Covid-19: Welfare Schemes that work

What is the issue?

- There is a sharp impact of the pandemic and the successive stages of the lockdown on employment and income.
- However, the recent experience with the pandemic suggests that the older schemes retain their utility and remain essential.

How is MGNREGS helping?

- The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a demand-based scheme.
- MGNREGS provides 100 days of guaranteed wage employment to rural unskilled labour.
- Recently, it has seen a considerable upturn in the number of person-hours of work for which wages are due.
- In May 2020, the number of person-days of work generated was 5% higher than the initial target.
- In May 2019, for comparison, it was 10% lower.
- So, the government has **done well to increase allocation** on this.
- The **increased demand** may not be only due to the economic shock in areas with a greater uptake of the MGNREGS.
- It may be due to the reason that many areas will have received reverse migration from urban areas.
- These returned migrants will need some form of employment.
- Pending the development of real jobs, the MGNREGS is necessary to play a **bridging role**.

What could be done regarding MGNREGS?

- The demand for MGNREGS wages is chronically higher than the supply due to inefficiencies in implementation.
- Therefore, the increase in wages under the scheme by Rs 20 is the minimum that could have been expected.
- The government must also move faster to **settle the outstanding dues** that are with the state governments on this account.

How did the PDS help?

- The Public Distribution System (PDS) has clearly played a crucial role in preventing the spread of hunger across affected areas.
- This is not to say that it does not continue to have holes.
- Around 500 million Indians do not have cards under the National Food Security Act, and not all of them are middle-class.
- The government must take action on several fronts to ensure the PDS continues to serve as effective relief.

What could be done regarding PDS?

- Doubling the food rations can be sustained a little longer - at least till the harvest.
- If universalising benefits is deemed too dangerous, then for this same length of time some other form of temporary access to the PDS should be devised — perhaps temporary ration cards.
- States that are suffering the brunt of reverse migration should receive additional food grain access from central stores.
- Fortunately, India has a vast reserve of food grain and there is no point trying to conserve it in times like these.

What is the conclusion?

- These legacy programmes continue to have many problems.
- They are not as efficient and corruption-free as many would like.
- But the government has done well to use them to provide relief.
- It should top up the funds and resources they need so that they continue to function as India returns to normalcy.

Source: Business Standard

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