

## 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 <u>Mahatma Gandhi</u> <u>National Rural Employment Guarantee Act (MGNREGA)</u> for <u>financial year 2022-23.</u>

- The wage rates are notified under the <u>Mahatma Gandhi National Rural Employment</u> Guarantee Act, 2005.
- The MGNREGA wage rates are fixed according to changes in the <u>CPI-AL (Consumer Price Index-Agriculture Labour)</u>, which reflects the increase in the <u>inflation</u> 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 workrelated 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 <u>Minimum Wages Act</u>, 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 <u>Panchayati Raj Institutions (PRIs)</u> in planning and implementing these works.







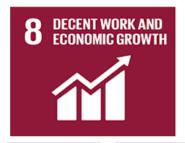




# MGNREGS CONTRBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)









## 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 <u>SC (Scheduled Caste)</u> workers and 37% for <u>ST (Scheduled Tribes)</u> 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, <u>Swachh Bharat Abhiyan</u> 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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