

Opinion

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Towards true *unnati*, and ending MGNREGA

The plan to pay a subset of MGNREGA households for getting skilled is a great idea, will pave way for better jobs

IT HAS BEEN clear for a long time that MGNREGA is barely the poverty reduction tool it is often made out to be; at ₹204 per day per person, the average wage rate across the country is too low to sustain a household of five even if the card-holding member got 100 days of employment as promised under the programme. As it happens, just around a tenth of all households got this—in FY19, just 50.3 lakh households of the 5.5 crore that were allotted work reached the limit of 100 days of employment—and just around 43% of the households that have job-cards received employment under the programme. While MGNREGA outlays rose from ₹44,000 crore in FY16 to ₹70,000 crore in FY19, it is not clear how much it helps reduce poverty levels. For one, the wages are not enough to lift the really poor out of poverty, just around 50 days of employment are provided in a year and if this employment is not provided at a time when the individual has no other job, it is not an addition to the household income since some other paying job has to be sacrificed to get MGNREGA wages. The biggest problem, of course, is that MGNREGA has no in-built plan to reduce poverty since it doesn't really build any skills that can help workers get higher-paying jobs later; indeed, till some time back, MGNREGA works were not even linked to any meaningful asset creation.

The government's proposed *Unnati* scheme, if it works as planned, offers MGNREGA beneficiaries a ticket out of the programme, and, in the long run, out of poverty. Under *Unnati*, the government will provide 100 days of training to one member from each MGNREGA household that completed 100 days of work under MGNREGA in FY19 in skills such as masonry or carpentry, with the trainee being given a stipend of upto ₹21,000 for the period; this translates into 100 days of training at the FY19 daily MGNREGA wage rate. Since a major reason for workers not opting for skilling was the opportunity cost in terms of lost wages, this takes care of that aspect. It is not clear if another member of the household can continue to avail of MGNREGA and get a job.

If the government is able to ensure the skilling effort is genuine and is able to impart valuable training to workers—the Aadhaar linkage will ensure only genuine beneficiaries get the benefits—this will go a long way in raising their productivity, and hence, incomes. Right now, based on a news report in *The Indian Express*, *Unnati* is planned as just a pilot with a ₹300 crore budget over three years; based on current wage levels, that means less than 50,000 people are to get skilled per year. That is less than a tenth of the 50.3 lakh who are eligible since they have completed 100 days of work. It makes sense to see how the scheme works and, if it does, to migrate as many MGNREGA workers as possible towards *Unnati*. An anti-poverty scheme that seeks to dissolve itself over time is the only scheme which is going to really work.

Go beyond the test

Exam for independent directors won't guarantee better policing

RECENT CASES LIKE ICICI Bank, IL&FS, and Jet Airways, among others, are sure to have rocked confidence in corporate governance in India. Investors and other stakeholders would perhaps now back keener regulation, especially for independent directors whose oversight is supposed to check malfeasance by other board members or company executives. To that end, the government's move to make a self-assessed proficiency test for those wishing to become independent directors compulsory should seem welcome. From December onwards, they will have to apply to the Indian Institute of Corporate Affairs (IICA), under the corporate affairs ministry, before signing up for the job or within three months of the new rules coming into force. Once part of IICA's database, they will have to pass the test within a year. If a person has served as director or in a key managerial position in a large listed or unlisted company for more than 10 years, she is exempt from the taking the tests. However, the new regime fails to address the problems that afflict the system at present.

To be sure, many firms, especially family-owned ones, skirt the provisions on independent directors by appointing persons who are independent in name only. These 'independent' directors then serve mostly as rubber stamps, more so because they are often not familiar with laws governing companies, the conduct of business, even basic accountancy and other facets of corporate governance that they are supposed to ensure are complied with. A test helps here if clearing it means that the person has reasonable competence to fulfil the responsibilities of an independent director; the person, thus, is less likely to allow herself to be manipulated in board functioning if she knows that she can't plead ignorance in the case of improprieties coming to light. The new regime, however, falls glaringly short of plugging the gaps, by missing the fact that the behemoths where corporate governance failure recently made headlines had heavyweights, with decades of corporate governance and industry experience, as independent directors. So, the lack of competence hardly seems to have been the problem. In the ICICI bank case, the board gave unwarranted support to former MD & CEO Chanda Kochhar, who was facing allegations of serious misconduct, when it should have asked her to step aside till the time her name wasn't cleared. Similarly, the IL&FS board featured many heavyweights, including Maruti-Suzuki chairman RC Bhargava, and former shipping secretary Michael Pinto, as independent directors. The fact is that the company's risk management committee, of which Bhargava and Pinto were members, met just once between 2014 and 2018, when the IL&FS group's debt rose 87%⁶. If decades of demonstrated expertise don't guarantee competent execution, what sense does exempting top management veterans make?

