

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.

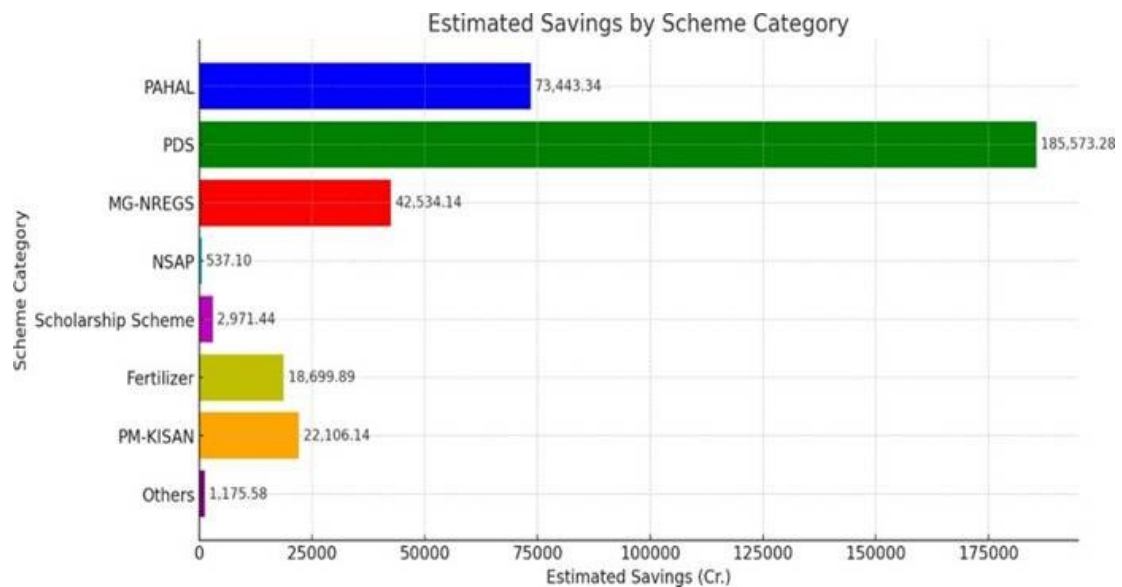


- Aadhaar is preferred but not mandatory for DBT schemes.
- **Core objective** - Promote "Maximum Governance, Minimum Government" through technology.

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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