

## A Study on Problems faced by Beneficiaries in Availing Direct Benefit Transfer in Tirunelveli District

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### Abstract

*Direct benefit transfer is well known and reaching in all kind of people in India. It is one of the initiatives of its kind and one of the largest junction and e-governance program being implemented by GoI (Government of India) as it involves digitization of information, rationalization and mechanization of processes and direct benefit transfer by Financial Inclusion of all families. It covers each and every individual family and resident of the States. There are some difficulties to reach the benefit to the real beneficiaries such as personal problems, technology problems and financial problems. Successful implementation of any program requires consistent and visible mechanisms for ensuring sanction of benefits by a single office using a single and common dais. This paper made on attempts to analyse the problems faced by the beneficiaries in availing direct benefit transfer.*

**Key words:** *Financial Inclusion, Direct Benefit Transfer, personal problems, technology problems, financial problems, Digitalized programme.*

### Introduction

Direct Benefit Transfer (henceforth DBT) is one of the innovative approach which involved transfer of incentives and subsidies directly credited to the account of the beneficiaries. It was launched on 1<sup>st</sup> January, 2013. The main purpose of the direct benefit transfer scheme is to eliminate the middlemen. It is also eliminates intermediators and rent for fair price shops as subsidies and benefits of welfare schemes are transferred directly. DBT scheme allows time bound transfers hence avoid delays in transferring money, which is one of the biggest problems of beneficiaries are facing. This will help Indian economy in the long run as the structural expenditure will be reduced and simplicity in the distribution of benefits. As everyone can purchase goods at market price, there will be healthy competition between the sellers in the market. The problem of middlemen diverting subsidized grains to markets will be eliminated. It encourages people to have bank account. The problem of food grains storage and spoilage in the process can be eliminated. Advantage of the DBT circulation of money will be increased, which can lead to a significant increase in the GDP. It will help India to transform itself into cashless economy. Still there are many rural & tribal areas, which don't have banking facility and road connectivity. Most of the banks appoint Business Correspondents to enroll beneficiaries in rural areas. They may open more than one account for each beneficiary for incentive. And there are

many complaints that they are not giving passbooks to the beneficiaries making them unaware of the scheme. Illiterate beneficiaries are more vulnerable in this case. Direct cash may not be used for planned purpose and can be used in unhealthy ways. Micro ATMs, which were set up to deliver cash benefits at door step are not present in many areas hence many beneficiaries have to travel long way to withdraw money. Most of the beneficiaries' families' heads are men. This will be a disadvantage to women as there is no guarantee that they will get their share of the cash.

## Review of literature

**Das and Bhattacharjee (2016)** found that DBT is to bring transparency and terminated pilferage from distribution of funds sponsored by Central Government. DBT in Food Grains is an essential commodity. It helps the 60 percent households of the country to provide necessary food. But still there are some problems and challenges like subsidy transfer, information gap and financial inclusion.

**Korde (2015)** observed that in the implementation of DBT only very few Aadhaar enabled with accounts, low accessibility to banking service, and low level of awareness of the scheme. Most rural people are not aware about this scheme and remaining are highly dependent on others to avail banking services, so that they can easily get benefit as they do not feel safe while transacting through others. Other issues like transfer of subsidy to female members' accounts need to be addressed as cases are of misuse of finance by male members' government requires giving attention on these issues for better implementation and fruitful results.

**Paramasivan C and Ganeshkumar V (2013)** they recommended the banking technology has progressed fast enough and more importantly the realization that the poor is bankable has the poor can access bank account. Various measures which the government of India should implement or which are under implementations but should be executed in a more effective manner through micro finance institutions, business facilitators and business correspondents. Our very old post offices will be an ideal channel to pursue the future long term goals of agency banking especially in rural India.

**Paramasivan C and Arunkumar G (2018)** concluded that when financial inclusion was introduced in India, there was a problem to find out the real beneficiaries and their status. But it has been practiced with the help of information and communication technology. Direct Benefit Transfer is one of the innovative ways to reach the benefits without any intermediators or machinery under this methods, benefit, schemes, incentives and assistance will reach directly to the beneficiaries' bank account. Therefore, if the Direct Benefit Transfer should be effective, there is a need of linking of bank account and Aadhaar cards through digital format. Direct Benefit Transfer is playing a significant role in the field of financial inclusion in India.

