Timely Wages to MNREGA Workers

Why in news?

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There is an ongoing PIL in the Supreme Court between Swaraj Abhiyan versus Union of India.

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What is the PIL about?

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- The PIL is about the lack of functioning of social security systems like the National Food Security Act (NFSA) and the National Rural Employment Act (NREGA).
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- The NREGA mandates that every worker must receive her wages within 15 days of completion of a workweek.
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- If this condition is not met, a delay compensation is to be paid at a rate of 0.05% per day of delay.
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- In spite of this merely 21% of the sampled transactions were paid within the stipulated 15-day period.
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How is the payment made?

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- Under the National Electronic Fund Management system (Ne-FMS), upon completion of a work week, a Funds Transfer Order (FTO) is generated at the block/ panchayat.
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- Then the Centre approves the FTO digitally.
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- Then the money is transferred directly to the individual workers' account.

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- The time taken till FTO generation is the state’s responsibility and the time taken thereafter is the Centre’s responsibility.
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What constitute the delays?

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- **Definition of Delay -** The current definition of the delay calculates delay days only until the FTOs get generated at the block/ panchayat.
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- The times taken by the Centre to process the FTOs and release wages are not getting accounted as delays.
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- **Payment Infrastructure -** In an attempt to improve the payments process, the government migrated to the Ne-FMS in April 2016.
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- Prior to the Ne-FMS system, the state governments would use a contingency/ revolving fund to make the payments until the Centre sanctioned the funds.
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- The current payments system is completely centralised.
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- The state governments cannot pay the workers even if they intend to.
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What should be done?

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- Not only has the government violated the law but also the worker's rights to timely wages.
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- The payments infrastructure requires seamless coordination between the Centre, states, payment agencies, and the administrative bodies.
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- There should also be a clearly defined responsibilities for each one of them.
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Source: Business Standard

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