Comparing MGNREGA and PM-KISAN

What is the issue?

Strengthening the MGNREGA would be more prudent than a targeted cash transfer plan like PM-KISAN.

What is the PM-KISAN scheme?

- The government recently announced a cash transfer scheme called Pradhan Mantri Kisan Samman Nidhi (PM-KISAN).
- According to the scheme, vulnerable landholding farmer families, having cultivable land up to 2 hectares, will be provided direct income support at the rate of Rs. 6,000 per year.
- The Ministry of Agriculture has written to State governments to prepare a database of all eligible beneficiaries along with their Aadhaar numbers, and update land records "expeditiously".
- The letter further states that changes in land records after February 1, 2019 shall not be considered for this scheme.
- Thus, the success of the PM-KISAN depends on reliable digital land records and reliable rural banking infrastructure.
- However, comparing with the MGNREGA scheme, the PM-KISAN scheme is less likely to address farmer distress in the country.

What does the comparison show?

- **Wage rate** - A month of MGNREGA earnings for a household is more than a year's income support through PM-KISAN anywhere in the country.
- For example, if two members of a household in Jharkhand work under MGNREGA (picture) for 30 days, they would earn Rs. 10,080 and a household of two in Haryana would earn Rs. 16,860 in 30 days.
- These are lower than what the direct income support under PM-KISAN scheme could offer. (Rs.6000 per year)
- **Coverage** - PM-KISAN is a targeted cash transfer programme and MGNREGA is a universal programme.
- Any rural household willing to do manual work is eligible under the Act.
- According to the 2011 Socio-Economic and Caste Census, around 40% of rural households are landless and depend on manual labour.
- The landless can earn through the MGNREGA but are not eligible for the

PM-KISAN scheme.

- Further, it is unclear how tenant farmers, those without titles, and women farmers would be within the ambit of the scheme.
- **Targeting issues** - There is also substantial evidence to demonstrate that universal schemes are less prone to corruption than targeted schemes.
- In targeted programmes, it is very common to have errors of exclusion, i.e., genuine beneficiaries get left out.
- Such errors go unrecorded and people continue to be left out.
- **Payment delay** - Funds will be electronically transferred to the beneficiary's bank account by the centre through State Notional Account on a pattern similar to MGNREGS, under PM-KISAN scheme.
- However, lessons from the MGNREGA implementation shows that the Centre has frequently tinkered with the wage payments system in the MGNREGA.
- Though timely generation of pay-orders have improved, less than a third of the payments were made on time.
- **Implementation** - Repeated changes in processes result in a hurried bureaucratic reorientation on the ground, and much chaos among workers and field functionaries.
- For example, during Aadhaar – MGNREGA linkage, several MGNREGA payments have been rejected, diverted, or frozen due to technical errors such as incorrect account numbers or faulty Aadhaar mapping.
- There have been no clear national guidelines to rectify these.
- In a recently concluded survey on common service centres in Jharkhand for Aadhaar-based payments, it was found that 42% of the biometric authentications failed in the first attempt, compelling them to come later.

What should be done?

- On the other hand, the MGNREGA is neither an income support programme nor just an asset creation programme.
- It is a labour programme meant to strengthen participatory democracy through community works.
- It is a legislative mechanism to strengthen the constitutional principle of the right to life.
- Also, the MGNREGA works have demonstrably strong multiplier effects are yet another reason to improve its implementation.
- Along with that, work demand has been 33% more than the employment provided this year, which underscores the desperation to work among the people.
- Despite all this, the MGNREGA wage rates in 18 States have been kept lower than the States' minimum agricultural wage rates, which acts as a deterrent for the landless.

- Thus, strengthening an existing universal programme such as the MGNREGA would have been a prudent move instead of introducing targeted cash transfer programme.

Source: The Hindu

