

GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2219**  
ANSWERED ON 15/03/2022

**BUDGETARY ALLOCATION TO MGNREGS**

2219. SHRI KARTI P. CHIDAMBARAM:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government is cognizant of the demand raised by several stakeholders for higher budgetary allocation to Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);
- (b) if so, the reasons for the unusually low projected person days in Q4 of Financial year 2021-22, given that previous trends and traditional harvest patterns indicate that MGNREGS work usually increases in Q4;
- (c) whether the Government has communicated to the States to cut down on MGNREGS work and if so, the details thereof; and
- (d) whether the Government is violating the mandate of the MGNREGS which states that remuneration under MGNREGS can not be less than the minimum wage in each State?

**ANSWER**

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

(a) to (c) 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. Fund release to 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.

Central Government had enhanced the financial allocation under Mahatma Gandhi NREGS for financial year 2020-21 from Rs.61,500 crore at Budget Estimate (BE) stage to Rs.1,11,500 crore at Revised Estimate(RE) stage.

In the current Financial Year 2021-22, the budget provision at Budget Estimate (BE) stage was Rs. 73,000 crore. The Ministry has requested for additional budget allocation which has been enhanced to Rs. 98,000 crore at the Revised Estimate (RE) stage as per the requirement of funds. The Ministry seeks additional fund for Mahatma Gandhi NREGS from Ministry of Finance as and when required for meeting the demand for work on the ground.

(d) No such provision exists. In fact, 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 unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial 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). If the calculated wage rate of any State is coming lower than the wage rate of previous financial year, it is being protected by maintaining the previous financial year wage rate. The revised wage rate is made applicable from 1st April of each financial year. However, State Governments can provide wage over and above the wage rate notified by the Central Government under Mahatma Gandhi NREGS.

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