The current crisis provides the central government with an unprecedented opportunity to expand workers' entitlements under MNREGA. Discuss

KEY POINTS

- The initial five years of MGNREGA was a period of much progress. Expenditure and the scale of employment in the programme rose steadily till 2009-10.
- While corruption was a serious problem in the early years, introduction of bank payments in 2008 and the online management information system (MIS) in 2009 played an important role in increasing transparency in the implementation of the programme. Despite functioning with various irregularities, till 2014-15, MGNREGA exerted an upward pressure on rural agricultural wages, especially for women.
- The share of Gross Domestic Product (GDP) spent on MGNREGA began to fall from 2010-11 and the annual scale of employment plateaued out till 2013-14. In 2009, the central government delinked the programme from the Minimum Wages Act. Since then, MGNREGA workers of many states have been working at unremunerative wage rates that are much less than their state minimum wages.
- The annual budgetary allocation for MGNREGA as a percentage of India's GDP has hovered around 0.3 per cent during NDA's term, half of what it was at its peak in 2009-10.
- Government's push to increase bank account seeding with Aadhaar, routing of wage payments through the electronic fund management system and the move towards universal payment through direct benefit transfer. There is little evidence that these complex technologies have streamlined the payments process.
- As casual workers face unprecedented economic insecurity due to the national lockdown, the NDA government has once again resorted to MGNREGA (and the public distribution system) to stave off hunger in rural areas.
- An increase in this year's budgetary allocation of MGNREGA by Rs 40,000 crores is a timely move by the central government. Yet, if all 140 million job card holders are to demand 100 days of work this year (a likely proposition given the economic distress), the total budget of the programme including the increased allocation, is still only about a third of what would be required to meet the demand.

Discuss the interventions by government of India in enabling low carbon development in India's rural areas.

KEY POINTS

- India has been one of the most active participants in the carbon markets and has piloted one of the largest Program of Activities (PoA) under the Clean Development Mechanism to enable efficient lighting in households. This led to over 3 crore replacement of incandescent bulbs with CFLs and energy savings of nearly 1450m KWh.
- One key observation from the implementation of UJALA has been that lower the cost of the bulbs, greater is the penetration. This showcases the effectiveness of carbon finance in rural markets. Creation of bespoke programmes that can lower the cost of equipment/energy can make them attractive for the traditionally price-conscious rural audience.
- Currently, three ongoing and upcoming interventions have the most potential in enabling low carbon development in India's rural areas:

UJALA 2.0:

- The learnings from the scale and success of the UJALA has been clear. Whenever the cost of LED was subsidised from the usual price of Rs 70/ bulb, the penetration and adoption saw an uptick.
- With the existing PoA, almost five crore rural households can be provided LEDs at Rs 15 each, the balance coming from carbon finance. Such a considerable decrease in prices would thus spur adoption of LEDs in the rural areas, thus creating a thriving market.

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