

# Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

## Latest Update about MGNREGA

**In March 2023, the government declared new wage rates for unskilled manual workers under the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.**

### News in detail:

- For the financial year 2023-24, under sub-section(1) of Section 6 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, the Ministry of Rural Development has notified the new wage rates. It will become effective from 1st April 2023.
- Changes in the Consumer Price Index - Agriculture Labour (CPI-AL) is used by the Ministry of Rural Development to revise the wages under MGNREGA.

### Recent changes introduced in wages:

- Wage hike ranges from Rs. 7 to Rs. 26 per day, which is an increase of 2% to 10%.
- As per the wage revisions carried out, the highest rate of wage, which is Rs. 357 per day has been fixed for Haryana and the lowest wage of Rs. 221 per day has been fixed for Madhya Pradesh and Chhattisgarh.
- The highest percentage increase has been recorded for Rajasthan, where wages rose from Rs. 231 per day in 2022-23 to Rs. 255 per day for 2023-24, making a 10.39% hike.
- The lowest percentage hike is reported in Goa, where wages increased from Rs. 315 per day in 2022-23 to Rs. 322 per day in 2023-24.

The Union Government has made it mandatory for payments to be made for MGNREGA beneficiaries through the Aadhar-Based Payment System or ABPS. Know more about this development in the link, [payment system for MGNREGA](#).

The Union government has allocated Rs.72000 crores for The Mahatma Gandhi National Rural Employment Guarantee Act, (MGNREGA) scheme in 2021-22. Candidates should know about Mahatma Gandhi NREGA as it holds importance not only while you are an [IAS Exam](#) aspirant but also when you become an administrator, knowledge of this scheme will be helpful.

## Quick Facts about MGNREGA 2022:

**MGNREGA Full Form** Mahatma Gandhi National Rural Employment Guarantee

**When the MGNREGA Scheme was launched?** 2nd February 2006

The Mahatma Gandhi National Rural Employment Guarantee Act was passed on 23rd August 2005

**What was MGNREGA earlier known as?** It was known to be National Rural Employment Guarantee Scheme

**Are MGNREGS and MGNREGA the same?** MGNREGS is a scheme which is based on the MGNREGA Act

**Number of Districts covered by MGNREGA Scheme?** As of 11th February 2021; 708 districts are covered

**Key Stakeholders under MGNREGA**

- Wage seekers
- Gram Sabha (GS)
- Three-tier Panchayati Raj Institutions (PRIs)
- Programme Officer at the Block level
- District Programme Coordinator (DPC)
- State Government
- Ministry of Rural Development (MoRD)
- Civil Society
- Other stakeholders (In line departments, departments, Self-Help Groups (SHGs))

**What is MGNREGA Job Card?** It is a document that renders a worker entitled for work under the MGNREGA Scheme

**Mandate of Mahatma Gandhi National Rural Employment Guarantee Act** Provision of at least 100 days of work that provides guarantee of financial year

**MGNREGA Official Website** <https://nrega.nic.in/netnrega/home.aspx>

## MGNREGA & Workers Crisis - COVID Pandemic

**Finance Minister Nirmala Sitharaman on March 26th, 2020, the workers under the MGNREGA would get a hike of Rs. 2000 each on an average.** It was also announced that three crore senior citizens, persons with disabilities, and widows will get a one-time additional amount of Rs 1,000 in two installments which will be provided through DBT (Direct Benefit Transfer) over three months. **This announcement was made as an initiative towards the loss caused by the Covid-19 outbreak. The 21 days lockdown was expected to cost the Indian Economy a cost of around 9 lakh crores.** Funds worth Rs 31,000 crore are also to be provided to augment medical testing, screening, and providing better healthcare facilities to those who have been affected financially due to the Covid-19 outbreak.

It is an important topic for the [General Studies Syllabus](#) of the UPSC for Civil Services Exam 2023. This government scheme is covered under Economic and Social Development for Prelims and Economy for Mains.

### MGNREGA History:

In 1991, the P.V Narashima Rao government proposed a pilot scheme for generating employment in rural areas with the following goals:

- Employment Generation for agricultural labour during the lean season.
- Infrastructure Development
- Enhanced Food Security

This scheme was called the Employment Assurance Scheme which later evolved into the MGNREGA after the merger with the Food for Work Programme in the early 2000s.

### Objectives of MGNREGA:

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has the following objectives:

- Provide 100 days of guaranteed wage employment to rural unskilled labour
- Increase economic security
- Decrease migration of labour from rural to urban areas

MGNREGA differentiates itself from earlier welfare schemes by taking a grassroots-driven approach to employment generation. The programs under the act are demand-driven and provide legal provisions for appeal in the case, work is not provided or payments are delayed. The scheme is funded by the central government which bears the full cost of unskilled labour and 75% of the cost of material for works undertaken under this law. The central and state governments audit the works undertaken under this act

through annual reports prepared by CEGC (Central Employment Guarantee Council) and the SEGC (State Employment Guarantee Councils). These reports have to be presented by the incumbent government in the legislature.