**Paramasivan C (2019)**, Concluded that proper distribution of assistance and subsidiary to the needy beneficiaries is one of challenging task to success the government programme particularly in financial aspects. The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. The following are the major initiatives of the central government taken to stronger then the digital financial inclusion in the country. It concludes that, PMJDY is one of the most significant schemes to include the excluded people through opening of a bank account.

As on 04.12.2019, there are 37.65 crore bank accounts were open under PMJDY with the accumulated deposits of Rs 10790410.56.

**Sakthivel N Mayilsamy R Akash R(2016)**, It is becoming increasingly apparent that addressing financial exclusion will require a holistic approach on the part of the banks in creating awareness about financial products, education, and advice on money management, debt counseling, savings and affordable credit. The banks would have to evolve specific strategies to expand the outreach of their services like LPG, Scholarships, MGNREGA, Pension schemes, Provident Funds and other services in order to promote financial inclusion. One of the ways in which this can be achieved in a cost-effective manner is through forging linkages with microfinance institutions and local communities. Banks should give wide publicity to the facility of no frills account. Technology can be a very valuable tool in providing access to banking products in remote areas. ATMs cash dispensing machines can be modified suitably to make them user friendly for people who are illiterate, less educated or do not know English.

## Statement of problem

Financial inclusion is needed for the proper growth of the country. Direct benefit transfer benefits could not reach to poor people in absence of financial inclusion. At grass root level people are facing difficulties, and there is a lot of obstacle to the poor people to avail cards, accounts at zero balance and linkage with agencies. The problems are not tackling properly, it will not be for the benefit of the poor people. Therefore, direct benefit transfer is also facing certain problems such as personal, technical and financial problems and how this problems encountered by the beneficiaries with help of their educational status.

## Objective of the Study

- To study the educational status of beneficiaries and problems faced by beneficiaries in availing DBT in Tirunelveli District.

## Hypothesis

**H<sub>0</sub>**: There is no significant mean difference between educational status and problems faced by beneficiaries in availing direct benefit transfer among the respondents.

**H<sub>1</sub>**: There is a significant mean difference between educational status and problems faced by beneficiaries in availing direct benefit transfer among the respondents.

## Research Methodology

The present study is descriptive in nature by using primary data which have collected through interview scheduled. Respondents were selected on the basis of stratified random sampling techniques.

## Study Area

The study area is Tirunelveli district of Tamil Nadu. It is considered 'universe' for the purpose of data collection and analysis of data.

## Sample size

Sample size for the study comprises 425 respondents from Tirunelveli district. Interview schedule have used to collect the data.

## Statistical tools for analysis

The researcher has used percentage analysis and one- way ANOVA test for analysis and interpretation of the data.

**Table 1**  
**Educational Status of respondents**

Profile	Category	Total No. Respondents	Percentage
Gender	Male	206	48.5
	Female	219	51.5
	<b>Total</b>	<b>425</b>	<b>100.0</b>
Educational Status	Illiterate	59	13.9
	Primary level	156	36.7
	School Level	162	38.1
	Graduate	48	11.3
	<b>Total</b>	<b>425</b>	<b>100.0</b>

*Source: Primary data*

The above table 1.1 indicates the demographic profile of the respondents. The gender wise distribution shows that 48.5 percent of sample of respondents are male and 51.5 percent of sample of respondents are female. It is found that the 13.9 percent of the respondents are illiterate in literacy level, 36.7 percent of respondents have primary level, 38.1 percent of the respondents have school level and 11.3 percent of respondents have graduate level in educational qualification.

**Table 2**

**Distribution of respondents based on their problems faced by beneficiaries in availing direct benefit transfer**

Problems	Level	Frequency	Percentage
<b>Personal Problems</b>	Low	118	27.8
	Moderate	189	44.4
	High	118	27.8
	<b>Total</b>	<b>425</b>	<b>100.0</b>
<b>Technology Problems</b>	Low	131	30.8
	Moderate	153	36.0
	High	141	33.2
	<b>Total</b>	<b>425</b>	<b>100.0</b>
<b>Financial Problems</b>	Low	98	23.1
	Moderate	157	36.9
	High	170	40.0
	<b>Total</b>	<b>425</b>	<b>100.0</b>

*Source: Primary data*

The table 2 summarizes the distribution of respondents based on their problems faced by beneficiaries in availing direct benefit transfer based on the data collected from the beneficiaries in Tirunelveli District. As regards to personal problems revealed that 27.8 percent of the respondents (118) have lowest level followed by 44.4 percent of the respondents (189) have moderate level and 27.8 percent of the respondents (118) have highest level.

