

Chapter-I
Introduction

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1.1 Background

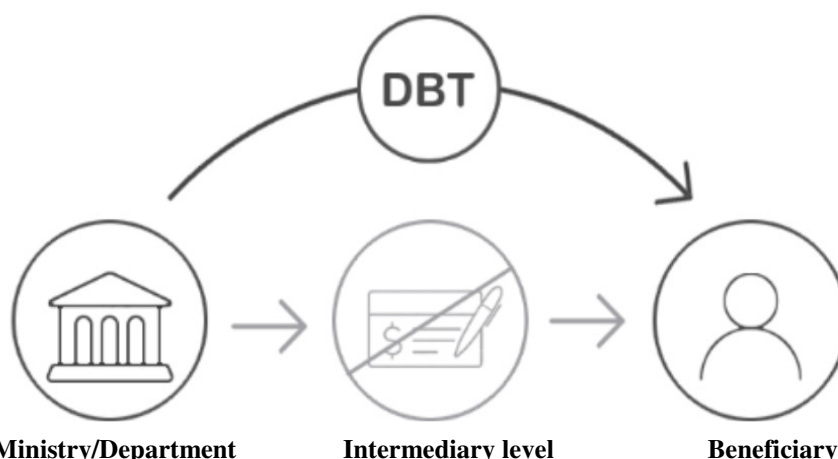
Social Security is an integral part of the development process and is designed to guarantee long term sustenance with a special focus on the vulnerable and marginal sections of the society. Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in the case of unemployment, old age, sickness and disablement within the limit of the State's economic capacity and development.

Direct Benefit Transfer (DBT) is a major reform initiative launched by the Government of India on 1 January 2013 to re-engineer the existing cumbersome delivery processes using modern Information and Communication Technology (ICT) applications.

DBT is an attempt for a better and timely delivery of benefits to the people through cash transfer, in-kind transfer and other transfers by using Aadhaar number as a unique identifier ensuring greater transparency, curbing middleman role, greater accountability, identification of eligible beneficiary and removal of ineligible beneficiary of the schemes. Cash transfers refer to money being electronically remitted directly into a beneficiaries' bank account from departments. In-kind transfers refer to physical transfer of benefits (such as food grains, books, kits, etc.) upon Aadhaar based authentication of the beneficiary at the time of benefit transfer. Other transfers refer to money being electronically remitted to an individual service provider/enabler (such as ASHA workers, Aanganwadi workers, etc.) directly into their bank account (preferably Aadhaar linked).

In a nutshell, the vision of DBT is “a governance regime which ensures a simple and user-friendly Government to People (G2P) interface and directly delivers entitlement to eligible individuals and households in a fair, transparent, efficient and reliable manner.” Thus, DBT entails leveraging modern technology and IT tools to realise the dream of ‘Maximum Governance’ and ‘Minimum Government’.

Figure 1.1: DBT Framework



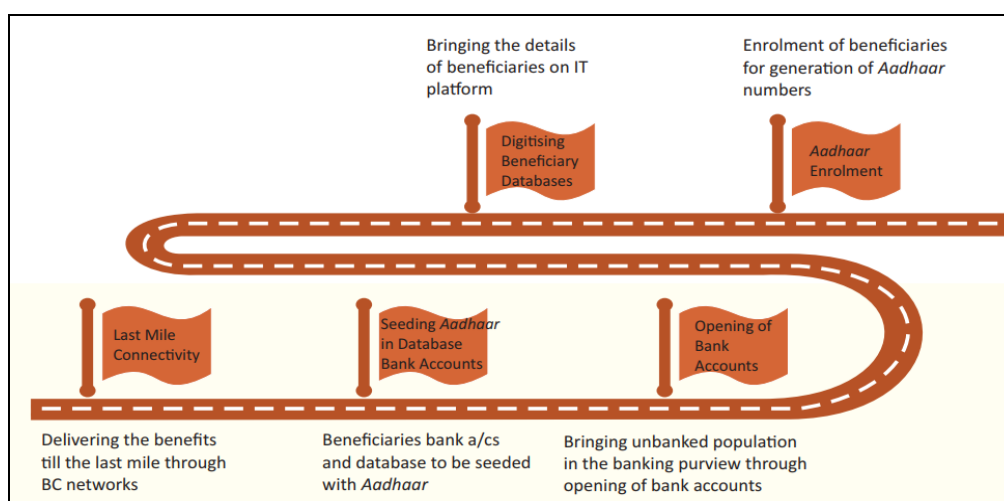
Source: DBT User Manual

1.2 Pre-requisites of Direct Benefit Transfer

The principal objective of DBT is to facilitate direct processing and credit of payments to the legitimate beneficiary in right account and in right time i.e. without undue delay. The pre-requisites of DBT are:

