

DIRECT BENEFIT TRANSFER POLICY ON THE DELIVERY MECHANISM OF GOVERNMENT OF BIHAR: AN OVERVIEW

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ABSTRACT

With the aim of reforming Government delivery system by re-engineering the prevailing process in welfare schemes for easier and faster flow of information/funds and to confirm accurate targeting of the benefit receivers, and making sure that no frauds will happen, Direct Benefit Transfer Scheme was launched. With the rapid rollout of Aadhaar in the country, it had been felt possible to maneuver to a system of transferring cash benefits on to the poor. The Central and the state government transfers and subsidies in India today stand at about 4% of India's Gross Domestic Product (GDP). Currently, these transfers happen through multiple channels. The same has also been applied in the Mukhya Mantri Cycle yojna in the Bihar. The government of the Bihar was trying to find advantage of Direct Transfer Scheme in this dream project like other projects. However every good thing always comes with some lacks. The this lengthy process of payment automatically delays and the real value of the benefit reduces when it actually received by the beneficiary. Schemes introduced in the past have often struggled to attain their goals due to various leakages and ineffective service delivery. These reasonably delays and other hurdles leave an enormous leakage gap of twenty-two of GDP per annum. Other than this, the several levels of sanctions within the Direct Benefit Transfer federal structure result in further delays, thereby creating space for various inefficiencies and duplication of effort. Thus, subsidies and benefits which are needed for various sections of the society require a well-targeted system of delivery which ensures timely transfer of advantages to the citizens of the country. Undoubtedly this scheme has introduced effectiveness, efficiency, and transparency in the system of payment of the government and has increased the confidence of the people on government. Hence Direct Benefit Transfer incorporates the Information Technology to obtain maximum governance and minimum government.

Keywords: Education, Cycle, Information Technology, Government Initiative, Direct Transfer.

Introduction

DBT was a mission originated to work as a nodal point for the correct transmission of the money to the beneficiaries. First phase of DBT was initiated in 43 districts and shortly 78 more districts were added in 27 schemes per scholarships, girls, child and labour welfare. DBT then extended to entire country in 2014. Various other schemes such as MGNREGA have been then undertaken in the ambit of in DBT in various identified districts. Electronic Payment Framework was laid down vide O.M. dated 13.2.2015 and 19.2.2015. This entire framework suppose to pursued by the all Ministries and their concerned Departments as well all PSUs attached to those departments and for all schemes where components of money is transferred to individual beneficiaries. Aadhaar isn't mandatory in DBT schemes. Because of the unique identity provided by the AADHAR which is helpful in finding out the concerned beneficiaries, AADHAR was used for this scheme. JAM i.e. Jan Dhan, Aadhaar and Mobile are DBT enablers. These provide a novel opportunity to implement DBT altogether welfare schemes across country including States & UTs.

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Present Status of DBT

DBT has shown promising leads to pilot schemes being run in numerous parts of the country. As on April, 2017, DBT on boarded schemes are 135 from 25 Ministries/Departments. There are various Categories of schemes covered under DBT. The scope of DBT include all welfare/subsidy schemes operated by all the Ministries/ Departments of state of India directly or through implementing agencies, which involve cash / kind benefits' transfers to individuals. Accordingly, the scope of DBT covers the subsequent categories of schemes.

- **Cash Transfer to Individual Beneficiary:** This category includes schemes or components of schemes wherein cash benefits are transferred by Government to individual beneficiaries. Example PAHAL, MGNREGA, NSAP etc. This transfer of money benefits from Ministry/Department to beneficiaries happens through different routes, as given below:
 - Directly to beneficiaries
 - Through State Treasury Account to beneficiaries
 - Through any Implementing Agency as appointed
 - Centre/State Governments to beneficiaries
- **In-kind Transfer from Government to Individual Beneficiary:** This category includes schemes or components of schemes wherein kind benefits are given by the government to individuals through an intermediate agency. Individual beneficiaries receive these goods or services free or at subsidised rates. To cite an example, public Distribution System (PDS), Food Corporation of India (FCI) is the agent liable for procurement, movement, storage and distribution of food grains to Fair Price Shops. The rates so fixed don't cover the complete economic cost incurred by the Corporation. The difference represents the patron subsidy for the PDS, and is paid to the Corporation by the government of India. Similarly, Government incurs internal expenditures for provision of subsidies in a similar way on other products like kerosene, fertilisers, books, medicines, vaccines, etc. The matrix below through examples depicts different categories of schemes which might be grouped on the premise of the kind of advantages and also the type of beneficiaries.
- **Other Transfers:** except these two categories of schemes, there's another category of transfers from the government to different non-government functionaries who help in facilitation of varied government schemes till the date. This category includes transfers made to the assorted enablers of presidency schemes like community workers, NGOs, in the variety of honorarium, incentives, etc. for successful implementation of the schemes. don't seem to be beneficiaries themselves but they're given wages, training, and incentives for his or her service to the beneficiaries/community.