The table also shows the technological problems of the respondents, 30.8 percent of the respondents (131) are at low level, 36.0 percent of the respondents (153) are at moderate level and 33.2 percent of the respondents are at high level.

With regard to financial problems of the respondents, 23.1 percent of the respondents (98) are at low level, 36.9 percent of the respondents (157) are at moderate level and 40.0 percent of the respondents (170) are at high level.

**Table 3**

**Educational status versus personal problems faced by beneficiaries in availing direct benefit transfer**

Educational status		Personal Problems			Total
		Low	Moderate	High	
<b>Illiterate</b>	Count	8	34	17	59
	% within Education	13.6%	57.6%	28.8%	100.0%
<b>Primary level</b>	Count	43	70	43	156
	% within Education	27.6%	44.9%	27.6%	100.0%
<b>School level</b>	Count	43	77	42	162
	% within Education	26.5%	47.5%	25.9%	100.0%
<b>Graduate</b>	Count	24	8	16	48
	% within Education	50.0%	16.7%	33.3%	100.0%
<b>Total</b>	Count	118	189	118	425
	% within	27.8%	44.4%	27.8%	100.0%

	Education				
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*Source: Primary data*

The table 3 shows the educational status verses personal problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District. It is seen that out of 59 respondents who are illiterate, 13.6 percent of the respondents (8) are at low level, 57.6 percent of the respondents (34) are at moderate level and 28.8 percent of the respondents (17) are at high level.

It is clear that out of 156 respondents with primary level, 27.6 percent of the respondents (43) are at low level, 44.9 percent of the respondents (77) are at moderate level and 27.6 percent of the respondents (43) are at high level.

It shows that out of 162 respondents with school level, 26.5 percent of the respondents (43) are at low, 44.9 percent of the respondents (77) are at moderate level and 27.6 percent of the respondents (43) are at high level.

It is revealed that out of 48 respondents with graduate qualification, 50.0 percent of the respondents (24) are at low level, 16.7 percent of the respondents (8) are at moderate level and 33.3 percent of the respondents (16) are at high level.

The table indicates the education status out of 425 respondents, 27.8 percent of the respondents (118) are at low level, 44.4 percent of the respondents (189) are at moderate level and 27.8 percent of the respondents (118) are at high level.

**Table 4**

**Educational status versus technology problems faced by beneficiaries in availing direct benefit transfer**

Educational status		Technology Problems			Total
		Low	Moderate	High	
Illiterate	Count	35	24	0	59
	% within Education	59.3%	40.7%	0.0%	100.0%
Primary level	Count	44	53	59	156
	% within Education	28.2%	34.0%	37.8%	100.0%

<b>School level</b>	Count	52	44	66	162
	% within Education	32.1%	27.2%	40.7%	100.0%
<b>Graduate</b>	Count	0	32	16	48
	% within Education	0.0%	66.7%	33.3%	100.0%
<b>Total</b>	Count	131	153	141	425
	% within Education	30.8%	36.0%	33.2%	100.0%

*Source: Primary data*

The table 4 shows the educational status verses technology problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District. It is seen that out of 59 respondents who are illiterate, 59.3 percent of the respondents (35) are at low level, 40.7 percent of the respondents (24) are at moderate level.

It is clear that out of 156 respondents with primary level, 28.2 percent of the respondents (44) are at low level, 34.0 percent of the respondents (53) are at moderate level and 37.8 percent of the respondents (59) are at high level.

It shows that out of 162 respondents with school level, 32.1 percent of the respondents (52) are at low, 27.2 percent of the respondents (44) are at moderate level and 40.7 percent of the respondents (66) are at high level.

It is revealed that out of 48 respondents with graduate qualification, 66.7 percent of the respondents (32) are at moderate level and 33.3 percent of the respondents (16) are at high level.

The table indicates that the education status out of 425 respondents, 30.8 percent of the respondents (131) are at low level, 36.0 percent of the respondents (153) are at moderate level and 33.2 percent of the respondents (141) are at high level.

