



People's Representatives as Welfare Intermediaries: Understanding the Politics of DBT Schemes in India

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ABSTRACT

Direct Benefit Transfer (DBT) schemes were introduced in India to reduce leakages and corruption by ensuring that welfare benefits reach intended beneficiaries directly through bank transfers. Although the DBT framework is technologically driven and designed to eliminate intermediaries, evidence from policy documents, government reports, and existing literature reveals the continued role of elected people's representatives such as Members of Legislative Assemblies (MLAs), Panchayat representatives, and municipal leaders as welfare intermediaries in the implementation of DBT schemes in India. Drawing on secondary data, the paper analyses how political actors influence welfare delivery through awareness generation, access facilitation, grievance redressal, and the mobilisation of political credit. The study argues that rather than depoliticising welfare, DBT schemes reconfigure political mediation within digital governance structures, highlighting how direct transfers continue to operate through informal political mediation.

KEYWORDS: Direct Benefit Transfer (DBT), Welfare Intermediaries, Digital Governance, Welfare Politics, Political Mediation.

1. Introduction

India's welfare delivery architecture has undergone a significant change with the introduction of the Direct Benefit Transfer (DBT) Schemes in 2013. Conceived as a key component of digital governance reforms, DBT schemes aim to reduce leakages, eliminate corruption, and ensure that welfare benefits are transferred directly to beneficiaries' bank accounts in a transparent and timely manner (Government of India, 2013). By integrating Aadhaar-based identification, financial inclusion through Jan Dhan accounts, and mobile connectivity often described as the JAM trinity, DBT represents a technocratic attempt to reconfigure state-citizen relations and improve administrative efficiency (Muralidharan, Niehaus & Sukhtankar, 2016). At the core of the DBT framework lies a normative assumption that technology can replace traditional

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intermediaries and depoliticise welfare delivery by minimising human discretion (Khera, 2017). Digital platforms are expected to create a direct and neutral relationship between the state and beneficiaries, thereby weakening clientelist practices and political mediation that have historically characterised welfare distribution in India. However, literature on welfare governance suggests that this assumption requires closer examination. Welfare access is not merely a technical process but a deeply social and political one, shaped by institutional capacities, local power relations, and everyday interactions between citizens and the state (Corbridge et al., 2005; Lipsky, 2010). Despite the direct nature of DBT transfers, elected people's representatives such as Members of Legislative Assemblies (MLAs), Panchayat representatives, Zilla Parishad members, and Municipal Councillors continue to play a significant role in the process of welfare delivery. While these actors no longer formally distribute benefits, they have influence over welfare outcomes by facilitating awareness of schemes, assisting in enrolment and documentation, mediating grievances, recommending beneficiaries, and claiming political credit for welfare delivery (Auerbach & Thachil, 2018). Their involvement highlights the persistence of political mediation even within digitally mediated welfare regimes. This paper conceptualises elected representatives as *welfare intermediaries* whose roles have been reconfigured rather than eliminated by DBT. Drawing on secondary data, the study examines how political actors adapt to digital welfare systems and embed themselves within new institutional arrangements. Rather than viewing DBT as a departure from earlier welfare practices, the paper situates it within a broader continuum of welfare politics in India, where technology reshapes but does not erase existing power structures (Gupta, 2012). The central argument of this paper is that DBT schemes, while designed to depoliticise welfare through technological automation, continue to operate through informal political mediation at the local level. Elected representatives function as intermediaries who translate digital welfare mechanisms into socially accessible processes, thereby influencing inclusion, accountability, and citizens' everyday experiences of the welfare state. By bringing attention to the political dimensions of 'direct' transfers, this study contributes to debate on digital governance, welfare state transformation, and the evolving relationship between democracy and social policy in contemporary India.

