

Overwhelming Popular Opposition to the DBT Experiment in Jharkhand

Glitches in the system have deprived people of nearly half of their food rations in the last four months. When they do get their rations, people spend 12 hours collecting them, on average. Most people are opposed to the new system.

In early October 2017, the Government of Jharkhand began an experiment with “direct benefit transfer” (DBT) under the public distribution system in Nagri Block of Ranchi District. Under the DBT system, people have to collect their food subsidy in cash from the bank before using it to buy rice from the ration shop at Rs 32 per kg. Earlier, they were able to buy rice from the ration shop at Re 1 per kg.

Earlier enquiries reveal that the DBT system is causing tremendous inconvenience and that most people are unhappy with it.¹ Regular agitations against DBT have taken place at the Block and District headquarters.

At the end of January 2018, student volunteers conducted a survey in 13 randomly-selected villages of Nagri Block. Some of the main findings are as follows (see Annexure for details):

- Sample households have 3.4 bank accounts on average. But few were told which account would be used for DBT transfers. Many had to run around for days to find out.
- A large majority (70%) of respondents have no way to find out whether their DBT money has come other than going to the bank. The bank is 4.5 km away on average.
- Aside from visiting the bank to check their balance, many people have to go to the local Pragya Kendra (business correspondent) to collect the cash, before going to the ration shop.² The Pragya Kendra is 4.3 km away on average.
- **Out of 4 instalments of DBT money due to them since October 2017, the respondents have received only 2.1 instalments on average.**
- **Out of 4 monthly rice rations due to them since October 2017, the respondents have been able to collect only 2.5 on average.**
- The last time they collected their PDS rice, respondents spent an average of 12 hours going to and queuing at the bank, Pragya Kendra and ration shop. About 28% spent more than 15 hours (equivalent to two work days) collecting their rice.
- **An overwhelming majority (97%) of respondents want the DBT system to be withdrawn in favour of the old system - rice at Re 1/kg at the ration shop.**

For further information, please contact Jean Drèze (jaandaraz@gmail.com) or Nazar Khalid (nazarkhalid6@gmail.com), survey coordinators.

¹ The main problems with the Nagri experiment are spelt out in recent articles by Jean Drèze (<http://www.thehindu.com/opinion/lead/following-the-grain-trail/article22451645.ece>) and Akash Ranjan (<https://thewire.in/216662/not-direct-no-benefits-cost-transfer-jharkhand/>); see also Drèze, Khera and Ranjan, “PDS ko khatam kar dega DBT”, *Prabhat Khabar*, 8 January 2018.

² The main reason for this is that the banks often refuse to give people small amounts of cash, and ask them to collect cash at the Pragya Kendra instead (e.g. to reduce over-crowding of bank premises).

Nagri Survey, January-February 2018

Main Findings

Mean number of bank accounts per household	3.4
Proportion (%) of respondents who said that	
No-one told them which account would be used for DBT credits	95
Going to bank is the only way to know whether DTB money has come	70
They used the DBT money last time they purchased rice from the PDS	77
Mean distance from home to the bank (km)	4.5
Mean distance from home to Pragya Kendra (km)	4.3
Mean number of monthly DBT instalments received in the last 4 months	2.1
Mean number of monthly rice rations purchased from PDS in the last 4 months	2.5
Mean number of person-hours spent on collecting PDS ration, last time ^a	12
Percentage distribution of respondents by number of person-hours spent collecting PDS ration (last time) ^a	
Less than 5 hours	18
5 to 10 hours	35
10 to 15 hours	19
More than 15 hrs	28
Percentage distribution of respondents according to the collection point they used for DBT money, last time	
Bank	37
Pragya Kendra	41
Other (e.g. ATM)	5
Not applicable (did not collect DBT money)	17
Proportion of respondents who prefer the old system to the DBT system	97

^a Adding up the time spent travelling back and forth as well as queuing at the bank, Pragya Kendra and ration shop. When several household members (adults) went together, their respective hours were added up. Figures exclude a small number of households that were given rice instead of cash in January because their DBT payments had been rejected.

Source: Survey of 244 households spread over 13 randomly-selected villages of Nagri Block from 28 January to 3 February 2018. The households were randomly selected from the lists of NFSA cardholders.