**Table 5**

**Educational status versus financial problems faced by beneficiaries in availing direct benefit transfer**

<b>Educational status</b>		<b>Financial Problems</b>			<b>Total</b>
		<b>Low</b>	<b>Moderate</b>	<b>High</b>	
<b>Illiterate</b>	Count	0	26	33	59

	% within Education	0.0%	44.1%	55.9%	100.0%
<b>Primary level</b>	Count	25	62	69	156
	% within Education	16.0%	39.7%	44.2%	100.0%
<b>School level</b>	Count	57	61	44	162
	% within Education	35.2%	37.7%	27.2%	100.0%
<b>Graduate</b>	Count	16	8	24	48
	% within Education	33.3%	16.7%	50.0%	100.0%
<b>Total</b>	Count	98	157	170	425
	% within Education	23.1%	36.9%	40.0%	100.0%

*Source: Primary data*

The table 5 shows the educational status verses financial problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District. It is seen that out of 59 respondents who are illiterate, 44.1 percent of the respondents (26) are at moderate level, 55.9 percent of the respondents (33) are at high level.

It is clear that out of 156 respondents with primary level, 16.0 percent of the respondents (25) are at low level, 39.7 percent of the respondents (62) are at moderate level and 44.2 percent of the respondents (69) are at high level.

It focused that out of 162 respondents with school level, 35.2 percent of the respondents (57) are at low, 37.7 percent of the respondents (61) are at moderate level and 27.2 percent of the respondents (44) are at high level.

It is revealed that out of 48 respondents with graduate qualification, 33.3 percent of the respondents (16) are at moderate level, 16.7 percent of the respondents (8) are at moderate level and 40.0 percent of the respondents are at high level.

The table indicates the education status out of 425 respondents, 23.1 percent of the respondents (98) are at low level, 36.9 percent of the respondents (157) are at moderate level and 40.0 percent of the respondents (170) are at high level.

### One – way ANOVA test



**Null Hypothesis:** There is no significant mean difference between educational status and problems faced by beneficiaries in availing direct benefit transfer among the respondents

**Alternative Hypothesis:** There is a significant mean difference between educational status and problems faced by beneficiaries in availing direct benefit transfer among the respondents

**Table 6**

**Educational status versus problems faced by beneficiaries in availing direct benefit transfer**

Problems	Source	Sum of Squares	Df	Mean Square	F	Sig.
<b>Personal Problems</b>	Between Groups	32.909	3	10.970	2.158*	.032
	Within Groups	2140.032	421	5.083		
	<b>Total</b>	<b>2172.941</b>	<b>424</b>			
<b>Technical Problems</b>	Between Groups	235.080	3	78.360	17.903**	.000
	Within Groups	1842.684	421	4.377		
	<b>Total</b>	<b>2077.765</b>	<b>424</b>			
<b>Financial Problems</b>	Between Groups	226.814	3	75.605	19.772**	.000
	Within Groups	1609.789	421	3.824		
	<b>Total</b>	<b>1836.602</b>	<b>424</b>			

Significance at 5% level & \*\* Significance at 1 % level

One- way ANOVA was applied to find out the significant mean difference between educational status and problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District. It is observed that there is a significant difference between educational status (illiterate, primary level, school level and graduate) of beneficiaries towards personal problems (F-value= 2.158, p<0.05), technology problems (F-value= 17.903, p<0.01) and financial problems (F-value= 19.772, p<0.01).

**Findings**

1. It is noted that the highest percent of gender is female.
2. It is found that highest percentage of the respondents' literacy level is school level and lowest percentages of the respondents are graduates in the literacy level.

3. It is observed that educational status of the respondents such as illiterate, primary level, school level and graduate are moderately influencing the personal problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District.
4. It is revealed that educational status of the respondents such as illiterate, primary level, school level and graduate are moderately influencing the technological problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District.
5. It is clear that educational status of the respondents such as illiterate, primary level, school level and graduate are highly influencing the financial problems faced by beneficiaries in availing direct benefit transfer in Tirunelveli District.

## Conclusion

Direct benefit transfer plays a major role in digital financial inclusion in India which helps to transfer the financial assistance directly to the potential beneficiaries. But in the study area, beneficiaries are facing certain problems to avail the benefit due to lack of adequate educational qualification. There is a need of minimum literacy level to read and understand the terms and conditions prevailed in the direct benefit transfer system. Technology enabled payment system need basic knowledge on handling of information and communication technology devices such as computers, mobile phone, net banking etc.,. Therefore, this study concludes that there is a need of basic education to enable and implement the direct benefit transfer in a successful manner. But at the same time, educational qualification will not influence highly in the performance and process of direct benefit transfer in the study area.

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