2. Conceptual and Theoretical Background

The transformation of welfare delivery through digital technologies has generated renewed scholarly interest in the changing nature of state-citizen relations, political mediation, and accountability in contemporary welfare regimes. While policy discourse surrounding Direct Benefit Transfer (DBT) schemes emphasises efficiency, transparency, and the elimination of intermediaries, few literatures suggests that welfare systems continue to operate through complex networks of actors who mediate access to state resources (Corbridge et al., 2005; Gupta, 2012). This section outlines the key concepts and theoretical



perspectives that relates the analysis of people's representatives as welfare intermediaries within India's DBT framework.

2.1 Welfare Intermediaries and Political Mediation

The concept of *welfare intermediaries* refers to actors who facilitate, mediate, or influence citizens' access to welfare benefits, often operating at the interface between formal institutions and informal practices. In the Indian context, intermediaries have historically included bureaucrats, local elites, party workers, and elected representatives who play crucial roles in identifying beneficiaries, processing claims, and resolving disputes. These actors are embedded within governance structures, shaping how welfare is experienced on the ground. Political mediation is closely linked to theories of *brokerage and clientelism*, where intermediaries connect citizens to the state in exchange for political loyalty or legitimacy (Auerbach & Thachil, 2018). Although DBT schemes are designed to limit such practices by reducing discretionary power, scholars argue that intermediaries adapt to institutional changes rather than disappear altogether (Chandra, 2017). In digitally mediated welfare systems, intermediaries often reposition themselves as facilitators of access, translators of bureaucratic procedures, and problem-solvers in cases of exclusion or technological failure (Gupta, 2012).

2.2 Digital Governance and the Promise of Depoliticization

Digital governance reforms are frequently framed as neutral and technocratic solutions to long-standing problems of corruption and inefficiency in welfare delivery. DBT schemes in India exemplify this approach by relying on biometric identification, financial inclusion, and automated transfers to create a direct link between the state and beneficiaries (Government of India, 2013). Proponents argue that digitalisation reduces human discretion, thereby limiting opportunities for rent-seeking and political manipulation (Muralidharan, Niehaus & Sukhtankar, 2016). However, critical literature challenges the assumption that technology inherently depoliticises governance. Khera (2017) argue that digital welfare systems often reproduce existing inequalities by introducing new forms of exclusion linked to documentation, connectivity and technological literacy. Moreover, the implementation of digital systems requires human intervention at multiple stages, creating spaces where informal power and political influence continue to operate (Lipsky, 2010). Rather than replacing politics, digital governance reshapes the arenas in which political negotiation and mediation occur.



2.3 Street-Level Politics and the Everyday State

The persistence of intermediaries in DBT implementation can be further understood through the lens of *street-level bureaucracy* and the concept of the *everyday state*. Lipsky's (2010) theory emphasises how frontline actors exercise discretion in policy implementation, often shaping outcomes in ways not anticipated by policy designers. Although DBT reduces direct interaction with frontline bureaucrats, citizens continue to rely on political actors to navigate administrative complexities, address errors, and access information. Gupta (2012) and Corbridge et al. (2005) highlight that citizens experience the state not as an abstract entity but through everyday encounters with local actors who embody authority and legitimacy. Elected representatives, by virtue of their political position and accessibility, become key sites through which the welfare state is negotiated and understood. Their involvement in DBT processes reinforce the relational nature of welfare delivery, where formal digital systems coexist with informal political practices.

2.4 Reconfiguring State-Citizen Relations under DBT

From a theoretical perspective, DBT represents a shift from distributive welfare politics to what some scholars describe as *managerial or technocratic governance* (Ferguson, 1994). Yet, this shift is partial and uneven. While financial transfers may be automated, the social processes like eligibility, inclusion, and grievance redressal remain deeply political. Elected representatives play a crucial role in legitimising welfare schemes, mobilising beneficiaries, and claiming political credit for state interventions. This paper views DBT not as a completely technical reform but as a site where governance, politics, and everyday practices intersect. By conceptualising people's representatives as welfare intermediaries, the study challenges dichotomy between formal and informal governance and highlights how digital welfare reforms are embedded within existing political structures.

