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 *100 days of wage-employment* 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 anti-poverty 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 ***CPI-AL (Consumer Price Index- Agriculture Labour),*** which reflects the increase in the inflation in the rural areas. The wages under the scheme are usually done through ***Direct Benefit Transfer***.

MGNREGA new wage rates	High	Low
Rate	Haryana (Rs 374/day)	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 *within 15 days* 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)

It is the foundation for the MGNREGS and provides guaranteed employment	It is created as directed in MGNREGA and the means to implement the Act so that guarantee comes into effect.
The Central government specified features and conditions for guaranteed employment in MGNREGA 2005.	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

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