

Bill No. 29 of 2023

THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT
GUARANTEE (AMENDMENT) BILL, 2023

By

ADV. DEAN KURIAKOSE, M.P.

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BILL

*further to amend the Mahatma Gandhi National Rural Employment
Guarantee Act, 2005.*

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of
India as follows:—

1. (1) This Act may be called the Mahatma Gandhi National Rural
Employment Guarantee (Amendment) Act, 2023.

Short title
and
commencement.

5 (2) It shall come into force on such date as the Central Government,
may by notification in the Official Gazette, appoint.

Amendment of section 22.	<p>2. In section 22 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (hereinafter referred to as the principal Act),—</p> <p>(a) in sub-section (1), the following provisos shall be inserted, namely:—</p> <p>Provided that the Central Government shall provide the funds to States in advance to meet the estimated cost under sub-section (1), to ensure that payment of wages to every unskilled, skilled and semi-skilled worker is made within five days of completion of work:</p> <p>Provided further that if the Central Government fails to release funds for three months due to any reason, the State Government shall be eligible for a penalty of three per cent of amount outstanding per month:</p> <p>Provided also that the funds allocated by the Central Government to the scheme shall be calculated keeping in view the prevailing inflation rates, aspirations of the people and projected demand for work.</p>	42 of 2005 5 10 15
Insertion of new section 22A.	<p>3. After section 22 of the principal Act, the following section shall be inserted, namely:—</p> <p>“22A. The State Government shall ensure that,—</p> <p>(a) it has sufficient funds for payment of wages to skilled and semi-skilled and cost of unemployment allowances for at least one month based on projected number of workers for ensuing month;</p> <p>(b) the payment of wages to skilled and semi-skilled are made within five days of the completion of the work;</p> <p>(c) if any worker files a complaint regarding non-payment of wages with the Programme Officer, the complaint shall be settled and wages paid, if any, within a period of fifteen days:</p> <p>Provided that if the Programme Officer fails to settle the complaint, the District Programme Coordinator shall settle the case and wages shall be paid within a period of ten days from the expiry of fifteen days allotted to the Programme Officer.”.</p>	15 20 25
State Government to ensure payment of wages.		

STATEMENT OF OBJECTS AND REASONS

The Mahatma Gandhi Rural Employment Guarantee Act, 2005 (MGNREGA) is a seminal legislation that has been designed to improve the situation of rural poor. Not only it acts as a poverty alleviation measure, but it also improves the spending capacity of the rural population. Various studies have shown that it has contributed to a healthy demand pull inflation rate, which has improved the economic health of the country. The transfer of cash *in lieu* of self-selected work is correlated with improvement in social indicators while boosting the dignity of the rural worker.

There has been many international studies that prove the efficacy of the programme. It has been a corner stone that improved the lives of rural poor as the country navigated many challenges. During those times, for instance during the COVID induced slowdown, the rural poor depended upon the work guaranteed through MGNREGA to sustain themselves. However, there has been no proportionate increase in funds allocated in tune with the demand of work. Also, many States have been complaining about the centre not releasing funds due to them on time. Such a situation has arisen because there is no legal compulsion forced upon the Central Government to do so. If the act is amended to ensure that such provisions are added, it leads to a situation where the issue is depoliticised and the centre will have no option but release the amount due in time so that the ordinary worker is not denied timely payment of his hard labour.

The bill also seeks to address this moral issue of the State reneging on its duty of paying the wages on time to the citizen who take up work under MGNREGA. It is necessary to alleviate rural poverty and also keep up the trust that a prestigious Central Government scheme like MGNREGA enjoys. This has to be legally ensured by the Parliament.

NEW DELHI;
January 16, 2023.

DEAN KURIAKOSE

ANNEXURE

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT
GUARANTEE ACT, 2005

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Funding
Pattern.

22. (1) Subject to the rules as may be made by the Central Government in this behalf, the Central Government shall meet the cost of the following, namely:—

(a) the amount required for payment of wages for unskilled manual work under the Scheme;

(b) up to three-fourths of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers subject to the provisions of Schedule II;

(c) such percentage of the total cost of the Scheme as may be determined by the Central Government towards the administrative expenses, which may include the salary and allowances of the Programme Officers and his supporting staff, the administrative expenses of the Central Council, facilities to be provided under Schedule II and such other item as may be decided by the Central Government.

(2) The State Government shall meet the cost of the following, namely:—

(a) the cost of unemployment allowance payable under the Scheme;

(b) one-fourth of the material cost of the Scheme including payment of wages to skilled and semi-skilled workers subject to the provisions of Schedule II;

(c) the administrative expenses of the State Council.

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Guarantee Act, 2005.

(Adv. Dean Kuriakose, M.P.)