Report on DBT implementation

Prelims – *Indian Polity and Governance, Public Policy.*

Mains (GS II) – *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

Why in news?

Recent report by Blue Kraft Digital Foundation (NGO) reveals India's Direct Benefit Transfer (DBT) system has helped to reduce Expenditure on subsidy.

- **Direct Benefit Transfer** – It is a government initiative that transfers subsidies and benefits directly into the beneficiaries' bank accounts, bypassing traditional intermediaries.
- **Launch** – DBT was officially launched on *January 1, 2013*.
- **Implementation** – DBT Mission was originally created by the Planning Commission to act as the nodal point for the implementation of the DBT programmes.
- The Mission was transferred to the Department of Expenditure in 2013.
- To give more impetus, DBT Mission and matters related thereto has been placed in ***Cabinet Secretariat*** under Secretary from 2015.
- **JAM trinity** – One of the key features of DBT is the use of the JAM trinity, to facilitate direct benefit transfers.

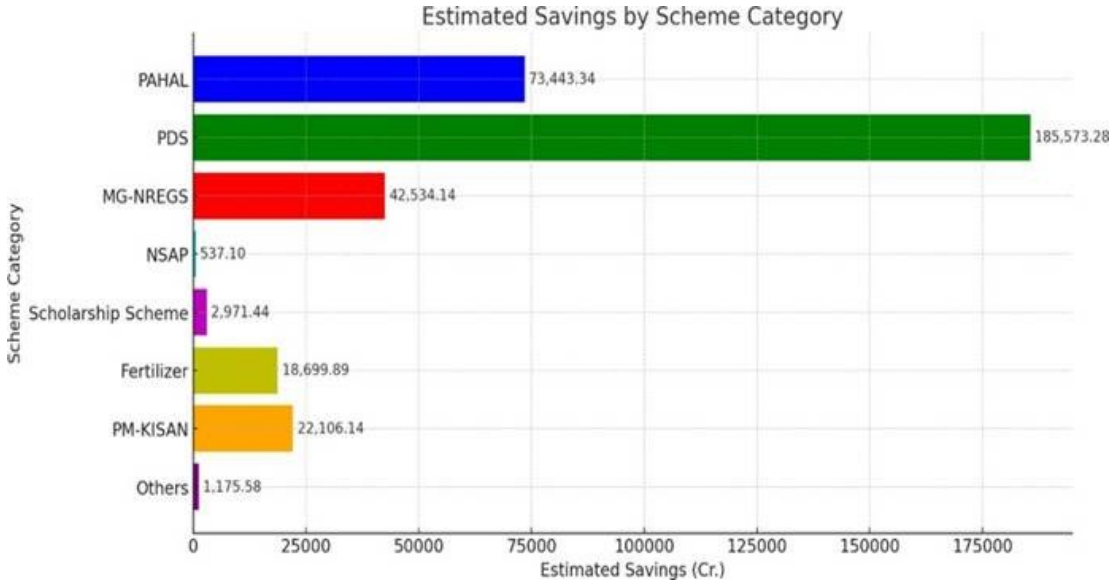


- Aadhaar is *preferred but not mandatory for DBT schemes*.
- **Core objective –** Promote "*Maximum Governance, Minimum Government*" through technology.

Key findings of the report

- **Welfare Efficiency Index –** Introduced by *Blue Kraft Digital Foundation (NGO).*
- It is a methodology for assessing the impact of the Direct Benefit Transfer (DBT) system.

- It was developed as a composite metric to measure efficiency gains across various dimensions.
- **Components**
  - DBT Savings (50% weight)
  - Subsidy Reduction (30% weight)
  - Beneficiary Growth (20% weight)
- The Index rose nearly threefold from *0.32 in 2014 to 0.91* and its emphasis the efficiency in governance system.
- **Savings to government** – Direct Benefit Transfer (DBT) system has helped the government achieve cumulative savings of *Rs. 3.48 lakh crore* *by plugging leakages* in welfare delivery.
- **Reduced expenditure –** Subsidy allocations *have been halved* from 16% to 9% of total expenditure.
- **Beneficiary growth** – Despite reduced budget allocation percentage, beneficiary coverage *increased 16-fold*.
- **Food Subsidies (PDS)** – *Over 53% of total DBT* savings is from food subsidy and is primarily through Aadhaar-linked authentication.
- **MGNREGS** - 98% of wages were transferred timely through DBT-driven accountability.
- **PM-KISAN** – Got DBT benefit by deleting 2.1 crore ineligible beneficiaries from the scheme.
- **Fertilizer Subsidies -** Sales of fertiliser were reduced, through targeted disbursement.



References

1. PIB| DBT in Boosting Welfare Efficiency
2. DBTbharat| Direct Benefit Transfer



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