In any case, it makes little sense to hold only independent directors responsible for the actions of the company. The best thing for the government to do—to ensure both independent and other directors do their job—is to punish those who have allowed various irregularities in the companies on whose boards they are on. The penalties should include not just disgorging of all sitting fees, but also, if the lapses are a lot more serious in the case of IL&FS for instance, barring directors from being on the board of any company for a certain period of time.

Funding INNOVATION

Allowing contributions to public-funded universities and incubators to be deemed CSR spending is a good move

THE 2% MANDATORY CSR spend is undoubtedly an additional tax on business in India. But, if CSR must be kept mandatory, it is perhaps better to put it to productive use. The government had earlier allowed allowing CSR contributions to central and state disaster relief funds and for certain welfare programmes, but whether such CSR spending had the desired impact or not was debatable. The government has now announced that companies can contribute to public-funded universities, IITs, incubators and autonomous bodies. This broadens the scope of CSR spending for India Inc while ensuring that the spend can have genuine beneficial impact. More important, it will also translate into a route for greater engagement between public universities and industry on R&D. Spending on research and development in India has been stagnant at 0.7% of GDP for the past two decades, whereas the likes of China have surged ahead.

Many Indian universities and research organisations suffer from chronic shortage of resources given limited collaborations. That is also one of the main reasons why none of the Indian universities feature in global top-100 rankings. Despite engineering institutes having on-campus incubation centres, and India being touted as the third biggest start-up hub in the world, universities' contribution has been minimal. The policy can help universities improve mechanisms for research, which has been another pain point for the economy. According to Clarivate Analytics, only 10 Indians figure among the world's top 1% highly-cited researchers in two fields. The CSR policy can, thus, be a good step towards fostering innovation,



POOR ARGUMENT
Union home minister Amit Shah

The Congress only did lip service by saying '*garibi hatao*' (remove poverty). But they only removed the poor. If they had really done something, we may not have been launching these schemes today.

WELFARE FARMING

UP'S MILLION FARMERS' SCHOOL WILL IMPART AGRICULTURAL KNOWLEDGE AND TECHNIQUES TO FARMERS THAT CAN HELP PROMOTE INTEGRATED AND DIVERSIFIED FARMING SYSTEM

Kisan Pathshala for doubling farmers' incomes

EVER SINCE PM Narendra Modi announced his target of doubling farmers' incomes by 2022 at a farmers' rally in Uttar Pradesh (UP) in 2016, the Centre, as well as several state governments, have remained occupied with evolving ways and means to achieve this target by the proposed deadline. The UP government's Million Farmers' School (MFS) programme is one such innovative effort to enhance farmers' incomes through dissemination of agriculture-related information on technology, government schemes, and modern farming methods.

MFS, also popularly known as *Kisan Pathshala*, is an extension programme that the government of UP initiated in 2017 with a view to encourage the use of modern farming techniques, to make farming more profitable, sustainable, and resilient. Unlike traditional extension services, MFS integrates various facets of agricultural knowledge into a packaged format, and delivers it through village-level trainings across all districts in the state. Printed materials—booklets, pamphlets—with such information are also distributed among participants.

The key objective of the MFS is to impart agricultural knowledge and techniques to farmers, which in turn can enhance agricultural production, improve soil health, and promote integrated and diversified farming systems.

