

MGNREGA scheme must ensure more jobs in rural areas

The scheme provided momentum to the economy during Covid-19 and experts think the Budget allocation to the scheme can be increased in FY22

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For the past three years, many adivasis from remote Peth taluka of Nashik district in Maharashtra have not migrated to cities in search of work and livelihood. They grow rice enough to sell at the local market, thanks to the construction of farm ponds, stone and mud bunds and other agriculture-related works carried out under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

Besides addressing the problem of migration from villages, the scheme has helped provide employment to migrant labourers dislocated this fiscal year due to the Covid-19 pandemic. As compared to the last financial year, the Centre has increased funding under MGNREGA scheme by ₹19,091 crore due to Covid-19 outbreak. Experts think that the Budget allocation to the scheme should be increased to help the rural economy in FY22.

The average per day wage rate for unskilled work under the scheme went up by 10 per cent from ₹182 in 2019-20 to ₹200 in the current year. There has been an overall rise of ₹42,700 crore in government funding from 2016-17 to the current financial year. During the same period, the overall rise in wages of ₹23,575 crore has been recorded (from ₹40,750 in 2016-17 to ₹46,326 crore in 2020-21).

Providing jobs closer home

"This scheme has brought a change in the lives of Peth villagers but there are many who still want to work. The government must provide more work as many of the villagers who had migrated to cities have returned after Covid-19 outbreak," said Chandrakant Kuwar from Amlon village in Nashik. He added that even

before the pandemic, the MGNREGA was drawing back villagers from the cities.

The Ministry of Rural Development, through independent evaluators, reported that the MGNREGA scheme has reduced the seasonal migration of workers. According to the Ministry, studies indicated a direct and positive impact of MGNREGA in the reduction of distress migration by providing work closer to home with decent working conditions.

According to data from the Centre for Monitoring Indian Economy, reverse migration due to Covid-19 has resulted in 16 per cent increase of people employed in the agriculture sector (in summer 2020) over the previous year's overall farm employment. Even as the virus scare keeps many villagers away from cities, the MNREGA would be the major job provider for rural poor at least in the first part of 2021.

What is the MGNREGA scheme?

The scheme is a demand-driven wage employment scheme. Every adult member of a household in a rural area with a job card is eligible for a job under the scheme. The scheme envisages providing 100 days of guaranteed wage employment in a financial year to adult member volunteers for unskilled manual work.

There is also a provision for additional 50 days of unskilled wage employment in drought/natural calamity notified rural areas. As per Section 3(4) of the MGNREGA, the States may make provisions for providing additional days beyond the period guaranteed under the Act from their own funds.

The government data shows that the Centre has released ₹90,111.99 crore under the scheme this financial year and a total of ₹64,326.54 crore has been given as wages (by 29

January 2021). The average wage rate per day per person is ₹200.37 in the current financial year as compared to ₹161.65 in 2016-17. A total of 7.02 households and 10.25 crore individuals have benefitted under the MGNREGA scheme this year. These figures are recorded the highest as compared to the last four years.

According to the government data, in the last five years, expenditure on agriculture and allied works under the MGNREGA scheme has been above 65 per cent. A big chunk of assets created under the scheme include water conservation work which helped to resolve water problem in many villages. The programme has 261 permissible work out of which 164 types of work are relating to agriculture and allied activities. The Ministry of Finance stated that the agricultural sector remains the foundation of the Indian economy. Though the GDP contribution of the sector may not be large (in relation to industry and services), the growth of the sector has had a positive impact on the large population on agriculture.

"The government must ensure that work is provided notwithstanding the demand. There is a demand for work in rural areas and the government must expand the scheme in the upcoming Budget. Besides that, the government must focus on value addition and multiply community asset works," said Ashwini Kulkarni of Pragati Abhiyan, the organisation working to facilitate MGNREGS work in villages.

She added that the rural economy would get a boost only if there is money in the hands of rural people. "Many of those who had migrated to cities for work returned to villages during Covid-19 and worked on the MGNREGA projects.

There is also a large number of working women. They could fight health issues like anaemia and malnutrition once they have money in their hands," Kulkarni added. A total



MGNREGA report card

708	7,092	2,68,561
Total number of Districts	Total number of blocks	Total number of Gram Panchayats
Job cards	(in cr)	
Total number of job cards issued	14.82	
Total number of Workers	28.72	
Total number of active job cards	9.25	
Total number of active workers	14.4	
SC workers	18.93	ST workers
against active workers (%)		against active workers (%)

Source: MGNREGA website Figures as on Jan 29, 2021

of 52 per cent of persons-day were women in 2020-2021 and has remained about 50 per cent in the last four years.

