

## An Empirical Study on DBT Awareness

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Doi:10.5901/mjss.2015.v6n5p229

### Abstract

The Direct Benefit Transfer (DBT) is a social security scheme launched by the government of India, with a prime objective to transfer of cash subsidy directly to the people living below poverty line and entitlements directly to the beneficiary, whose identification would be verified on the base of 'Aadhaar Card' linked with the bank account. Observably, this foresighted steps has been taken by the government of India after experiencing so many years of hurdles such as unnecessary delays, leakages and diversion of benefits which take place while providing subsidy to the needy people. In a country like India where more than 25% people are living below poverty line and the benefit of Central and State Governments sponsored schemes are not reaching them. In spite of spending huge amount and deploying substantial workforce these poor classes are still struggling for their day to day needs like food, shelter, clothing, health, education etc. Various reasons can be mentioned behind this imbalance but it is a proven fact that all is not well. Certain major shortcomings in this regard are non-scientific method for the identification of the beneficiary, lack of proper and effective channels of distribution, lack of interest of implementation of concerning authority, delay in delivery of service, reaching beneficiaries not at its doorsteps and lack of awareness on the benefit of direct benefit transfer. Based on the above backdrop, this paper investigates the public awareness on direct benefit transfer in Vellore District, Tamil Nadu. The findings of this empirical study emphasis the public awareness about the direct benefit transfer scheme and its implication in India.

**Keywords:** Direct Benefit Transfer, Public Awareness, Government Schemes and Aadhaar Card

### 1. Introduction

The government must be responsible regarding the needs and demands of the people. An effective government always has concern over the public related issues. The government of India launched various types of welfare schemes and programmes for its people under whom they are provided subsidies, scholarships to students, benefits to illiterate women and micro credit to poor women section. Until December 2012, the beneficiaries were getting benefits which had to pass through hands of various intermediaries that had become responsible for leakage and delay when later on analyzed by the government. Consequently, the welfare schemes did not achieve their desired targets which were set by the government. Due to such reasons and inevitable hurdles the benefits which were supposed to reach the needy people could not happen. So, to overcome and resolve this problem the Government of India has launched "Direct Benefit Transfer (DBT) Scheme" on January 1<sup>st</sup>, 2013. The main objective of the programme is to transfer the government subsidies directly to Indian citizens who are living below poverty line. The primary aim of this DBT programme is to remove constrains and open up distribution of Central Government sponsored funds to the beneficiary through bank account using Aadhaar Card. With this background, this research paper analyses the issues relating to the public awareness about DBT in Vellore District, Tamil Nadu.

### 2. Concept of Direct Benefit Transfer

Transfer of cash subsidy directly to the people living below poverty line. The government gives subsidy to enable common man to have access to the basic necessities like fuel and food grains at affordable prices. Under this scheme, the covered beneficiaries get the amount directly in their bank accounts.

### 3. DBT at Global Level

In order to reduce poverty at global many countries introduced Direct Benefit Transfer scheme. The Government of India realized the importance and benefit of DBT and introduced this scheme all over the states. Different countries adopted different methodology to distribute this scheme. In many countries they distribute this scheme under the name of Conditional Cash Transfer Scheme (CCTS). Majority of the Asian countries have started to exercise this scheme and also in some countries like Malawi, Morocco, Kenya and South Africa. It is introduced eighteen countries in Caribbean and Latin America had already implemented CCTS.

### 4. Benefits from DBT

In India there are many DBT schemes in existence. The only addition to the existing cash transfer scheme is the addition of one more stage of verification to it that is "Aadhaar card number". The major benefits of DBT present in it are:

1. DBT is linked with usage of both Aadhaar card and biometric verification which will remove the problem of duplication of beneficiaries.
2. Benefits would possibly reach beneficiary on every first of every month and no intermediaries.
3. An intense network, the bank would ensure that the cash must reach the beneficiary at its doorstep.
4. By use of Aadhaar based micro ATM networks, the cash transfers that take place inside India can now be performed instantly with lower cost.

### 5. DBT - Pilot Study

Table 1 indicates the basic profile of the twenty selected DBT districts in India. It clearly predicts that the total coverage of DBT through Aadhaar in almost all the districts of Andhra Pradesh, and nearly 80% coverage in the state of Karnataka districts like Tumkur and Mysore. So far only one-fourth of the population has been covered under DBT. The households having mobile phones indicates even more difference that is 36% in East Nimar and 86% in North East Delhi. With regard to households availing banking facilities that is from 39% in East Godavari to 81% in SBS Nagar. Moreover, the selected District profile for the first round of DBT through Aadhaar were given in Table 1 for clear understanding.

