

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1991

ANSWERED ON:11.08.2011

SMART CARD UNDER MGNREGS

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Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government is planning to shift completely to a smart card based electronic benefit transfer (EBT) system to pay wages to beneficiaries of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);
- (b) if so, the details thereof;
- (c) whether banks are required to set up banking out-posts in all Gram Panchayats under the scheme;
- (d) if so, the details thereof;
- (e) the banking out-posts set up so far by the banks;
- (f) whether all the hilly and inaccessible areas where post offices are not available will be connected under the scheme; and
- (g) the period by which these areas will be benefited with the EBT system?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a) & (b): Wage disbursement to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers through Banks/Post Office accounts has been made mandatory to ensure proper disbursement of wages. Section 3(3) of MGNREGA provides that the disbursement of wages shall be made on weekly basis or in any case not later than a fortnight after the date on which such work was done. All State Governments are required to make wage payment to the beneficiaries in accordance with the provisions of the Act. The State Governments have been advised to make use of Information and Communication Technology (ICT) enabled models like Business Correspondent, Rural ATM, handheld devices, smart cards, bio-metrics, mobile banking etc., for easy wage payments to MGNREGA workers.

(c) to (g): In order to extend the reach of banking to the rural hinterland, Banks were advised in 2010-11 to provide appropriate banking facilities to habitations having a population in excess of 2000 (as per 2001 census) by March, 2012, using the Business Correspondent and other models, with appropriate technology back up. Approximately 73,000 such habitations across the country have been identified and allocated to Public Sector Banks, Regional Rural Banks, Private Sector Banks and Cooperative Banks for extending banking services by March, 2012. As per reports received from Banks, 29,569 villages have been covered as on 31.03.2011.