Key Enablers for DBT

The Success of any initiative including depends upon various factors which are critical to implementation of those schemes. Various factors for the success of effective implementation of the DBT Scheme includes following

- **JAM Trinity:** DBT by leveraging the JAM (Jan Dhan, Aadhaar and Mobiles) trinity and also the technological prowess offers to drastically improve the benefit delivery system in the country. The JAM Trinity will enable this novel system to transfer benefits in an exceedingly leakage-proof, well targeted, cashless and timely manner. It holds the key to 1 of the largest reforms ever attempted in India. In fact, it's seen as a new-age solution using technology because the common man's friend and an economic enabler for financial inclusion.
- **Business Correspondents (BC) Infrastructure:** Reserve Bank of India introduced Business Correspondents / Banking Correspondents (BC) as another to brick and mortar banks for infrastructure. BC is presently authorised to supply services like cash transactions where the bank doesn't have a branch. Business Correspondents/ Bank Mitras will have an important role in operationalising the programme and ensuring the walk connectivity. The strong presence of BCs will make sure that payments are disbursed to the beneficiaries on time, at their doorstep and of full value.
- **Payments Bank:** A payments bank is like several other bank, but operating on a smaller scale, without involving any credit risk. It can perform most banking operations and enable transfers and remittances through a itinerant but cannot advance loans or issue credit cards. The

most objective of payments bank is to widen the spread of payment and financial services to small business, low-income households, migrant labour workforce, etc. in secured technology-driven environment across the country. In August 2015 official permission was given to introduce Payments Bank. With payments banks, RBI seeks to extend the penetration level of monetary services in the remote areas of the country.

- **Mobile Money:** Mobile is a fast paced way of payment in the country and will be helpful in providing solution to this issue for better accessibility of DBT. There's a desire to develop a comprehensive eco-system for closing cashless transactions over mobile platform using Aadhaar as identifiers. This may revolutionize the drive for financial inclusion.

Mukhya Mantri Cycle Yogna

The Bihar government introduced a programme in 2006 to offer cash to grade 9 girls to shop for bicycles to travel to high school. As per a survey undertaken in 2016, and since of this beneficiaries were more likely to complete their education, rummage around for productive jobs outside agriculture, and delay marriage. However, lots of them weren't permitted to figure out a job or didn't find suitable jobs. Under the scheme every girl who enrolled in grade 9 would receive a cash amount to shop for a cycle, which she would use to travel to high school. The thought was that since school density is low and girls drop out of college, having a cycle reduces the time to succeed in distant schools. So without much investment you're ready to bring the varsity closer. With the results of initial reports it was found that scheme was very favourable. It worked without much misuse: Enrolment increased by over 30% in the first year itself leakages from the scheme were below 5%.

Key Features of the Mukhyamantri Balika Cycle Yojana

- **Empowering the Girl Students:** Since the rate of female education in the rural areas of Bihar wasn't satisfactory, the Cm was of the opinion that an incentive of free Cycle will be made available to all candidates so that they can complete their education.
- **Monetary Assistance to Amass the Cycle:** As per the rules, each candidate are going to be given Rs. 2500 (earlier Rs. 2000). It was a condition that money given shall be utilized only for purchase of cycle. To make sure that the cash has been utilized, the candidates must submit the acquisition receipt at the college office.
- **Number of Beneficiaries:** As per the government reports, the stat authority has successfully distributed money to 871,000 female students for purchasing the cycle.
- **Reducing the Gender Gap in Academic Institutions:** There was a start difference in the gender gap in the schools.
- **Reducing the Dropouts:** it's been announced that after the implementation of the scheme, the whole number of female school dropouts has also been reduced. The present statistics shows that the overall dropouts have come all the way down to 1 million (2012). This figure was 2.5 million in 2006.

Eligibility Criteria of the Scheme

- **Must be a Resident of Bihar:** The event of the scheme had been in the welfare of the poor girl students who find it difficult to induce to high school due to the distance. To realize free cycle under the scheme, the girls must be permanent residents of Bihar.
- **Must be a Student of Government School:** All candidates who desire to buy the cycle must be studying in schools, which are either travel by or are aided by the authorities. Private schools don't seem to be included in the scheme.
- **Must Pass the 8th Standard:** The minimum academic criteria that the girls must fulfill is that they have to have successfully passed the ultimate examination of 8th standard and can take admission in 9th.