The programme complements the existing ones implemented by the Agricultural Technology Management Agency (ATMA), Krishi Vigyan Kendras (KVKs), and other agencies. The training usually comprises of a daily two-to-three hour session in the evening for a module of three to five days in the primary school building in the village. Four such trainings—in Rabi 2017-18, Kharif 2018-19, Rabi 2018-19, and Kharif 2019-20—have taken place since its launch in 2017. Farmers

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receive technical and vocational training on topics such as improved varieties, crop and soil management practices, input use, and marketing. Farmers are provided information on the various government schemes available for the benefit of farmers, and how they could avail these benefits. Field-level officials from ATMA are deployed for training the farmers at the *pathshala*. The programme is funded through the Rastriya Krishi Vikas Yojana (RKVY) and utilises the existing physical and institutional infrastructure in training farmers, making it cost-effective. As the name suggests, it is aimed at reaching out to a million farmers every time—the programme has successfully attracted an average of one million farmers in each of its editions.

The most important role of agricultural extension is to provide knowledge, technical expertise, exposure to innovation and research, and to create awareness about the plethora of schemes that may benefit the farmer. In doing so, it helps expand farmers' human capital endowment—both, their innate abilities and learned skills—enhancing their individual agricultural performance and, in turn, the aggregate agricultural performance.

In this light, the International Food Policy Research Institute (IFPRI) in a recent study evaluated the impact of the MFS on agricultural knowledge outcomes of participants vis-à-vis non-participants. Since the programme is relatively new, it is too premature to evaluate its impact on

technology adoption and incomes of farmers. Therefore, based on primary data collected through a survey of 1,336 households (participants and non-participants) from 64 villages across 16 districts representatively sampled in UP, the report assesses the direct quantitative impact of MFS on the level of agricultural knowledge of farmers. An indirect, but significant impact of the programme has been a thorough revitalisation of the existing agricultural extension machinery in the state. This is likely to have a positive ripple effect on other extension programmes being run by the same government apparatus.

In terms of agricultural knowledge, participants are found to have 6-14% higher agricultural knowledge compared to those who did not attend the training. The difference in the level of agricultural knowledge is observed across spatial and social dimensions—relatively larger differences in knowledge levels are seen among those belonging to less-developed regions and more disadvantaged social groups.

The programme seems to have fared well in terms of farmers' perceptions too. Participants cited a positive perception with regard to the programme's usefulness and relevance as the most important reasons for

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attending the training. Over 85% of participants thought that the trainers were well-trained and knowledgeable; about 90% believed that the information provided in the training was useful. In terms of comprehensibility of the training, almost 95% of interviewed participants said that they could understand what was being taught. The novelty factor in the course content, however, seemed to be missing—over 70% of participants agreed that they already knew most of what was being taught. Interestingly, farmers displayed great enthusiasm for inclusion of new and advanced knowledge on cultivation of high-value horticultural crops (such as mushrooms, aloe vera, etc), pisciculture, agro-forestry, floriculture, drip and sprinkler irrigation, and innovative agribusiness models in the course curriculum as agenda for future training. On the whole, the programme has been received well—over two-thirds of the interviewed participants were willing to attend similar trainings in future, and would even recommend it to others in their circles.

Preliminary results from our study point to an encouraging start. Given its high penetration at the village-level, the MFS has potential to achieve much more. Improving its knowledge transfer mechanism for higher impact, and evolving the course content to suit the expansive horizons of the modern farmer should be high on the programme's menu for upcoming editions. Scaling-up the programme within the state, and replication of the model in other states may take the government a step further on the path for doubling farmers' incomes by 2022.

A bold plan for clean cars

What distinguishes this proposal is not only its scale but also its ability to unite the American environmental movement, the American labour movement and large automakers

SCIENTISTS TELL US that to avoid the most devastating effects of climate change, the world needs to be carbon neutral—to have net-zero carbon dioxide emissions—by mid-century. At the moment, we are not remotely on track to meet that target. We need to act urgently and ambitiously, which will require building diverse coalitions of political support.

That is why I am announcing a new proposal designed to rapidly phase out gas-powered vehicles and replace them with zero-emission, or "clean," vehicles like electric cars. The goal of the plan, which also aims to spur a transformation in American manufacturing, is that by 2040 all vehicles on the road should be clean.

