

GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

LOK SABHA
UNSTARRED QUESTION NO. 114
ANSWERED ON 02.02.2021

MINIMUM WAGES IN MGNREGS

114. SHRI GOPAL JEE THAKUR:
SHRI MANICKAM TAGORE B.:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether wages provided under the Mahatma Gandhi National Rural Employment Guarantee Scheme(MGNREGS) are below the declared minimum wage for agriculture and construction work in many States and if so, the details thereof;
- (b) whether daily wages currently being provided under this scheme are likely to be enhanced in future, if so, the time by which it is likely to be enhanced; and
- (c) whether the Government has constituted a committee for revision of minimum wages every year for the workers under MGNREGS and if so, the details thereof along with the action taken so far by the Government in this regard?

ANSWER
MINISTER OF RURAL DEVELOPMENT
(SHRI NARENDRA SINGH TOMAR)

(a)&(b): As per section 6(1) of Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Mahatma Gandhi NREGA), the Central Government may, by notification, specify the wage rate for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate every year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour (CPI-AL). The wage rate is made applicable from 1st April of each Financial Year. Centrally, this Ministry does not maintain minimum wage rates in respect of States/UTs, agricultural or otherwise. However, each State/UT can provide additional wage over and above the wage-rate notified by the Central Government. The wage rate for the States/UTs, applicable for the FY 2020-21, was notified on 23.3.2020. On an average, there is an increase of Rs.20 in wage rate from Rs.182 of last financial year to Rs.202 in the current financial year.

(c): A Committee was constituted to study, inter-alia, the appropriate index for revising Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Mahatma Gandhi NREGA) wages. The Committee recommended using Consumer Price Index-Rural (CPI-R) instead of the existing Consumer Price Index for Agricultural Labour (CPI-AL) for revising Mahatma Gandhi NREGA wage every year. The Committee also recommended use of annual average instead of the existing practice of using December month index only. The recommendations of the Committee are under examination in consultation with other Ministries including the Ministry of Finance.