3. Review of Literature

3.1 Literature on Direct Benefit Transfer and Digital Welfare Reforms

A substantial body of literature examines DBT as a governance reform aimed at improving efficiency, transparency, and accountability in welfare delivery. Policy-oriented studies highlight DBT's potential to reduce leakages, curb corruption, and ensure timely transfer of benefits by minimising human discretion (Government of India, 2013). Empirical data suggests that DBT has led to fiscal savings in certain schemes by eliminating duplicate or ghost beneficiaries (Barnwal, 2024; Muralidharan, Niehaus & Sukhtankar,



2016). However, critical literature questions the assumption that digitalisation automatically improves welfare outcomes. Khera (2017) argues that Aadhaar-linked DBT systems often generate new forms of exclusion due to authentication failures, lack of banking access, and inadequate digital literacy. Digital welfare reforms must be understood not only as technical interventions but as political projects that redistribute power and responsibility within the welfare state. These studies emphasise that the success of DBT depends heavily on institutional capacity and local implementation contexts. While this literature provides valuable assessments of DBT's performance and limitations, it largely treats welfare delivery as a bureaucratic or technological process, paying limited attention to the political actors who continue to shape access and outcomes at the local level.

3.2 Intermediaries, Clientelism, and Welfare Politics

Another significant body of literature focuses on the role of intermediaries in welfare delivery, particularly in developing democracies. Scholars have long argued that welfare distribution in India is mediated through networks of political brokers, local elites, and party workers who connect citizens to the state (Chandra, 2017). These intermediaries are often central to processes of beneficiary identification, grievance redressal, and the translation of policy into practice. Recent studies highlight how intermediaries adapt to institutional changes rather than being displaced by reforms. Auerbach and Thachil (2018) demonstrate how political brokers continue to operate even in programmatic welfare regimes by repositioning themselves as facilitators and problem-solvers. It is observed that elected representatives increasingly claim ownership over welfare schemes, using them to build political legitimacy and electoral support. Despite these insights, much of the literature on intermediaries focuses on traditional welfare delivery mechanisms and clientelist exchanges. There is comparatively less attention to how intermediaries' function within digitally mediated welfare systems like DBT, where formal discretion is reduced but informal influence persists.

3.3 Digital Governance and State-Citizen Relations

An emerging body of literature examines how digital governance reshapes interactions between the state and citizens. Some argue that digital systems do not replace the state's relational character but transform the modalities through which authority and legitimacy are exercised (Ferguson, 1994). Gupta (2012) and Corbridge et al. (2005) emphasise that citizens experience the state through everyday encounters with local actors, institutions, and practices, rather than through abstract policy designs. In the context of DBT, scholars argue that digitalisation can simultaneously enhance efficiency and intensify bureaucratic opacity for marginalised populations (Lipsky, 2010; Khera, 2017). The reliance on technology often shifts the burden of compliance onto beneficiaries, increasing dependence on intermediaries who can navigate



administrative and technical complexities. This literature emphasises the paradox of digital welfare while intended to create direct state-citizen linkages, it often reinforces the need for mediation.

3.4 Identifying the Research Gap

Taken together, existing studies provide important insights into DBT implementation, welfare intermediaries, and digital governance. However, there remains a notable gap in the literature regarding the role of *elected people's representatives* such as MLAs, Panchayat leaders, and municipal councillors as welfare intermediaries within DBT frameworks. While several studies acknowledge the persistence of intermediaries, few explicitly analyse how political representatives adapt to and operate within digitally mediated welfare systems. Moreover, much of the literature regards DBT either as a technical reform or as a tool of administrative rationalisation, insufficiently engaging with its political dimensions. This paper addresses this gap by bringing together insights from welfare politics, intermediary theory, and digital governance to examine how DBT reconfigures rather than eliminates political mediation in welfare delivery. By focusing on elected representatives as key actors in this process, the study contributes to a more nuanced understanding of the functioning of India's contemporary welfare state.

