

# Aadhaar-linked joint accounts pose a new hurdle for MGNREGS wages

With banks linking the numbers of only the primary account holder, secondary beneficiaries are not getting paid



According to government estimates, there are 280 million workers under MGNREGS, of which 109.8 million are active workers. Photo: Priyanka Parashar/Mint

**New Delhi:** Payment of wages under the government's rural job guarantee programme to beneficiaries who hold Aadhaar-linked joint bank accounts, or one that is shared by more than two people, are being held up because of procedural problems.

With banks linking the Aadhaar number of only the primary account holder, other holders of the same bank account are unable to receive payments.

The rural development ministry is unable to credit wage payments to many workers under the Mahatma Gandhi national rural employment guarantee scheme (MGNREGS) since 1 April, when payments to workers moved to the direct benefit transfer (DBT) platform, requiring them to hold an Aadhaar-linked bank account where the money is deposited.

The ministry of rural development has written to the department of financial services in the ministry of finance highlighting this issue, said two government officials familiar with the matter.

According to government estimates, there are 280 million workers under MGNREGS, of which 109.8 million are active workers.

However, these 109.8 million active workers only have 80.7 million bank accounts, as many of the women and the adult children are joint account holders with the male head of the family.

"There are instances where there are two workers who hold a joint account. The banks are saying that we will seed the Aadhaar number into only the name of the main account holder. But what about the wives or the adult kids? How will payments be made to them? Joint account is creating a problem. The rural development secretary has written to the department of financial services secretary on this," said one of the government officials cited above. Both spoke on condition of anonymity.

Launched in 2006, the rural employment programme has been a key source of livelihood for millions of rural households. The programme guarantees up to 100 days of unskilled work in a year to every rural household and was credited with raising rural household incomes.

One of the criticisms of the programme, which has been largely lauded for reducing poverty and providing jobs to unskilled labour, is that it has created assets like village ponds that have no durability.

"We have written to the finance ministry and so far, we have not heard from them. Around 12% of all bank accounts under NREGA are such joint accounts. We had a video conference last week with states and urged them to ensure that accounts opened for payments have only one name to avoid problems," said the second official.

Around 95% of the wage payments are being directly deposited in the bank accounts of beneficiaries.

Most of the areas have been covered under DBT with the exception of Arunachal Pradesh and some districts such as Cooch Behar in West Bengal.

Y.P. Issar, a former banker, said the main purpose of Aadhaar is identification of the beneficiary and facilitating payments.

“One needs to find a practical solution. So far, I have not heard of seeding two Aadhaars with one bank account as the focus of banks till now has been to ensure that every bank account is seeded with Aadhaar,” he said, adding that a better solution may be to ensure that every beneficiary gets an individual bank account.