Strengthening the Scheme

The average days of employment provided per household was recorded at 45.42 in the current financial year.

"There is a need for better coordination between various government departments and the mechanism to allot and measure the work. This is one of the best welfare schemes in recent years and it has helped the rural poor. However, government officials

Financial progress of MGNREGA

	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Funds released by the Centre (in ₹ cr)	90,111.99	71,020.35	62,125.07	55,659.93	47,411.72
Total Availability (in ₹ cr)	96,577.77	75,510.25	69,228.68	64,985.89	57,386.67
Total Expenditure (in ₹ cr)	88,652.17	68,260.67	69,618.59	63,649.48	58,062.92
Percentage utilisation	91.79	90.4	100.56	97.94	101.18
Wages (in ₹ cr)	64,326.54	48,846.93	47,172.55	43,128.49	40,750.72
Material and skilled wages (in ₹ cr)	21,609.68	16,187.86	19,465.87	18,100.68	14,428.24
Material (%)	25.06	24.89	29.21	29.56	26.15
Total Admin expenditure (in ₹ cr)	2,815.96	3,225.88	2,980.17	2,420.31	2,883.97
Admin expenditure (%)	3.18	4.73	4.28	3.8	4.97
Average cost per day per person (in ₹)	278.91	236.09	247.19	223.71	221.23
% Total Expenditure through eFMS**	99.32	99.56	99.01	95.86	92.33
% payments generated within 15 days	97.96	93.81	89.61	84.5	43.43

Works

	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Total number of work taken up (New+spill over) (in lakh)	195.59	190.43	197.06	185.56	162.54
Number of ongoing work (in lakh)	129.35	115.99	106.84	122.93	97.08
Number of completed work (in lakh)	66.24	74.42	90.22	62.63	65.46
% of expenditure on agriculture & agriculture allied work	68.15	66.13	63.39	66.07	66

Progress in Labour Budget in MGNREGA

	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Approved Labour Budget (in ₹ cr)	337.04	277.63	256.56	231.31	220.9274
Persondays Generated so far (in cr)	318.7	265.4	267.96	233.74	235.6458
% of Total Labour Budget (LB)	94.46	95.59	104.44	101.05	106.66
SC persondays % as of total persondays	19.85	19.97	20.77	21.56	21.32
ST persondays % as of total persondays	17.84	18.41	17.42	17.49	17.62
Women persondays out of total (%)	52.7	54.77	54.59	53.53	56.16
Average days of employment provided per Household	45.42	48.4	50.88	45.69	46
Average wage rate per day per person (₹)	200.37	182.09	179.13	169.44	161.65
Total number of households completed 100 days of wage employment	33,68,223	40,60,702	52,59,502	29,55,152	39,91,202
Total households worked (in cr)	7.02	5.48	5.27	5.12	5.1224
Total individuals worked (in cr)	10.25	7.89	7.77	7.59	7.6693
Differently abled persons worked	5,58,941	4,62,123	4,61,880	4,72,218	4,71,81

Source: MGNREGA website Figures as on Jan 29, 2021

**National electronic fund management system

must take the initiative to implement the scheme and must not block the work," said one of the senior government officials who has worked on the scheme.

Gender wage gap

Some discrepancies in the payouts need to be addressed, too. The daily wage under the scheme is less than the general agriculture labourer. The

National Sample Survey Office (NSSO), 2017 data shows that the average daily wage for general agricultural labourers is ₹264.05 for men, and ₹205.32 for women. Women in the sector, on an average, earn 22.24 per cent less than their male counterparts.

The International Monetary Fund's (IMF) Chief Economist, Gita Gopinath, while delivering a lecture

at the National Council for Applied Economic Research recently, insisted on expanding the scheme. "The policies of in-kind and in-cash support that were deployed in 2020, and expired in 2020, should be deployed again this year. Also, the employment guarantee scheme should be expanded again this year so that you are able to prevent this rise in inequality," she said.

COMMODITIES/AGRI-BUSINESS

Mandi Tracker

MARKET CENTER	ARRIVALS INTONNES	VARIETY	MODAL PRICE IN QUINTAL
Bajra(Pearl Millet/Cumbu)			
Gujarat	106.00	Other	1275
Deesa(Bhildi)	33.00	Hybrid	1500
Maharashtra	112.50	Hybrid	1295
Tundla	80.00	Hybrid	1320
Kasganj			
Maize			
Andhra Pradesh	7.50	Local	1299
Kurnool			
Odisha	184.33	Hybrid/Local	1350
Tamil Nadu	200.00	Other	1300
Kallakurichi	198.90	Other	1352
Omalur			
Paddy(Dhan)(Common)			
Chhattisgarh	21513.20	I.R. 36	

