplicate/ fake beneficiaries and plugging of leakages etc., as a result of which the government has been able to target the genuine and deserving beneficiaries. Estimated savings/ benefits from some of the Schemes are as under:

**Table 4. Estimated Savings From some of scheme's Due to DBT(Upto March 2022)**

Sr.No	DEPARTMENT	SCHEME	Estimated savings in ₹ cr.upto march 2022	deletion of duplicate, fake/ non-existent, ineligible beneficiaries
1	Rural Development	MGNREGS	40986	10% Wage
2	Ministry of petroleum & Natural Gas	PAHAL	72909	4.11 Crore connection
3	Dept. Food & Public Distribution	PDS	135196	4.2 crore Ration card
4	Ministry of Minority Affairs	Scholarship	1730	27.9 Lakh people
5	Dept of social Justice	Scholarship	352	1.98 lakh people
6	Ministry of women and child Dev.	Others	1532	98.8 lakh people
7	Dept of fertilizer	Fertilizer	18699	120 lakh mettric tonnes
8	Rural Development	NSAP	535	9.53 lakh duplicate person

The table provides information on estimated savings achieved through the Direct Benefit Transfer (DBT) scheme by eliminating duplicate, fake, non-existent, and ineligible beneficiaries across various government schemes. Here is a brief summary of the savings achieved in different departments and schemes:

1. Rural Development - MGNREGS: An estimated savings of ₹40,986 crore has been achieved through the deletion of duplicate, fake, and ineligible beneficiaries. This includes a 10% saving on wages due to the removal of ineligible beneficiaries.
2. Ministry of Petroleum & Natural Gas - PAHAL: A significant savings of ₹72,909 crore has been achieved through the deletion of around 4.11 crore fake connections.
3. Department of Food & Public Distribution - PDS: The DBT scheme has resulted in savings of ₹1,35,196 crore by eliminating around 4.2 crore fake ration cards.
4. Ministry of Minority Affairs - Scholarship: An estimated savings of ₹1,730 crore has been achieved by removing around 27.9 lakh fake beneficiaries from the scholarship scheme.
5. Department of Social Justice - Scholarship: The DBT scheme has led to savings of ₹352 crore by deleting approximately 1.98 lakh fake beneficiaries from the scholarship program.
6. Ministry of Women and Child Development - Others: Savings of ₹1,532 crore have been achieved by removing 98.8 lakh fake beneficiaries in various schemes under the ministry.
7. Department of Fertilizers - Fertilizer: An impressive savings of ₹18,699 crore has been achieved by ensuring that 120 lakh metric tonnes of fertilizer reach the genuine beneficiaries.
8. Rural Development - NSAP: The DBT scheme has resulted in savings of ₹535 crore by eliminating 9.53 lakh duplicate persons from the National Social Assistance Program.

Overall, the table highlights the substantial savings achieved through the DBT scheme by identifying and eliminating duplicate, fake, and ineligible beneficiaries. These savings indicate the effectiveness of the scheme in reducing wastage and ensuring that government resources are directed to the intended recipients, thereby improving the efficiency of welfare programs

## Haryana Case Study

Haryana has emerged as a leading state in the implementation of the Direct Benefit Transfer (DBT) scheme in India. Haryana secured the 1st rank in the DBT scheme performance ranking. This indicates that the state has performed exceptionally well in implementing the scheme and ensuring the efficient transfer of subsidies and benefits to the intended recipients. In addition to the DBT scheme, Haryana has taken a significant step forward by becoming the first state in the country to implement the Parivar Pehchan Patra (Family Identification Document). This initiative has enabled the efficient creation of various essential documents such as ration cards, old age pension certificates, caste certificates, birth certificates, and income certificates in Haryana.

Under the Parivar Pehchan Patra, a remarkable development has taken place in the automatic disbursement of old age pensions to eligible beneficiaries. Every month, around 5,000 individuals above the age of 60 in Haryana receive their old age pensions automatically through this system. In the year 2022-23, approximately 60,000 people availed the benefits of the old age pension scheme through this streamlined process.

The implementation of the Parivar Pehchan Patra has yielded significant financial savings and helped expose fraudulent activities. Since its implementation, the government of Haryana has saved approximately Rs 1,200 crore by identifying and eliminating around 3,700,000 fake beneficiaries who were wrongly claiming benefits. This highlights the effectiveness of the system in curbing corruption and ensuring that the benefits reach the deserving individuals.

Prior to the implementation of the DBT scheme, corruption was rampant in the welfare system. However, the introduction of the DBT scheme and subsequent measures like the Parivar Pehchan Patra have brought about substantial improvements in the efficient delivery of benefits, minimizing opportunities for corruption and ensuring that resources are utilized effectively.

Looking ahead, it is noteworthy that a CBI (Central Bureau of Investigation) investigation is scheduled for the year 2023 to address an old age pension scam involving more than 7 crore rupees in the year 2011. This investigation demonstrates the government's commitment to rooting out corruption and holding those responsible accountable for their actions.

Overall, Haryana's achievements in implementing the DBT scheme, along with the successful implementation of the Parivar Pehchan Patra, showcase the state's commitment to transparent and accountable governance. The initiatives have not only resulted in significant cost savings but also ensured that welfare benefits reach the intended beneficiaries, thereby enhancing the overall welfare system in the state.

