

GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

RAJYA SABHA
UNSTARRED QUESTION NO. 1420
TO BE ANSWERED ON 02/08/2024

VARIATION OF WAGES UNDER MGNREGA

1420 SMT. RANJEET RANJAN:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) the reasons for substantial variations in the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) wages across different States for FY 2024-25;
- (b) whether Government is aware that there has been a considerable reduction in budgetary allocation for MGNREGA, where Rs 60,000 crore was allocated against proposed demand of Rs 98,000 crore for 2023-24; and
- (c) whether Government plans to revise methodology for calculating wage rates that is currently based on the Consumer Price Index - Agricultural Labourers (CPI-AL) that uses year 2010-11 as the base year?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI KAMLESH PASWAN)

(a): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand-driven wage employment Scheme. It provides fall back options for livelihood for the rural households, when no better employment opportunity is available.

As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for its beneficiaries. Accordingly from the financial year 2011-12, the Government of India started determining the wage rates using the Consumer Price Index for Agricultural Labour (CPI-AL).

The Ministry of Rural Development revises the wage rate every financial year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The index is different for different States/UTs as notified by Labour Bureau Shimla. In case Indexation is not available for any particular State then as far as possible index of neighbouring State is used. If the calculated wage rate of any State/UT as per the index for the current year results in lower wage rate than the wage rate of previous year, it is being protected by maintaining the previous year wage rate. The revised wage rate is made applicable from 1st April of each financial year. However, each State/UT can provide wages over and above the wage rate notified by the Central Government.

(b): The allocation of fund for Mahatma Gandhi NREGA during the FY 2023-24 at Budget Estimate (BE) stage was Rs. 60,000 crore, which was enhanced to Rs. 86,000 crore at the Revised Estimate (RE) stage. Final release during the Financial Year 2023-24 to the State/UT under Mahatma Gandhi NREGS was an amount of Rs. 88,554.76 crore.

Since Mahatma Gandhi NREGS is a demand-driven scheme the Central Government is committed to making funds available to States/UTs for the implementation of the Scheme as per the demand for work on the ground.

The Ministry seeks additional fund for implementation of Mahatma Gandhi NREGS from the Ministry of Finance as and when required for meeting the demand for work on the ground.

(c): There is no plan to revise the methodology for calculating wage rates that are currently based on the Consumer Price Index - Agricultural Labourers (CPI-AL) under the Mahatma Gandhi NREGS.