4. Analysis and Discussion

The introduction of Direct Benefit Transfer (DBT) schemes is often presented as a decisive shift towards depoliticised, technology-driven welfare delivery, premised on the assumption that digital systems can bypass intermediaries and minimise discretionary power. However, a closer examination of secondary literature and policy debates reveals that welfare delivery under DBT continues to be shaped by political mediation and institutional practices that extend beyond the formal design of digital platforms. While financial transfers are automated, access to welfare remains contingent upon processes such as enrolment, documentation, grievance redressal, and scheme awareness domains in which human and political intervention remain indispensable (Khera, 2017; Gupta, 2012).

Within this context, elected people's representatives emerge as key welfare intermediaries whose roles have been reconfigured rather than eliminated by DBT. Although they no longer exercise control over the disbursement of benefits, representatives such as MLAs, Panchayat leaders, and municipal councillors continue to influence welfare outcomes by facilitating access, mediating between citizens and administrative authorities, and resolving implementation-related grievances. Existing studies indicate that beneficiaries frequently turn to political representatives when confronted with exclusions arising from technical failures, administrative delays, or lack of information, reinforcing the relevance of political



mediation within digitally mediated welfare regimes (Auerbach & Thachil, 2018). This reconfiguration of intermediary roles allows elected representatives to embed themselves within the DBT architecture while adapting to its technocratic logic. By positioning themselves as problem-solvers and facilitators rather than distributors, political actors sustain their authority and visibility in welfare delivery without directly violating the formal rules of DBT. In doing so, they continue to claim political credit for welfare outcomes, highlighting the persistence of welfare as a site of democratic negotiation and legitimacy-building. Rather than depoliticising welfare, DBT shifts the sphere of political engagement from the point of distribution to the processes surrounding access and implementation. Moreover, the continued involvement of elected representatives complicates claims that DBT enhances accountability through transparency and automation alone. While digital systems make financial flows more traceable, they also diffuse responsibility across technological platforms, bureaucratic agencies, and political actors. This diffusion can blur accountability lines for beneficiaries, making it difficult to identify where responsibility rests in cases of exclusion or error. (Lipsky, 2010). As a result, political representatives often become the most visible and accessible agents of the state, reinforcing their intermediary role in citizens' everyday encounters with welfare governance (Corbridge et al., 2005). Taken together, the analysis suggests that DBT represents not a departure from earlier welfare practices but a transformation in the modes through which welfare politics operates in India. Digital governance reshapes the form of political mediation without eliminating its substance. By highlighting the role of elected representatives as welfare intermediaries, this paper challenges technocratic narratives of depoliticization and highlights the hybrid nature of contemporary welfare delivery, where digital systems coexist with informal political processes. Recognising this hybridity is essential for understanding how welfare schemes function in practice and how citizens continue to experience the state through political, rather than purely technological channels.

5. Conclusion

This paper has argued that Direct Benefit Transfer (DBT) schemes in India do not completely eliminate intermediaries but instead reconfigure their role within the welfare delivery process. While DBT is designed to depoliticise welfare distribution through technological automation and direct transfers, welfare access and implementation are still influenced by political mediation and institutional practices. The study shows that elected people's representatives remain central to the functioning of DBT schemes by facilitating access, mediating grievances, and mobilising political legitimacy around welfare delivery. Their involvement demonstrates that direct transfers operate within, rather than outside of the existing political structures. As a result, welfare remains a site of negotiation between citizens, political actors, and the state. The findings highlight the limits of technocratic approaches to welfare reform that assume technology can



substitute for social and political processes. DBT enhances efficiency in financial transfers but does not transform the relational nature of welfare governance. Recognising the continued role of political intermediaries is therefore essential for understanding how digital welfare systems function in practice and for designing more accountable and inclusive welfare policies.

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