

MODI@3

As the Narendra Modi government completes three years, Mint takes stock of its performance so far



Are the NDA's big programmes delivering?

When it comes to big-ticket programmes, the National Democratic Alliance (NDA) government led by Narendra Modi has launched a raft of new schemes, championed old ones or silently embraced those it was once critical of. Here's how four such big programmes have fared vis-à-vis their stated objectives and targets in the three years the NDA has been in power:

howindialives.com

HOUSING

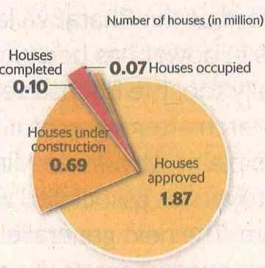
Pradhan Mantri Awas Yojana (Urban), or PMAY

Target

With the aim of 'housing for all', the centre plans to facilitate the building of 20 million 'affordable' houses in Indian cities by providing financial assistance to urban local bodies, implementing agencies and households. The scheme is scheduled to run from 2015 to 2022.

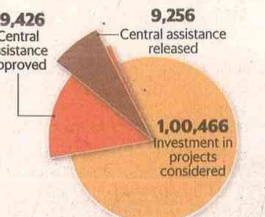
Progress

Much of the scheme's first two years have gone in spade work. Thus, against the 2022 target of building 20 million new houses, 9.3% has been approved. In terms of completion, the figure is 5.3% of the houses approved and 0.5% of the overall target.



Funding

The central government spend mirrors the scheme's slow physical progress. So far, the centre has released about 31% of the amount it has committed for the cleared projects.



Highlight

The scheme's progress varies across states. Other than Gujarat and Karnataka, all states with the maximum PMAY houses approved have little to show in terms of completion.



Challenges

Private involvement: Private builders have been reluctant to take up PMAY projects, citing low margins in the affordable housing segment, which are further compounded by the opaque and high-cost approvals process endemic to Indian real estate.

Affordability: The need for housing in cities is the greatest at the lowest income strata. Even as the government struggles to service this segment at a low price point, it has relaxed the income cap for households to avail a discount on home loan rates. This can boost PMAY numbers, but it won't help meet the 'housing for all' objective.

Source: pmaymis.gov.in, indiabudget.nic.in

FINANCIAL INCLUSION

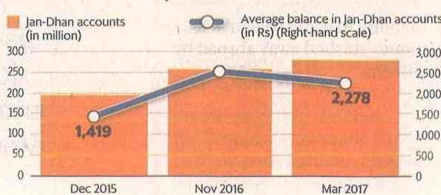
Pradhan Mantri Jan-Dhan Yojana (PMJDY)

Target

Aims to provide 'universal access to banking facilities, with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility'. The scheme was launched in August 2014, with no end date specified.

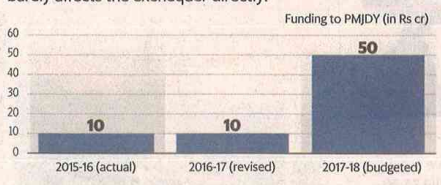
Progress

Measured on number of accounts, progress has been brisk in this top-down scheme—entailing a government push to banks—going from 0 to 280 million new accounts in under three years. But usage levels are still low: the average account balance is only Rs2,278.



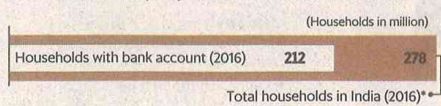
Funding

The programme is driven by a government nudge to banks and the unbanked: increasingly, welfare benefits will move through Aadhaar-linked direct benefit transfers to bank accounts. It doesn't entail the government paying banks, and barely affects the exchequer directly.



Highlight

While releasing its year-end review for 2016, the department of financial services (DFS) reported that 99.9% of the 212 million households it surveyed had a bank account. But did it under-count households? Census 2011 counted 246 million. At an annual growth of 2.5%, as between 2001 and 2011, India would have 278 million households in 2016. If all households the DFS did not survey did not have a bank account, 66 million households (24%) still don't have a bank account.



**Assuming an annual growth in households of 2.5% a year, as registered between 2001 and 2011.

Challenges

Usage needs to pick up, especially given that the system is being primed for delivery of welfare benefits through Aadhaar-based direct benefit transfers. Although the numbers are continuously improving, 24% of Jan-Dhan accounts have no money and 34% are yet to be linked to Aadhaar.

