GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

RAJYA SABHA
UNSTARRED QUESTION NO. 2032
TO BE ANSWERED ON 15/12/2021

SHORTAGE OF FUNDS UNDER MGNREGA

2032 SHRI MALLIKARJUN KHARGE:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether it is a fact that no money is left in the MGNREGA funds with the scheme running on a net negative balance of over ₹ 8,000 crore;
(b) if so, whether the low budgetary allocation in FY 2021-22 as compared to RE 2020-21 is the cause of this deficit;
(c) the reasons Government could not correctly gauge the demand for work under the scheme, and;
(d) the number of families who are going to be negatively impacted due to this shortage and how they will be protected?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SADHVI NIRANJAN JYOTI)

(a) to (d): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment programme and funds are released to the States/UTs on the basis of "agreed to" Labour Budget (LB) and performance of the States/UTs during the financial year.

The funds allocation has increased more than 18% in the current financial year 2021-22 from previous financial year 2020-21 at Budget Estimate stage from Rs. 61,500 crore to Rs. 73,000 crore. Recently, additional funds of Rs.10,000 crore were allocated for Mahatma Gandhi NREGS as an interim measure.

The offtake of employment from Mahatma Gandhi NREGS is influenced by multiple factors and can't be fully anticipated in advance. Therefore, there is a in-built system of revision of Labour Budget of the State/UT based on the utilisation of the approved Labour Budget, past trends etc.

Fund release to the States/UTs is a continuous process and Central Government is committed in making funds available keeping in view the demand for work on the ground. The available funds are sufficient to meet the current wage liability. Further, higher allocations may be made upon assessment of demand during the Revised Estimate (RE) stage.

******