- Digitisation of database of beneficiaries;
- Opening of bank accounts of beneficiaries; and
- Enrolment of beneficiaries for generation of Aadhaar number.

Figure 1.2: Pre-requisites of DBT

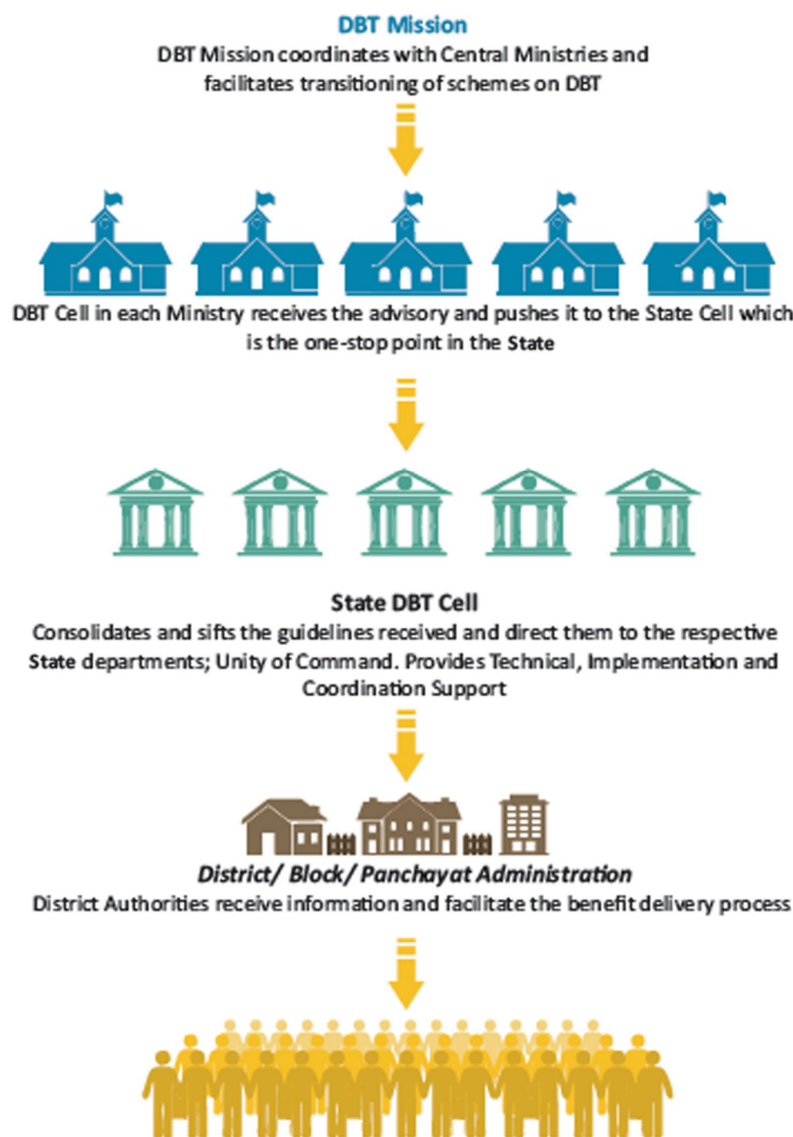


Source: DBT Mission document of GoI

DBT framework has a multi-stakeholder architecture which capitalises on the competencies of various departments and institutions to deliver benefits to beneficiaries in a timely and effective manner. A coordinated effort between the Centre and the State will enable faster decision-making, eliminate duplication of efforts and smoothen out differences, if any, hence fostering an

easier transition of schemes on to DBT. The desired map of Centre-State co-ordination with DBT Cell in States is depicted in **Figure 1.3**.