The state has expressed great satisfaction in announcing that not only has the share of female candidates increase in schools, but the overall number of female drop outs have also been reduced.

The Impact of Cycle Yojna

These results are impressive enough. Yet, a girl on a cycle isn't just a girl visiting school: she signifies a change in society and also the rise of recent social norms and aspirations. The full impact must include an assessment of the changes in attitudes of both males and females towards the role of girls and girls in society. It's during this broader context that we study the long-term impact of the cycle

programme. Ten years since its inception, the primary beneficiaries of the scheme would now be in their early twenties. Many important life decisions are taken by them, including the choice to continue studying and in some cases decisions to marry and to own children. We made a comparison between girls of Bihar and other neighbouring states of Jharkhand and Uttar Pradesh where there was no such scheme. A number of the possible and forward looking benefits may include

- **Likelihood of Completing Education:** Our analysis shows that a girl who got a cycle under this scheme contains a 27.5% higher chance of completing grade 10 than a woman who didn't get a cycle. This is often the direct intended effect of the scheme. The senior secondary schools and colleges are usually located further a loof from the villages in Bihar and therefore the density is incredibly low. This suggests that the girls cannot use the cycles to access them. Hence, the cycle isn't just helping address a barrier to accessing secondary schools; it's also vehicle of change and a way to new aspirations. Girls who got the cycle have a 5% higher chance of completing college than girls who failed to get cycles. Given the low percentage of girls who actually attend college in Bihar, this is not a little number although it does point to supply-side constraints. The cycle programme is ready to alter attitudes towards education, as is clear from the upper completion of college rates. The sudden come by completion of faculty is also indicative of the absence of faculties in the area instead of the disinclination towards letting girls study further. Opening up avenues for girls to check is thought to possess spiral effects on other choices they create.
- **Work Choices:** On the task front, our results show that girls with cycles are less likely to be working (in agriculture). This seems surprising, as long as they're studying more. Once we delved deeper, we found that the first occupation available to the girls was employment in agriculture. The girls choose not to work in the land, but rather to attend for 'more suitable' work. When asked why they weren't working, however, over 45% say that they'd prefer to work, but their families don't give permission and over 10% say that they need not found suitable work. More education has changed the aspirations of girls and that they want more from their lives. They were willing to attend for an appropriate job to come back their way instead of take a low paying agricultural job. The shortage of jobs constrains them. This again points to the necessity for other policies which will supplement the work done by the Mukhyamantri Cycle Yojana. The girls have in several ways been empowered, but they now have to be the means to become independent. This needs more efforts and new policies by the state to make more jobs.
- **Marriage Decisions:** The second decision that we studied is the decision to marry. In India the wedding age is low the average marriage age for girls is 21.2 years (20.7 years for rural girls), in keeping with 2011 Census data, and for Bihar this can be 20.7 years (20.5 years for rural girls). Marriage at a young age has several complications related to it. However, it's hard to vary society's mindset. Surprisingly we discover that girls who visited school on cycles are delaying their marriages. This shows yet one more positive aspect of creating education for girls easier.

The Dark Side of the Direct Payment Transfer on Mukhya Mantri Cycle Yogna

However every good thing always comes with some lacks. The this lengthy process of payment automatically delays and the real value of the benefit reduces when it actually received by the beneficiary. These reasonably delays and other hurdles leave an enormous leakage gap of twenty-two of GDP per annum. Other than this, the several levels of sanctions within the Direct Benefit Transfer federal structure result in further delays, thereby creating space for various inefficiencies and duplication of effort. Thus, subsidies and benefits which are needed for various sections of the society require a well-targeted system of delivery which ensures timely transfer of advantages to the citizens of the country. Undoubtedly this scheme has introduced effectiveness, efficiency, and transparency in the system of payment of the government and has increased the confidence of the people on government. Hence Direct Benefit Transfer incorporates the Information Technology to obtain maximum governance and minimum government.

Conclusion

Overall the cycle programme has resulted in enhanced aspirations among beneficiaries yet as changes in attitudes towards girls. Girls are more likely to finish school, attend college, and appearance for productive work outside of agriculture. In the social context too, it's led to important changes. Girls became less likely to marry early and that they delay childbearing. They need difficulties

to find jobs and there don't seem to be enough good colleges in the areas where they're. It's also a heavy obstacle that society changes at a slow pace which many girls still face resistance reception to pursue their aspirations.

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