

## With cash transfers, both BJP and Congress are showing no imagination in fighting poverty

The scope for graft in plans like NYAY is massive because the benefit is conditional and administrative authorities hold great discretion.

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File photo of Prime Minister Narendra Modi with Congress president Rahul Gandhi | Sonu Mehta/Hindustan Times via Getty Images

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**R**ahul Gandhi has announced what would, if it is realised, likely become the largest single **cash transfer programme** in the world, in terms of beneficiaries and perhaps even in terms of resources delivered.

This initiative has a clear electoral logic in India but also reflects a discussion that has been emerging for some years in the corridors of power — those places in which policies are mooted and packaged, fuelled by the musings of official advisors, think tanks and a few well-connected academics – which has been focused on the idea of cash transfers to replace existing social programmes.

That idea, which has had adherents both under the previous UPA and the current NDA governments (where it was respectively promoted by Montek Singh Ahluwalia and Arvind Subramanian), has found its latest avatar in Prime Minister Narendra Modi's Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) income support scheme for farmers, and in the plans of the Congress party, should it form a government, to provide a 'minimum income guarantee'.

Although 'conditional cash transfers' that tie cash payments to individual choices (such as preventative health treatments or school attendance) — and which first **gained prominence** in Latin America — have been in vogue **around the world** for some years and promoted by international institutions, payments aimed at supporting a universal minimum income have not been tried on a substantial scale in any developing country. Even in developed countries, these don't exist on a national level, although they have been discussed for many years (for

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