

All about MGNREGA

Why in news?

The Centre has recently notified new wage rates for MGNREGA, with Goa seeingthe highest hike.

What is MGNREGA?

It is a bottom-up, people-centred, demand-driven, self-selecting and rights-based programme.

- MGNREGA The Mahatma Gandhi National Rural Employment (MGNREG) is the largest public employment program in the world.
- Implementation- By Ministry of Rural Development in India.
- **Legal provision-** The scheme is based on *MGNREGA Act*, *2005* which makes a legislative commitment to provide right to work.
- **Aim-** To enhance the livelihood security of people by guaranteeing <u>100 days of wage-employment</u> in a financial year to a rural household whose adult members volunteer to do unskilled work.

Goals of MGNREGA

- Enhance livelihood security of the rural poor through generation of wage employment opportunities in works leading to creation of durable assets.
- Rejuvenate natural resource base of rural areas.
- Create a durable and productive rural asset base.
- Empowerment of the socially disadvantaged, especially, women, Scheduled Castes (SCs) and Scheduled Tribes (STs), through the processes of a rights-based legislation.
- Strengthen decentralized, participatory planning through convergence of various antipoverty and livelihoods initiatives.
- Deepen democracy at the grassroots by strengthening Panchayati Raj Institutions.

Core objectives-

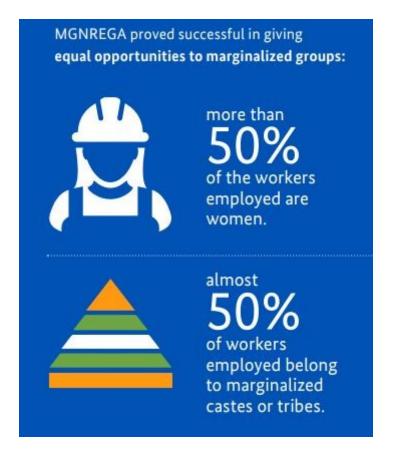
- Providing not less than one hundred days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability
- Strengthening the livelihood resource base of the poor
- Proactively ensuring social inclusion
- Strengthening Panchayati Raj Institutions
- **Category-**The act also seeks to create durable assets and there are 4 types of categories of MGNREGA public works activities.

| Category | About |
|------------|---|
| Category A | Natural resource management (Irrigation canal) |
| Category B | Individual assets for vulnerable sections (House construction or Refurbishment) |
| Category C | Common assets and infrastructure to promote agricultural productivity (Poultry shelter) |
| Category D | Rural infrastructure (Foot bridge) |

- **Fund allocation** The central government provides 100% funding for wages for the unskilled manual work, and covers 75% of the material cost. 25% of the material cost is borne by state governments.
- Wage- The wage rates are fixed according to changes in the <u>CPI-AL (Consumer</u>
 <u>Price Index- Agriculture Labour)</u>, which reflects the increase in the inflation in the
 rural areas. The wages under the scheme are usually done through <u>Direct Benefit</u>
 <u>Transfer</u>.

| MGNREGA new wage rates | High | Low |
|------------------------|------------------------|--|
| Rate | IHarwana IRC 3//I/dawi | Arunachal Pradesh and Nagaland (Rs 234/day) |
| Hike | Goa | Uttarakhand |

- Household- The Act defined household as members of a family related to each other
 by blood, marriage or adoption and normally residing together and sharing meals or
 holding a common ration card.
- **Geotag**-Assets developed under MGNREGA are geo-tagged and displayed on a public website, GeoMGNREGA, to enhance transparency.
- **Women empowerment** Roughly one-third of the stipulated work force must be women.



- **Unemployment allowance** It mandates that work should be provided <u>within 15 days</u> of demanding work failing which the workers are entitled to an unemployment allowance.
- **Gram Sabha** It is the principal forum for wage seekers to raise their voices and make demands.
 - It determines the order of priority of works in the meetings of the Gram Sabha keeping in view potential of the local area, its needs, local resources
 - It monitors the execution of works within Gram Panchayat, it is the primary forum to conduct social audits.
- **Social Audit** Auditing of MGNREGA works is mandatory, which lends to accountability and transparency.
- **Amarjeet Sinha committee** It was constituted in 2023 to review the implementation of the MGNREGA scheme.

| Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) | Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) |
|---|--|
| nrovides quaranteed employment | It is created as directed in MGNREGA and the means to implement the Act so that guarantee comes into effect. |
| and conditions for guaranteed employment in | The State government have to incorporate all features of MGNREGA in the State MGNREGS as mentioned in Schedule-I and condition of employment as mentioned in Schedule-II of MGNREGA. |
| The Central Government has powers to make rules and to amend Mahatma Gandhi NREGA | The State Governments have powers to make rules and amend the concerned State scheme |

It was notified on 7th September, 2005

Different States have notified Mahatma Gandhi NREGS on different dates but within a year of Mahatma Gandhi NREGA notification

What are the issues with MGNREGA?

- **Low wage rates-** If MGNREGA wage rates are lower than state minimum wages, it disincentivizes workers from participating in the program.
- **Fund deficit** Insufficient funds and irregular flow of funds hamper the effective implementation of MGNREGA, especially during peak seasons when demand for work is high.
- **Delayed payments** Regular late payments create financial instability for workers and erode trust in the program.
- **Limited banking infrastructure** Banking infrastructure is limited in rural areas exacerbates the problem of delayed payments and adds unnecessary burden on workers.
- **Faulty MIS data** Over-reliance on technology without addressing its shortcomings contributes to corruption and reduces transparency and accountability.
- Excessive centralisation- It diminishes the role of local governance institutions, reducing their ability to address issues and serve their communities effectively.

What lies ahead?

- The government should address the challenges by increasing fund allocation, reducing delay in payments etc., which would foster and deepen the grassroots democracy.
- Despite several criticisms since its inception MGNREGA remains relevant as a safety net for the most vulnerable in India.
- The World Bank in its World Development Report, 2014 termed MGNREGA as a stellar example of rural development underscores India's commitment to alleviate rural poverty.

References

- 1. Indian Express- New MGNREGA wage rates
- 2. PIB- MGNREGA

