

U.P.S.C.

प्रश्न संख्या
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(i) MGNREGA's performance is possibly the most important proxy for the health of the informal economy. However, a number of issues affect its performance. Analyse.

MGNREGA has proved to be a critical boon during the COVID-19 lockdown, where the poor and marginalised could find guaranteed 100 days work. It is indeed a good indicator for the health of the informal sector in the economy.

There are a number of issues affecting its performance:

- (i) Inaccurate targeting: Statistics reveal that the scheme goes unavailed by the most needy sections. Therefore, the targeting should be improved.
- (ii) Lack of funds: During the ~~year~~ ^{corona} ~~financial~~ ^{pandemic} financial year 2020-21, the scheme was allotted more than ₹1 lakh crore, the highest so far. In the subsequent year 2021-22, the budget allocation was mere ₹43,000 crore. This led to cash crunch → labourers not receiving ~~enough~~ their wages on time, unless the states make use of their funds.
- (iii) Centre - State Tussle → There is a blame-game between the states and the Centre for the allocation of funds & utilisation thereof.

(iv) Caste bias in payment of wages — There has been news of caste-based wages in the scheme in some areas. SC/ST labourers are not paid punctually, with often lower wages.
Way forward:

- Digitize records by the local bodies so that the beneficiaries are rightly identified.
- Prevent corruption to minimise siphoning off the already deficient funds.
- Improve alternate employment opportunities for the unskilled workers.
- Better targeting of these informal sector through E-Shram portal.

MGNREGS is nevertheless a blessing in disguise for displaced labourers who chose to go back home during the lockdown. This scheme has helped millions from falling into poverty and hunger. The scheme should be carried forward efficiently.