Here are some policy implications and recommendations based on the impact assessment of the Direct Benefit Transfer (DBT) Scheme in India, focusing on the case study of Haryana:

### Policy Implications:

- Strengthening Digital Infrastructure:** The success of the DBT scheme in Haryana highlights the importance of investing in robust digital infrastructure, including internet connectivity and Aadhaar authentication systems. This infrastructure should be extended to rural and remote areas to ensure equitable access to government services and subsidy transfers.
- Enhancing Financial Inclusion:** The DBT scheme has contributed to increased financial inclusion by encouraging beneficiaries to open bank accounts. To further enhance financial inclusion, the government should collaborate with financial institutions to simplify account opening procedures and provide financial literacy programs to educate beneficiaries about the benefits of formal banking.
- Capacity Building for Beneficiaries:** The implementation of the DBT scheme has shown that beneficiaries need support in understanding and navigating the digital platforms and processes involved. The government should invest in capacity building programs to enhance digital literacy among beneficiaries, ensuring their effective participation in the scheme and utilization of subsidies.
- Strengthening Monitoring and Grievance Redressal Mechanisms:** The DBT scheme's success in Haryana can be attributed, in part, to the presence of monitoring and grievance redressal mechanisms.

To further strengthen accountability and transparency, the government should establish robust mechanisms to monitor subsidy transfers, promptly address grievances, and encourage beneficiaries to provide feedback on the scheme's implementation.

### Recommendations:

1. **Targeted Outreach and Awareness Campaigns:** The government should conduct targeted outreach and awareness campaigns to ensure that all eligible beneficiaries are aware of the DBT scheme and understand how to enroll and avail themselves of subsidies. These campaigns should be conducted in multiple languages and tailored to different socio-economic groups.
2. **Regular Program Evaluation and Impact Assessment:** Continuous program evaluation and impact assessment studies should be conducted to assess the effectiveness and efficiency of the DBT scheme. This will enable policymakers to identify areas of improvement, address implementation challenges, and refine the scheme to better serve the needs of beneficiaries.
3. **Synergy among Government Departments:** To maximize the impact of the DBT scheme, there should be increased coordination and collaboration among different government departments. This will help in identifying potential synergies, reducing duplication, and ensuring seamless integration of welfare programs under the DBT scheme.
4. **Transparency in Data Sharing:** The government should prioritize data sharing among relevant departments to facilitate better targeting and monitoring of subsidies. This requires a robust data-sharing framework that ensures the privacy and security of beneficiaries' information while allowing for seamless information exchange between departments.
5. **Continuous Technology Upgrades:** To keep pace with technological advancements, the government should regularly upgrade the digital infrastructure supporting the DBT scheme. This includes investing in secure and user-friendly platforms, exploring emerging technologies like blockchain for secure transactions, and leveraging data analytics for program optimization and fraud detection.
6. **Learning from Best Practices:** The government should actively seek knowledge sharing and collaboration with other states and international agencies that have successfully implemented similar DBT schemes. This will enable the adoption of best practices, lessons learned, and innovative strategies to enhance the impact of the DBT scheme in Haryana.

Implementing these policy implications and recommendations will help strengthen the DBT scheme in Haryana, improving its efficiency, transparency, and impact on beneficiaries. It will also contribute to the larger goal of ensuring effective welfare delivery and socio-economic empowerment of the population.

### CONCLUSION

In conclusion, the impact assessment of the Direct Benefit Transfer (DBT) Scheme in India, with a specific focus on the case study of Haryana, reveals the positive outcomes and policy implications of this welfare program. The DBT scheme has demonstrated significant improvements in subsidy delivery, financial inclusion, transparency, and accountability.

The case study of Haryana showcases the successful implementation of the DBT scheme, particularly in leveraging digital platforms, such as Aadhaar integration and electronic fund transfers, to streamline subsidy transfers and eliminate intermediaries. The scheme has enhanced targeting accuracy, reduced leakages, and ensured that subsidies reach the intended beneficiaries more efficiently.

The DBT scheme has also contributed to financial empowerment by promoting financial inclusion through encouraging beneficiaries to open bank accounts. This has provided them with access to formal financial services, improved their socio-economic standing, and empowered them to participate more effectively in the economic mainstream.

Furthermore, the DBT scheme has increased transparency and accountability in welfare programs by generating a digital trail of transactions. This has minimized the scope for corruption and improved the utilization of welfare funds. The scheme aligns with the state's focus on governance reforms and efficient service delivery, contributing to streamlined governance and effective utilization of resources.

Policy implications and recommendations stemming from the impact assessment include strengthening digital infrastructure, enhancing financial inclusion, capacity building for beneficiaries, and improving monitoring and grievance redressal mechanisms. These measures will further optimize the DBT scheme's impact and ensure that welfare benefits reach the intended beneficiaries effectively.

Overall, the impact assessment of the DBT scheme in Haryana underscores its significance as a transformative welfare program that addresses socio-economic disparities, promotes financial inclusion, and enhances the transparency and efficiency of subsidy delivery. The success of the DBT scheme in Haryana serves as a model for other states in India and highlights the potential for leveraging technology to achieve socio-economic development and inclusive growth.

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