

Holes in the Social Security Net

Why in news?

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A survey is conducted seeking evidence on whether the social security measures work in the face an economic shock like demonetisation and whether these programmes themselves face disruption because of demonetisation.

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What are the findings of the survey?

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- On and average, people visited the bank thrice since demonetisation. 30% had made more than three visits.

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- 10% of respondents had not gone to the bank even once showing that they are out of the formal economy.

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- People viewed demonetisation as a disruptive measure which impacted access to social security.

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- First, it was a push from post office to bank account, then to open multiple bank accounts, including Jan Dhan accounts, then to get an Aadhaar card, an ATM card and so on.

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- And there is the mandatory introduction of Aadhaar to access MGNREGS work from the next financial year, which has ridden roughshod over the orders of the Supreme Court and is likely to cause massive exclusion.

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- Only 30% of those who went to the bank were able to receive their pension or wages. About 57% were denied them at least once.

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- 73% of MGNREGS households and about 52% of pensioners said they had a greater need for these entitlements after demonetisation.

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Did MNREGA provide the needed relief?

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- According to the **Ministry of Rural Development's data**, after demonetisation, people worked more on MGNREGS than what was planned, while in the previous year it was consistently less than planned.

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- This was perhaps due to the enhanced allocation via a second supplementary budget of Rs 4,000 crore to the MGNREGS, announced after demonetisation.

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- The ministry released 43% more funds to states over the last three months, compared to the same time period last year.

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- But 53% of all MGNREGS wage payments were delayed in FY 2016-17 up to January.

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- 60% of these were delayed beyond 30 days.

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- People generally made more trips to bank to check whether their money had been deposited or not.

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- But MGNREGS workers made more visits to the bank than pensioners, reflecting greater uncertainty in wage payments.

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- About 70% of workers, who went to the bank returned empty-handed, compared to only 30% of pensioners who were denied their pensions.

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- Being denied cash at the bank may not be entirely due to demonetisation but it reflects weak delivery systems, uncertainty and under-resourcing.

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- MGNREGS and the National Social Assistance Programme (NSAP) have the potential to provide social security provide social security in times of an economic shock.

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- But it did not effectively provide because of patchy implementation.

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Source: The Indian Express

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