What distinguishes this proposal is not only its scale but also its ability to unite the American environmental movement, the American labour movement and large automakers. It has already earned the support of climate groups like the Sierra Club, the Natural Resources Defense Council and the League of Conservation Voters; labour unions like the United Automobile Workers and the International Brotherhood of Electrical Workers; and car manufacturers like Ford and General Motors.

How would the plan work? First, it would give you a large discount on an American-made electric vehicle when you trade in a gas-powered car. Lower-income Americans could get an even bigger discount on a new vehicle or a discount on a used electric vehicle. In total, these discounts should result in 63 million fewer gas-powered cars on the road by 2030 and put America on a path to having 100% of new car sales be clean.

Second, the plan would make elec-

tric vehicles—and the necessary battery-charging infrastructure—accessible to all Americans, regardless of where they live and work. This would be accomplished by providing grants to states and cities to build charging stations, with a particular emphasis on low-income, rural and other underserved communities.

Third, the plan aims to establish the US as the global leader in electric vehicle and battery manufacturing by providing grants to retrofit existing manufacturing plants in the US and build new ones in this country that specialise in those technologies.

Accomplishing all of this would require an estimated investment of \$454 billion over 10 years.

You might object: Isn't the transition to electric vehicles already happening? Yes, but it is progressing too slowly. Transportation still accounts for nearly one-third of America's carbon output. Even though many American automakers are preparing for an all-electric future, electric vehicles are still too expensive for too many Americans, and our country lacks sufficient battery-charging infrastructure.

Critics have long said that bold action on climate change would cost America, money and jobs. This is not true. My plan is estimated to create tens of thousands of new, good-paying jobs in this country and should re-establish the US as the world leader in auto manufacturing. Much as Amer-

ica experienced a revolution in auto manufacturing at the outset of the 20th century, America under this plan should experience a revolution in clean auto manufacturing at the beginning of this century.

But, we have to move fast. China now accounts for more than half of the world's electric vehicle market; it overtook the US as the world leader in 2015. If we don't match the level of China's commitment, we will miss an enormous opportunity.

I have promised that if Democrats win control of the Senate in November 2020, I, as majority leader, will introduce bold and far-reaching climate legislation. This proposal for clean cars would be a key element of that bill.

Achieving progress in Washington on any major issue requires a broad coalition to break through the partisan gridlock. The support that this clean car proposal has already garnered from the environmental movement, the labour movement and automakers means not only that it is more likely to win support from the public but also that it is more likely to become law. Having a clearly popular and beneficial proposal like this one as a key element of a larger climate plan will give Democrats a strong hand to play.

This proposal is about American jobs, American global economic leadership and protecting the planet. Nothing could be more worthy of pursuit.

CHUCK SCHUMER

NYT

LETTERS TO THE EDITOR

Voter's message

There were no distribution of sweets or bursting of crackers in the BJP offices in the wake of the election results in Maharashtra and Haryana. The overall mood of the customary BJP meeting in New Delhi head office post-the results was downbeat. In Maharashtra the BJP finds itself at the mercy of Shiv Sena, an ally given to displays of mercurial temperament. Both are natural allies espousing virulent nationalism in competition with each other. Sharad Pawar campaigned single-handedly defying the vagaries of nature and improved on his party's tally. BJP has failed to cross or reach the half-way mark in Haryana despite playing the 'nationalist' card to the hilt. It has had to take a lot of flak for not spurring, if not for taking the support of Gopal Goyal Kanda, the accused in the Geetika Sharma suicide case. The independents and JJP now hold the key to government formation. On a more fundamental and deeper level, it is some consolation and even cheer that BJP did not perform well enough to claim popular validation for its sectarian moves, its role in creating a climate of fear, anxiety and insecurity or continue with its politics of arrogance and intimidation. The demolition of the myth of BJP's invincibility leading to the hope that the tables can be turned on the Hindutva-oriented right wing party is the best thing to happen to the country. The BJP has emerged as the single largest party in terms of seats and vote shares. At the same time, it will ignore the unambiguous message of the voters that they will not barter their votes for jingoism at its own peril. Now that the voters have begun to see through its ploys, the BJP cannot take the Indian voters for granted and escape delivering on the economic front. It has to accept that politics cannot be divorced from economics and act accordingly to curry favour with the voters. — G David Milton, Maruthancode

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