Source: www.pmjdy.gov.in, indiabudget.nic.in, Census (2001-2011) data, year-end review of department of financial services (2016 data)

RURAL ELECTRIFICATION

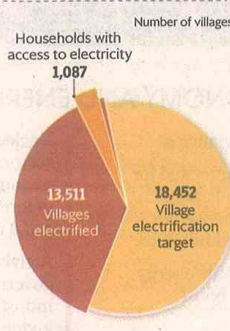
Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Target

Aims to achieve electrification of 18,452 villages by May 2018, and electrification of 45 million rural households by December 2018.

Progress

About 73% of the 18,452 villages that did not even have power infrastructure now have it, and the government should reach its target on this count. But this doesn't necessarily mean every household in the village has access to electricity. At present, in only 6% of these 18,452 villages do 100% households have access. Increasing this metric is the scheme's next big target.



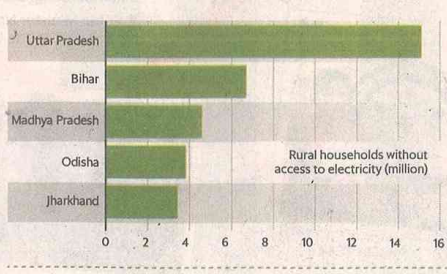
Funding

This is one of the big programmes the centre has been pushing, and its spends and allocations have stayed consistent.



Highlight

Even in the villages that have power infrastructure, there are many households that don't have access to electricity—across India, 45 million of the 179 million rural households, or 25%. Linking them to the grid is the next big step for the programme. At present, DDUGJY is addressing 0.7 million.



Challenges

Power for all: Even as villages are getting new power infrastructure, there are issues of last-mile connectivity and supply, making the 'power for all' goal a challenge.

M1 to M12: When it comes to electrifying a village, there are 12 stages outlined by the ministry: from M1 (awarding a village), M2 (receipt of poles) to M12 (handing over a village). Work is at various stages, which is something the headline numbers don't always convey.

Source: garv.gov.in, indiabudget.nic.in

RURAL EMPLOYMENT

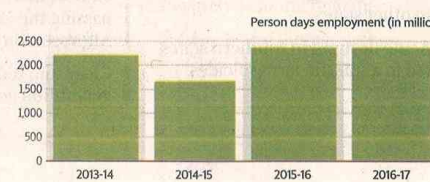
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Target

Launched by the Congress-led United Progressive Alliance government in 2006, the scheme aims to provide 100 days of assured employment to a rural household in a year.

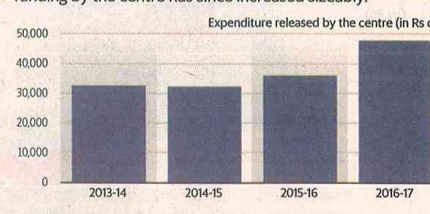
Progress

When the current government entered office, Prime Minister Modi portrayed MGNREGS as a symbol of the Congress' ineffectual legacy. But, following a drought which led to a fall in farm output and incomes, the BJP-led government has increased employment and spends to the scheme.



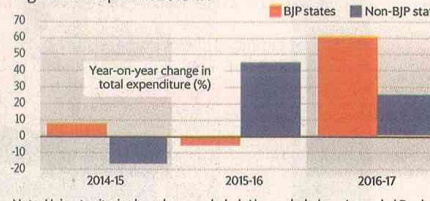
Funding

Average daily wages have increased from Rs132 in 2013-14 to Rs161 in 2016-17. As a result, after a small dip in 2014-15, total funding by the centre has since increased sizeably.



Highlight

Non-BJP states have registered an increase in MGNREGS spending in the past two years, while BJP-ruled states registered a spike in 2016-17.



Note: Union territories have been excluded. Also excluded are Arunachal Pradesh, Assam, Haryana and Maharashtra, which saw a regime change in the middle of the study period. Uttar Pradesh, Uttarakhand and Manipur have been treated as non-BJP states as the regimes changed only this year.

Challenges

Lengthy delays in paying workers have marked MGNREGS. Recently, the centre said it had cleared 89% of wages within 15 days of the work being done. In the past four years, this figure ranged between 27% and 50%. Can the government maintain this year's high numbers?

Sources: mgnregweb4.nic.in, news reports