

# FAULTY COMPULSION: ON THE ISSUE OF MGNREGS AND AADHAAR SEEDING

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With the [government refusing to extend the deadline for Aadhaar details of workers](#) under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to be seeded to their job cards beyond December 31, 2023, to enable payments through an Aadhaar-based payment system (ABPS), the system has now become mandatory. Alarming, the decision would now [affect nearly 35% of job card holders for this mode of payment and 12.7% of “active” workers](#) (those who have worked at least one day in the last three financial years), thereby putting a dampener on the demand-driven scheme for many. ABPS implementation, the Union government claims, will ensure that payments are quick, reduce rejection and plug all leaks. The government also contends that as the ABPS has been in place for MGNREGS from 2017, and because Aadhaar number availability is near universal in India, the ABPS is a robust and a safer way to transfer wages. However, the over-reliance on technical tools has resulted in problematic implementation, with beneficiaries devoid of a proper recourse for corrections in the system. Data analysed by LibTech India suggest that the names of 7.6 crore workers have been deleted over the past 21 months due to discrepancies between the Aadhaar and the job card, among other reasons, with many of these done erroneously.

There are other issues with the use of the Aadhaar-based payments — where errors in any step of the process result in payment failures. Apart from the spelling discrepancy issue between the Aadhaar and the job card of the worker, there is also the problem of mapping the Aadhaar to the wrong bank account for many. In a number of cases, payments can be diverted to some other account than the one beneficiaries prefer, and also without their consent. Claims by the government that Aadhaar use has reduced delays in wage payments have also not been borne out, according to LibTech India, with wage delays largely due to insufficient funds in the first place. Without cleaning up Aadhaar seeding and mapping with bank accounts, making the ABPS mandatory will only create further issues. The Union government must revisit this decision, and work out a way to correct the faulty seeding and mapping problems before imposing ABPS. The Ministry of Rural Development has said that it may consider an exemption from ABPS on a case-to-case basis for gram panchayats if there are technical issues, but it would be better if the Ministry conducts social audits to ascertain the extent of the problem before insisting on ABPS. MGNREGS remains a vital demand-driven welfare scheme that helps the rural poor and its implementation must not be dependent upon a faulty technological system.

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