**Table 1.** First Round Selected District Profile Relating to DBT in India

District	Total Population	Total Number of Enrolment	Share of Enrolment (Population In %)	Households (getting banking Services in %)	Households (Having mobile phones in %)	Households (With no specified Assets* in %)
Dharwad	1,846,993	867,877	47	72	65	13.9
Tumkur	2,681,449	2,333,552	87	49	50	20.0
Mysore	2,994,744	2,597,470	87	50	63	13.7
Hyderabad	4,010,238	5,057,244	126	59	80	3.1
Anantpur	4,083,315	3,530,805	86	63	58	22.6
Chittoor	4,170,468	3,488,528	84	65	58	20.8
East Godavari	5,151,549	4,405,590	86	39	47	17.3
Alwar	3,671,999	763,178	21	59	73	15.2
Ajmer	2,584,913	657,717	25	77	72	14.5
Udaipur	3,067,549	662,785	22	61	51	36.7
Harda	570,302	414,042	73	45	55	30.0
Hoshangabad	1,240,975	872,427	70	50	53	25.5
East Nimar	1,309,443	1,029,906	79	49	36	43.2
Puducherry	946,600	856,130	90	64	77	5.1
Chandigarh	1,054,686	705,370	67	80	83	2.3
SBS Nagar	614,362	30,421	5	81	76	3.2
NW Delhi	3,651,261	2,809,152	77	73	82	4.0
NE Delhi	2,240,749	1,389,917	62	70	86	2.4
Daman & Diu	242,911	131,457	54	65	82	7.6

- Assets includes Computer, Radios, TV, Telephone, Four-Wheeler, Two-Wheeler and Bicycles.

**Source:** Census of India, population and household data and Aadhaar website for enrolment.

## 6. Review of Literature

Fathima (2014) pointed out that central government of India would fetch fruitful results to the Indian economy provided proper implementation is made. This will not only make inflow of cash to the weaker sections but also strengthen the bank penetration to the remote and backward areas of India. Farhina Sardar Khan (2014) argued that the initiative steps taken by the government of India for introducing direct cash transfer to the beneficiary personal savings account is in itself a milestone in the history of economic yet a lot of work is still needed to make it flawless in its implementation.

Karen Macours (2013) stated that adequate evidence from the studies has substantiated the argument that cash transfer has helped to break the poverty cycle by enabling human capital formation among the youth of the poor families. Partha Mukhopadhyay (2013) studied that the real potential lies in shifting thinking from targeting to traceability and mitigating transactional instrumentalism in market transactions. Suyash Rai (2013) analyzed that as long as operation is satisfactory, the basic direct cash transfer scheme that has initiated, and the direct non-cash transfer of welfares based on Aadhaar-based verification, are good thoughts. Palanithurai (2013) stated that the people of India has less awareness about this scheme. People who are living in the rural and remote villages are totally unaware from the decision taken at the capital. They are not being provided the necessary background data and detailed information about the various programmes and schemes implemented by the government.

## 7. Problem of the Study

In a country like India where more than 25% people are living below poverty line, the benefit of Central and State Governments sponsored schemes are not reaching them. In spite of spending huge amount and deploying substantial workforce these poor classes are still struggling for their day to day needs like food, shelter, clothing, health, education etc. Various reasons can be mentioned behind this imbalance but it is a proven fact that all is not well. Certain major shortcomings in this regards are non-scientific method for the identification of the beneficiary, lack of proper and effective channels of distribution, lack of interest of implementation of concerning authority, excessive intermediaries and delay in delivery of service, precaution of beneficiaries, reaching beneficiaries not at its doorsteps, more intermediaries between the government and beneficiaries and public are not aware of government benefits including DBT to rural people who are living below poverty line. Based on the above statement of problem, it is necessary to study the public awareness on benefits of direct benefit transfer in Vellore District, Tamil Nadu, India.

## 8. Research Hypothesis

**H<sub>0</sub>:** There is no significant association between age and public awareness about the direct benefit transfer in India.

**H<sub>1</sub>:** There is significant association between age and public awareness about the direct benefit transfer in India.

## 9. Objectives of the Research Study

1. To find out the personal profile of the respondents.
2. To identify the public awareness about direct benefit transfer in the study area.

## 10. Methodology

This study is based on empirical in nature. Primary data were used to collect the questionnaire from the respondents who are residing in Vellore District to find out their awareness on direct benefit transfer and secondary data were collected through published source like journals, magazines, newspapers, annual reports and working papers etc.

Convenience sampling method was used for this study. 150 questionnaires were distributed and only 147 were received from the respondents and finally the researcher has taken only 127 questionnaire for consideration and the balance 20 questionnaires were not considered for analysis and discussion. The collected questionnaire deals with two sections.