Figure 1.3: Centre-State Coordination with DBT Cell in States

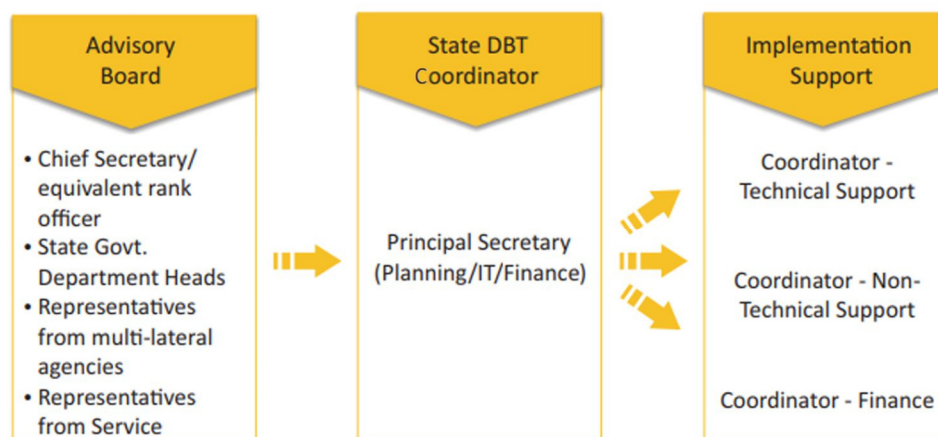


Source: Guidelines for State DBT Cell

1.3 Status of Direct Benefit Transfer in the State

In accordance with DBT Mission guidelines and in order to enable adoption of the DBT framework at the State level, a DBT Cell was constituted (July 2017) under the Department of Governance Reforms and Public Grievances (DGRPG) to monitor the progress of implementation of various DBT schemes in Punjab. As per guidelines for State DBT Cell, the proposed architecture of the State DBT Cell is depicted in **Chart 1.1**.

Chart 1.1: Proposed Architecture of State DBT Cell



Source: Guidelines for State DBT Cell

In the State of Punjab, State Advisory Board to DBT Cell under the chairmanship of Chief Secretary was constituted in November 2017. The Additional Secretary-cum-Director, DGRPG is the Nodal Officer and the Punjab State e-Governance Society (PSeGS) is the implementing agency for the State DBT Cell. Implementing departments of the State Government were also required to form their internal DBT Cells to consolidate the DBT related activities of their respective departments.

The primary objective of the DBT Cell is to aggregate and assess information of all schemes with beneficiaries; analyse and identify DBT applicable schemes and programmes being implemented at State level; and monitor the status of implementation/adoption/on-boarding of the scheme/programme on DBT framework. As of July 2020, as many as 274.84 lakh beneficiaries were covered under 127 different schemes across 17 departments/entities under DBT (both cash and in-kind transfer). Of these, 49.23 lakh beneficiaries were covered under 94 schemes across 13 departments under DBT (cash transfer). Year-wise and department-wise details of total number of schemes, beneficiaries covered and expenditure incurred under DBT (cash transfer) during 2017-2021 (upto July 2020) are given in **Table 1.1** and **Appendix 1.1** respectively.

Table 1.1: Number of schemes, beneficiaries covered and expenditure incurred under DBT (cash transfer) during 2017-2021 (up to July 2020)

Year	Number of schemes	Number of beneficiaries (in lakh)	Expenditure (₹ in crore)
2017-18	51	45.27	6,085.83
2018-19	71	44.95	2,491.58
2019-20	81	56.42	3,565.89
2020-21 (up to July 2020)	94	49.23	2,289.49
Total			14,432.79

Source: Information provided by State DBT Cell

Table 1.1 shows that after implementation of DBT in the State of Punjab, coverage in number of schemes (cash transfer) under DBT increased from 51 schemes in 2017-18 to 94 schemes in 2020-21 (up to July 2020). Reasons for decrease in the expenditure during 2018-19 over the preceding year 2017-18 have been discussed in Chapter-IV (Paragraph 4.4) of the Report.

