

Bill No. 53 of 2024

THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT
GUARANTEE (AMENDMENT) BILL, 2024

By

SHRI SHAFI PARAMBIL, 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-fifth year of the Republic of India as follows:—

1. (1) This Act may be called the Mahatma Gandhi National Rural Employment Guarantee (Amendment) Act, 2024.

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.

42 of 2005. **2. In the long title of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (hereinafter referred to as the principal Act), for the words “one hundred days”, the words “one hundred and fifty days” shall be substituted;**

Amendment of Long Title.

Amendment of
section 3.

3. In section 3 of the principal Act,—

(a) in sub-section (1), for the words “one hundred days”, the words “one hundred and fifty days” shall be substituted; and

(b) for sub-section (2), the following sub-section shall be substituted namely,—

“(2) Every person who has done the work given to him under the Scheme shall be entitled to receive wages at the rate of rupees four hundred for each day of work or at such wage rate of each day of work, as may be determined, whichever is higher.”.

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Amendment of
section 4.

4. In section 4 of the principal Act, in sub-section (1), for the words “one hundred days” the words “one hundred and fifty days” shall be substituted.

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Amendment of
section 6.

5. In section 6 of the principal Act, in sub-section (1) for the words “sixty rupees per day”, the words “four hundred rupees per day” shall be substituted.

Amendment of
section 7.

6. In section 7 of the principal Act, in sub-section (3), for the words “one hundred days”, wherever they occur, the words “one hundred and fifty days” shall be substituted.

Amendment of
section 25.

7. In section 25 of the principal Act, for the words “one thousand rupees”, the words “twenty thousand rupees” shall be substituted.

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Amendment of
Schedule I.

8. In Schedule I of the principal Act, in para 3, in sub-para (a) for the words “one hundred days”, the word “one hundred and fifty days” shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) Act, 2005 is perhaps the most significant social policy initiative in India since independence. The main objective of the Act is to provide enhancement of livelihood security of the households in rural areas by providing at least one hundred days of guaranteed wage employment to every household in unskilled manual work. Ever since its inception, the rural employment guarantee program has provided lifeline to the poor households in the rural areas, especially during the periods of rural distress.

While the country is witnessing an alarming rate of unemployment with limited job opportunities in manufacturing sector, there is a high demand for the jobs under the MGNREGA Scheme. But the existing provisions of the Act are unable to address the growing aspirations of the rural poor. For example, the average wage rate for unskilled manual workers under the program has been growing at a sluggish pace since 2018-19. The average wage rate was Rs. 207 in 2018-19, growing to Rs. 259 in 2023-24. The slight increase in wage rate is insufficient to meet the increase in cost of basic goods, which have risen due to spike in inflation in the last few years.

The Parliamentary Standing Committee on Rural Development and Panchayati Raj in 2021-22 critically noted that the fluctuations and huge disparity in wage rates among the States are unjustified. Hence, there is a need to rise the lower limit of the wage rate under the scheme in such a way that it can guarantee a decent income which can manage the chronic of price rise. While considering the existing wage rate of different States, it is understood that a minimum wage of rupees four hundred would be a balanced amount to be fixed for a day's work. Besides, the last few years have witnessed significant increase in demand for job across the country. Therefore, there is a need to guarantee at least one hundred and fifty days of employment instead of one hundred days.

Considering the changing dynamics of the unemployment situation, rural distress and chronic inflation in the country, it is envisaged that increasing the days of guaranteed employment to one hundred and fifty days and fixing the minimum wage rate at rupees four hundred would transform the lives of the rural poor substantially.

Hence this Bill.

NEW DELHI;
July 2, 2024.

SHAFI PARAMBIL

FINANCIAL MEMORANDUM

Clause 2 of the Bill provide for increasing the days of guaranteed employment under the Act from existing one hundred days to one hundred and fifty days. Clause 3 provides for fixing the minimum wages to at least rupees four hundred per day. Clause 4 provides for the State Government to increase the number of days of guaranteed employment in a financial year to every household in the rural areas under the Scheme from existing one hundred days to one hundred and fifty days. Clause 6 provides for the specifying the minimum wage rate from existing sixty rupees per day to four hundred rupees per day. Clause 7 provides for the State Government to pay unemployment allowance to a household from existing one hundred days to one hundred and fifty days. Clause 8 provides for increasing the days of guaranteed employment under the Act from existing one hundred days to one hundred and fifty days. The Bill, therefore, if enacted will involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of about rupees fifty crore would be involved from the Consolidated Fund of India per annum.

A non-recurring expenditure of about rupees one hundred crore is also likely to be involved.

ANNEXURE

EXTRACTS FROM THE MAHATMA GANDHI NATIONAL RURAL
EMPLOYMENT GUARANTEE ACT, 2005
(42 OF 2005)

* * * * *

An Act to provide for the enhancement of livelihood security of the households in rural areas to the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

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3. (1) Save as otherwise provided, the State Government shall, in such rural area in the State as many be notified by the Central Government, provide to every household whose adult members volunteer to do unskilled manual work not less than one hundred days of such work in a financial year in accordance with the Scheme made under this Act.

Guarantee of rural employment to households.

(2) Every person who has done the work given to him under the Scheme shall be entitled to receive wages at the wage rate for each day of work.

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4. (1) For the purposes of giving effect to the provisions of section 3, every State Government shall, within one year from the date of commencement of this Act, by notification, make a Scheme, for providing not less than one hundred days of guaranteed employment in a financial year to every household in the rural areas covered under the Scheme and whose adult members, by application, volunteer to do unskilled manual work subject to the conditions laid down by or under this Act and in the Scheme:

Employment Guarantee schemes for rural areas.

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6. (1) Notwithstanding anything contained in the Minimum Wages Act, 1948 (11 of 1948), the Central Government may, by notification, specify the wage rate for the purposes of this Act:

Wage rate.

Provided that different rates of wages may be specified for different areas:

Provided further that the wage rate specified from time to time under any such notification shall not be at a rate less than sixty rupees per day.

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7. (3) The liability of the State Government to pay unemployment allowance to a household during any financial year shall cease as soon as—

Payment of unemployment allowance.

(a) the applicant is directed by the Gram Panchayat or the Program Officer to report for work either/by himself or depute at least one adult member of his household; or

(b) the period for which employment is sought comes to an end and no member of the household of the applicant had turned up for employment; or

(c) the adult members of the household of the applicant have received in total at least one hundred days of work within the financial year; or

(d) the household of the applicant has earned as much from the wages and employment allowance taken together which is equal to the wages for one hundred days of work during the financial year.

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25. Whoever contravenes the provisions of this Act shall on conviction be liable to a fine which may extend to one thousand rupees.

Penalty for non-compliance.

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SCHEDULE I

See Section 4(3)

MINIMUM FEATURES OF A RURAL EMPLOYMENT GUARANTEE SCHEME

3. (a) 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;

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LOK SABHA

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BILL

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

(Shri Shafi Parambil, M.P.)