Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

What is the issue?

- A chapter on the "transformational" impact of Aadhaar on the MGNREGA was found in the Economic Survey 2018-19.
- It presents a skewed and unbalanced view of the MGNREGA's technical interventions.
- It didn't take into account the comprehensive view of implementation.

What are the misleading facts?

- **In financial aspect** - Aadhaar is only a pipeline for funds transfer in the MGNREGA. A lack of adequate financial allocation, pending liabilities and low wages have dogged the programme over the past 8 years.
- About 20% of the Budget allocation in each of the last five years is of pending wage liabilities from previous years.
- MGNREGA wages in many States are about 40% lower than the national minimum wage.
- **Combining the term ALP with DBT -** The Survey misrepresents the continuous technological interventions in the MGNREGA since its inception.
- It combines the term Aadhaar-linked payments (ALP) with the DBT and refers the time before 2015 as "pre-DBT" to make its claims.
- But Electronic funds transfer started as far back as in 2011 which marked the beginning of Direct Benefit Transfers (DBT).
- This conflation of terms prevents one from making an honest assessment on the effect that different interventions have had.
- **Aadhaar has resulted in reduction of payment delays** - The Survey makes strong assertions that timely payment of wages has positively impacted worker participation.
- Wage payments to MGNREGA workers happen in two stages.
- The Survey only considers the delays in the first stage but Aadhaar has no role in reducing the delays in this stage. But it comes into play in the second stage.
- Therefore, the claim in the Survey that the ALP has positively impacted the payment flows under the scheme is wrong.
- **Attribution of an increase in demand for and supply of work in**

drought-affected areas to Aadhaar - It ignores the Supreme Court's orders on drought (Swaraj Abhiyan vs. Union of India, 2015) which coincided with the duration of the working paper's analysis.

- The Ministry of Rural Development issued strict directives (between 2014 and 2017) to ensure allocation of works and on-time payment of wages.
- These judicial-administrative directives played an important role in the increase in the MGNREGA work uptake in drought areas.
- **Attribution of positive targeting towards weaker section to Aadhaar** i.e. Women, Dalits and Adivasis benefitting the most.
- This denies the unambiguous impact of the universal access of the MGNREGA without having to meet any eligibility criteria.
- The Survey misses the point that the programme was introduced as a legal right and not as an act of charity.
- **Claim about the ALP identifying "ghost beneficiaries"** - But an RTI query showed that they accounted for only about 1.4% of total households in 2016-17.

What did the survey ignore?

- The Survey completely ignores numerous instances where technology has resulted in violation of workers' rights under the MGNREGA. For examples, not registering work demand, not paying unemployment allowance and compensation for payment delays among others.
- In fact, an ISB study shows that 38% of the Aadhaar-based transactions in Jharkhand were diverted to a different account.
- Overlooking these fundamental issues, the use of cherry-picking studies and flawed analyses to justify technocracy is an ethical paralysis.

Source: The Hindu

SHANKAR IAS PARLIAMENT
Information is Empowering