

## India's DBT Program Saves Government Over ₹4.31 Lakh Crore



India's Direct Benefit Transfer (DBT) scheme has led to massive savings of over ₹4.31 lakh crore (approximately \$51.7 billion) for the government, according to a recent report. The savings were achieved by effectively plugging leakages and removing duplicate and fake beneficiaries from various welfare programs. This significant fiscal achievement shows the effectiveness of the DBT system in ensuring government funds reach their intended recipients without diversion or misuse.

The DBT scheme, launched in 2013, was designed to reform the delivery of government subsidies by directly transferring benefits to the bank accounts of beneficiaries. By leveraging the "JAM trinity," which is a combination of Jan Dhan bank accounts, Aadhaar unique IDs, and mobile phones, the government has created a robust, transparent, and efficient mechanism for fund disbursement. This system eliminates the need for intermediaries, thereby reducing corruption and the common problem of "ghost beneficiaries" in public schemes.

The savings have been reported across numerous government programs, with a particularly notable impact on schemes for LPG subsidies (PAHAL), food subsidies under the Public Distribution System (PDS), and the Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) scheme. The move has not only improved fiscal efficiency but has also promoted greater financial inclusion, as millions of citizens have opened bank accounts to receive their benefits directly.

According to a Finance Ministry report, the DBT system has been instrumental in optimizing public spending. The report highlights that subsidy allocations have been reduced as a percentage of total government expenditure since the implementation of DBT, even as beneficiary coverage has grown significantly. This demonstrates that the system has successfully redirected funds to genuine recipients, ensuring that resources are utilized more effectively. The government's continued focus on strengthening the DBT platform is a clear signal of its commitment to enhancing governance, transparency, and accountability in its welfare delivery programs.