Implementation Hurdles in MGNREGA

What is the issue?

\n\n

Data manipulation in the MGNREGA is leading to gross violations in its implementation.

\n\n

How does the scheme under-report work demand?

\n\n

\n
- The MGNREGA is a demand-driven programme, i.e., work must be provided within 15 days of demanding work failing which the Centre must pay an unemployment allowance (UA).
\n
- A UA report is generated but rarely implemented.
\n
- Because of a funds crunch, field functionaries do not even enter the work demanded by labourers in the MGNREGA Management Information System (MIS).
\n
- Thus, the information is getting suppressed at the source.
\n
- Lack of offline alternatives to capture work demand from labourers means that data on the MIS are being treated as the only truth.
\n
- Although work demand data (in person days) and employment-generated data are available at a panchayat level, aggregate data at the national level are only presented for employment generated.
\n
- Thus, under-registered national demand is captured but intentionally not reported.
\n
- By doing this, the Central government is trying to hide its violation of the extent of under-provision of work.
\n

\n\n

What does the recent study show?

\n\n

\n
- Work demand and employment generated for over 5,700 panchayats across 20 States (for 2017-18 and the first three quarters of 2018-19) was analysed.
\n
- The employment generated was about 33% lower than the registered work demand this year, and about 30% lower last year.
\n
- If this trend holds true for the country, then a minimal allocation required this year is about Rs. 85,000 crores.
\n
- However, 99% of the original allocation already got exhausted earlier this month.
\n
- Even then, the Centre’s revised allocation stands lower than the required amount at Rs. 61,084 crores.
\n
- Despite this revision, 16 States still show a negative balance which shows the continued lack of funds.
\n
- This shows that claims of the highest ever allocationfor the scheme does not transfer into honouring work demand at the ground level.
\n
- Of more than 9 million transactions that were studied, only 21% payments were made on time in 2016-17 and the trend continued in 2017-18.
\n
- Further, the Central government alone was causing an average delay (stage 2 delays) of over 50 days in the disbursement of wages to labourers.
\n
- Also, though this delay by the Central government is captured in the system, it is intentionally suppressed to avoid paying delay compensation.
\n

\n\n

What actions have been taken by the government to avoid delays?

\n\n

\n
- Delay compensation is calculated through two stages – stage-1 and stage-2.
\n

- Stage-1 involves steps to be followed on part of the states –
\n

\n\n

\n
1. To fill a master roll
\n
2. Generate an electronic fund transfer order (FTO)
\n
3. Obtain two electronic signatures
\n
4. Push an e-pay order onto MGNREGA's server.
\n

\n\n

\n
- This happened on time in 94% cases in 2018-19 and 86% cases in 2017-18.
\n
- The problem is in stage-2, where the Union rural development ministry, Public Financial Management System, payment agency (NPCI) and banks have to ensure payment is credited into the beneficiaries' accounts.
\n
- The Supreme Court in the **Swaraj Abhiyan vs. Union of India** case stated that said that the delay caused in stage-2 was not taken into account for the purpose of payment of compensation.
\n
- Before the ruling, only stage-1 delays were proposed to be compensated.
\n
- The court urges the Centre that they should also share the blame if they cause the delay in stage-2, failing which the prescribed compensation would be paid.
\n
- Accordingly, the centre suggested a new format to compensate payments.
\n
- Under the new format, if FTO is pushed to MGNREGA server in eight days but payment is credited to a beneficiary after 15 days, compensation will be recovered from stage-2 stakeholders responsible for delay.
\n
- But if the FTO is pushed in delayed time but still the stage-2 processes are completed in time, stage-1 functionaries will pay the compensation.
\n
- If both stage-1and stage-2 processes are delayed, both sets of erring stakeholders will be responsible for delay.
\n
- Thus, duration of delay is proposed to be calculated from the time a master

roll is filled for payment in the state under stage-1 to payment being credited in to the account under stage-2.
\n

\n\n

\n\n

Source: The Hindu, Economic Times

\n