A few salient features of the scheme are:

- It gives a significant amount of control to the Gram Panchayats for managing public works, strengthening Panchayati Raj Institutions. Gram Sabhas are free to accept or reject recommendations from Intermediate and District Panchayats.
- It incorporates accountability in its operational guidelines and ensures compliance and transparency at all levels.

Ever since the scheme was implemented, the number of jobs has increased by 240% in the past 10 years. The scheme has been successful in enhancing economic empowerment in rural India and helping overcome the exploitation of labour. The scheme has also diminished wage volatility and the gender pay gap in labour. This can be substantiated by the following data available at the official site of MGNREGA:

1. 14.88 crores MGNREGA job cards have been issued (Active Job Cards - 9.3 crores)
2. 28.83 crores workers who gained employed under MGNREGA (2020-21) out of which active workers are 14.49 crores.

### **What is the role of Gram Sabha and Gram Panchayat in MGNREGS?**

The role of Gram Sabha in the Mahatma Gandhi National Rural Employment Guarantee Scheme is tabled below:

#### **Role of Gram Sabha in MGNREGS**

It lists down the works priority-wise w.r.t the potential of the local area

It monitors the work executed within the Gram Panchayat

It acts as the primary forum for the social audits

It also works as a platform to resolve all workers' queries related to any MGNREGA work

The role of Gram Panchayat in the Mahatma Gandhi National Rural Employment Guarantee Scheme is tabled below:

### **Role of Gram Panchayat**

It is authorized with the role to receive the job applications

After receiving the applications, it is responsible to verify them

All households are registered by the Gram Panchayat

The MGNREGS job cards are issued by the Gram Panchayat

It is responsible to allot work within 15 days from the application submission

It prepares an annual report that covers the achievement of the scheme

It holds Rozgar Diwas at every ward once a month

### **Role of State Governments in MGNREGS**

The important roles of the state government in executing the MGNREGA scheme are:

1. It frames rules charting out the state's responsibility under the act.
2. It sets up the State Employment Guarantee Council.
3. State Employment Guarantee Fund (SEGF) is established by state governments.
4. It makes sure to dedicate Employment Guarantee Assistant (Gram Rozgar Sahayak), the PO and the staff at State, district, cluster and Gram Panchayat level; for the execution of the scheme.

### **MGNREGA - State Employment Guarantee Council (SEGC)**

The State Employment Guarantee Council is responsible to advise state government for the implementation of the MGNREG scheme. Some important functions of SEGC under MNREGS are:

1. The suggestion of improvements in the execution of the scheme.
2. Evaluation and monitoring of the scheme.
3. To recommend proposals of the works to the central government.
4. To aware the districts about the scheme and its features.
5. To prepare an annual report to be submitted by the state government before the state legislature.

This law and the employment guarantee schemes which are part of its provisions are important from the IAS exam point of view. UPSC aspirants should read about this government scheme in detail as questions related to this topic are asked in the Prelims exam and in General Studies paper II. The questions for government schemes like MGNREGA are classified under Welfare schemes, and the topic has a significant overlap with topics like human development, poverty, and hunger.

## Technocratic Subversion of MGNREGA

In recent months, MGNREGA employees from all over the nation have been peacefully protesting as members of the NREGA Sangharsh Morcha, a national alliance of labour unions. A multitude of complaints, including late wage payments, unfavourable working conditions, and insufficient MGNREGA scheme execution, are to blame for the protests.

### News in detail:

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) workers demand

1. adequate funds for work and timely wages,
2. release of pending funds to West Bengal,
3. revocation of mandatory attendance using the [National Mobile Monitoring System \(NMMS\) app](#), and
4. revocation of wage payments using the Aadhaar-based payment systems (ABPS).

### Way forward

- The majority of Indians are unable to perceive and evaluate how their government is acting since the state has placed so much emphasis on "seeing" its citizens.
- According to democratic dogma, individuals should be able to clearly "see" the state, not the other way around. If not, people's respect for and confidence in them are at risk.
- It's important to handle the MGNREGA corruption cases. But for that, social audits must be strengthened rather than adding to the struggles of already overworked women.
- It is important to examine the causes of ineffective fund management and take action to improve it.
- Additionally, officers who are found guilty of misusing funds should face legal action.
- By increasing awareness and making it more inclusive, the participation of women and members of underprivileged classes must increase.

### Frequently Asked Questions Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

#### Q. What is the aim of MGNREGA?

MGNREGA aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

#### Q. What is the objective of MGNREGA?

The MGNREGA was initiated with the objective of "enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work".