



## Wage Rate Revised Under MGNREGA

**For Prelims:** Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Minimum Wages Act, 1948, Dr. Anoop Satpathy Committee.

**For Mains:** Poverty, Government Policies & Interventions, Issues Relating to Development, MGNREGA and related Issues.

### Why in News?

Recently, the Ministry of Rural Development has notified fresh wage rates under [Mahatma Gandhi National Rural Employment Guarantee Act \(MGNREGA\)](#) for [financial year 2022-23](#).

- The wage rates are notified under the [Mahatma Gandhi National Rural Employment Guarantee Act, 2005](#).
- The MGNREGA wage rates are fixed according to changes in the [CPI-AL \(Consumer Price Index-Agriculture Labour\)](#), which reflects the increase in the [inflation](#) in rural areas.

### What are the Revised Rates?

- 21 out of 34 states and Union Territories getting less than 5 % increase and **10 states getting more than 5 % hike**.
  - Of the 31 states and UTs, which saw a hike in wages, the **maximum 7.14 % has been recorded in Goa**.
  - The **lowest increase of 1.77 % is in Meghalaya**.
- There is **no change in the wage rates** of three states - **Manipur, Mizoram and Tripura**.

### What is MGNREGA?

- **About:** MGNREGA is **one of the largest work guarantee programmes in the world**.
  - The primary objective of the scheme is to **guarantee 100 days of employment** in every financial year to **adult members of any rural household** willing to do public work-related unskilled manual work.
- **Legal Right to Work:** Unlike earlier employment guarantee schemes, the act **aims at addressing the causes of chronic poverty** through a rights-based framework.
  - At least **one-third of beneficiaries have to be women**.
  - Wages must be paid according to the statutory minimum wages specified for agricultural labourers in the state under the [Minimum Wages Act, 1948](#).
- **Demand-Driven Scheme:** The most important part of MGNREGA's design is **its legally-backed guarantee for any rural adult to get work within 15 days of demanding it**, failing which an 'unemployment allowance' must be given.
  - This demand-driven scheme enables the self-selection of workers.
- **Decentralised planning:** There is an emphasis on strengthening the process of decentralisation by giving a significant role in [Panchayati Raj Institutions \(PRIs\)](#) in planning and implementing these works.

- The act **mandates [Gram sabhas](#) to recommend the works that are to be undertaken** and at least 50% of the works must be executed by them.

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## What are the Issues Associated With Implementation of Scheme?

- **Delay and Insufficiency in Funds Dispersal:** Most states have failed to disburse wages within 15 days as mandated by MGNREGA. In addition, **workers are not compensated for a delay in payment of wages.**
  - This has turned the scheme into a supply-based programme and subsequently, **workers had begun to lose interest in working under it.**
  - There is ample evidence by now, including an admission by the Ministry of Finance, that **delays in wage payments are a consequence of insufficient funds.**
- **Caste Based Segregation:** There were significant variations in delays by caste. While 46% of payments to **SC (Scheduled Caste)** workers and 37% for **ST (Scheduled Tribes)** workers were completed in the mandated seven-day period, it was a dismal 26% for non-SC/ST workers.
  - The **negative impact of caste-based segregation was felt acutely in poorer States** such as Madhya Pradesh, Jharkhand, Odisha and West Bengal.
- **Ineffective Role of PRI:** With very little autonomy, gram panchayats are not able to implement this act in an effective and efficient manner.
- **Large Number of Incomplete works:** There has been a delay in the completion of works under MGNREGA and **inspection of projects has been irregular.** Also, there is an issue of quality of

work and asset creation under MGNREGA.

- **Fabrication of Job cards:** There are several issues related to the existence of **fake job cards, the inclusion of fictitious names, missing entries and delays** in making entries in job cards.

## Way Forward

- There is **a need for better coordination between various government departments** and the mechanism to allot and measure the work.
- Some **discrepancies in the payouts need to be addressed**, too. Women in the sector, on an average, earn 22.24% less than their male counterparts.
- State governments **must ensure that public work gets started in every village. Workers turning up at the worksite should be provided** work immediately, without much delay.
- Local bodies **must proactively reach out to returned and quarantined migrant workers** and help those in need to get job cards.
- **Gram panchayats need to be provided with adequate resources**, powers, and responsibilities to sanction works, provide work on demand, and authorise wage payments to ensure there are no delays in payments.
- MGNREGA should be converged with other schemes of the government. For example, Green India initiative, [Swachh Bharat Abhiyan](#) etc.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

**Q. Among the following who are eligible to benefit from the “Mahatma Gandhi National Rural Employment Guarantee Act”? (2011)**

- (a) Adult members of only the scheduled caste and scheduled tribe households
- (b) Adult members of below poverty line (BPL) households
- (c) Adult members of households of all backward communities
- (d) Adult members of any household

**Ans: (d)**

**Source: IE**

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