

FICCI's Reaction on the 'Direct Cash Transfer' Program Announced by the Government

NEW DELHI, 1 December, 2012. Reacting to government's announcement to introduce the 'Direct Cash Transfer' scheme in a phased manner from January 2013, Mr. R V Kanoria, President, FICCI said "This is a laudable initiative and highlights the commitment of the government to ensure that the benefits of various social welfare programs reach the intended beneficiaries in a timely and efficient manner. Today, there are several development programs that are being run by the government. While we recognise the need for such programs, we also feel that at our present stage of development there should be a judicious management of resources. The direct cash transfer scheme is a step in that direction and should help the government contain the leakages, help economise the subsidy bill and direct subsidies to the genuinely needy."

"FICCI is particularly encouraged by this announcement as earlier this year it had presented a 12 point action agenda to spur economic growth and urged the government that the sums already allocated for welfare schemes should be distributed in an efficient manner as envisaged under the direct transfer of subsidies program linked to the Aadhar platform. The government has shown the 'right urgency' in this matter as it realizes the importance of fiscal rectitude", he added.

"The implementation of this program as envisaged calls for meticulous planning and a simultaneous extension of the banking network in the far flung rural areas of the country. Once completed, this program would prove to be the anchor for leveraging and rolling out any new welfare scheme introduced in the future", said Mr. Kanoria.

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