Section A contains personal details while section B deals with public awareness on direct benefit transfer with five point Likert's scaling questions. The respondents were asked to read the statement carefully and rate the statement ranging from 1 (strongly disagree) to 5 (strongly agree). The statistical calculations like frequency distribution, percentage analysis and one way variance analysis (ANOVA) were used to find out the public awareness on direct benefit transfer.

In order to analyze data SPSS version 16 windows was used.

## 11. Reliability Test

In order to find out the internal consistency among the variables the researcher applied Cronbach's alpha reliability test and it finally revealed 0.764 as Cronbach's alpha value. According to (Hair, et. al. 1998) normal accepted limit is 0.70. Therefore the results clearly shows that there is a strong internal consistency and reliability among the variables for the study.

## 12. Limitations of the Study

Sample size is restricted to 127 only. All the samples were also collected only from the respondents who are residing in and around Vellore District. The major limitations of the study is time and cost. The results of the study may not be universal to other similar type of the study conducted in some other district of Tamil Nadu. The period of study is limited to three months i.e., from January 2015 to March 2015.

## 13. Data Analysis and Interpretation

### 13.1 Frequency and Percentage Analysis

The data relating to respondents personal profile were given below in Table 2.

**Table 2.** Personal profile of the respondents

Parameters	Category	Frequency	Percentage
Gender	Female	30	24
	Male	97	76
	<b>Total</b>	<b>127</b>	<b>100</b>
Nativity	Urban	36	28
	Rural	91	72
	<b>Total</b>	<b>127</b>	<b>100</b>
Age	18 to 20	58	45
	21 to 23	55	43
	24 to 26	7	6
	27 to 30	7	6
	<b>Total</b>	<b>127</b>	<b>100</b>
Awareness on DBT	Strongly agree	15	12
	Agree	47	37
	Neither agree nor disagree	31	24
	Disagree	28	22
	Strongly disagree	6	5
	<b>Total</b>	<b>127</b>	<b>100</b>

**Data Source:** Primary

It is inferred that, from the total of 127 respondents only 30 respondents are female and 97 respondents are male. 72% of the respondents are from rural place and 28% of the respondents are from urban place. 46% of the respondents fall under 18 to 20 years of age. 12% of the respondents strongly agreed and 37% of the respondents were agreed about the awareness on DBT.

### 13.2 Variance Analysis (One Way Anova)

The data relating to age and public awareness on DBT of the respondents were presented in Table 3.

**Table 3.** Cross Tabulation between Age and Public awareness on DBT

Age	Awareness on DBT					Total
	SD	DA	NAND	AG	SA	
18 to 20	0	0	0	43	15	58
21 to 23	0	20	31	4	0	55
24 to 26	0	7	0	0	0	7
27 to 30	6	1	0	0	0	7
Total	6	28	31	47	15	127

**Data Source:** Primary. (SD: Strongly Disagree, DA: Disagree, NAND: Neither Agree Nor Disagree, AG: Agree, SA: Strongly Agree)

The data pertaining to public awareness on DBT of the respondents were presented in Table 4.

**Table 4.** Variance Analysis (One Way ANOVA)

	Sum of squares	Degree of freedom	Mean square	F-value	Sig. - value
Between Groups	70.454	4	17.613	182.620	.001**
Within Groups	11.767	122	.096		
Total	82.220	126			

**Data Source:** Primary, \*\* at 5% level of significant

#### 14. Findings

1. It is also revealed from table 3 that 43 respondents who fall under the age category 18 to 20 agreed that they were aware of DBT and 15 respondents who fall under the age category 18 to 20 strongly agreed that they were aware of DBT.
2. It is inferred from the above table 4, the calculated value of one way ANOVA is 0.001, which is less than the hypothetical value ( $\alpha = 0.05$ ). Hence, the null hypothesis is not accepted. So, there is significant association between age and public awareness on DBT in Vellore District.

#### 15. Conclusion

This study concludes that the awareness about DBT is minimum with the respondent who resides in and around Vellore District. They are not aware of what is happening around them like the announcements of schemes of central government of India. They are not being provided the required information about the DBT. Village panchayats nearer to them are not able to provide the required information. So the central, state government and village panchayats should jointly take some concrete steps and ensure that people understand the spirit of DBT. Hence, awareness among the rural people who are below poverty line with respect to these schemes is highly required to improve the standard of living.

#### 16. Suggestions

People should be given proper awareness about the scheme by the village panchayats. This can be achieved through the effective participation of the panchayat and the educated youth in the villages. Proper awareness programme can be conducted at village level through educational institutions, non-governmental organizations; self-help groups so that the government can eliminate the misconceptions about the scheme to be implemented in the villages. The officials' in charge for enrollment can give a clear picture about the technology involved in this scheme as well. This will remove all unnecessary fear in the minds of the public. Media's involvement and dissemination about the DBT schemes is also highly pivotal.

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