MGNREGA trends

What is the issue?

- Jobs generated under the Mahatma Gandhi National Rural Employment Guarantee Act have shown a dip after July, 2019 compared to 2018.
- This comes even as 2018-19 saw a record number of households demanding as well as being provided employment under the program.

What is MGNREGA?

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the largest work guarantee programme in the world.
- It was enacted in **2005** with the primary objective of guaranteeing **100 days of wage employment** per year to **rural households**.
- It aims at addressing causes of chronic poverty through the projects that are undertaken, and thus ensuring sustainable development.

What do facts reveal?

- **Registered demand** - In 2018-19, demand was registered from 5.88 crore households, and 5.27 crore of them were provided work.
- These numbers were the highest in the last 5 years of the present government.
- **Dip in person-days** - The person-days of work generated numbers rose from a mere 165.64 crore (2014-15) to 267.99 crore (2018-19).
- However, 2019 has witnessed a clear dip in the person-days of employment under MGNREGA, which is visible after July.
- Significantly, in all the months before, the work provided exceeded the corresponding levels for 2018.
- According to government officials, the fall in MGNREGA employment after July has been largely due to the onset of the southwest monsoon.
- Rainfall during the monsoon season (June-September) in 2019 was 10% above the historical long-term average - the highest since 1994.
- An above-normal monsoon meant there was lower demand for MGNREGA work.
- **The fall in Supply** - However, the gap between the number of households demanding MGNREGA work and the number who were provided work has been the highest in 2019-20.

- This indicates that even if demand fell, supply of work fell even more.

What question does this trend raise?

- The trends raise the question whether all this is linked to lack of funds.
- The cost of providing a day's work to a single person has been taken at an average of Rs 249.86 for 2019-20.
- For 270.21 crore person-days of work that was approved, the MGNREGA labour budget for this fiscal worked out to roughly Rs 67,514.67 crore.
- But for 2019-20, the government has allocated Rs 60,000 crore towards MGNREGA.
- But out of this sum, around 16% would be required for clearing the liabilities of wages, material and administrative costs for previous years.
- Meanwhile, the Centre has revised upwards its original plan of providing 260 crore person-days of work for 2019-20 to 316.73 crore person-days.

What are the other schemes witnessing a deceleration of activity?

- **PM-KISAN** - The same deceleration that MGNREGA is witnessing now goes for the Pradhan Mantri Kisan Samman Nidhi that was launched in December 2018.
- Under this scheme, an income support of Rs.6000 per year is provided to all farmer families across the country in 3 equal instalments of Rs.2000 each every 4 months.
- In the first instalment (December 2018 to March 2019), as many as 8.05 crore farmers were covered.
- Those numbers fell to 7.43 crore in the second instalment and further to 5.91 crore in the third.
- In all, the total amount disbursed under the scheme in 2019-20 is Rs 32,320.86 crore, which is significantly short of the Rs 75,000 crore budgeted for it.
- **PMAY-Gramin** - The number of rural houses built under PM Awas Yojana-Gramin has seen a drop to just 7.2 lakh so far in 2019-20.
- However, the process of registration, geo-tagging, etc has already started, and more houses may be built later in the year.

Source: Indian Express

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