

# Standing Committee Report Summary

## Rural Employment through MGNREGA – An insight into wage rates and other matters relating thereto

- The Standing Committee on Rural Development and Panchayati Raj (Chair: Kanimozhi Karunanidhi) submitted its report on “Rural Employment through Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)- An insight into wage rates and other matters relating thereto”, on February 8, 2024. Key recommendations of the Committee include:
  - **Financial gaps in budgetary allocation:** The Committee noted that the budgetary allocation to MGNREGA Scheme was Rs 60,000 crore against the proposed demand of Rs 98,000 crore in 2023-24. In 2022-23, the revised estimate was Rs 89,400 crore. The Committee noted that reduced budgeted allocation can negatively affect timely release of wages and materials. It recommended the Department of Rural Development (DoRD) to seek funding in line with previous years’ expenditures.
  - **Delay in payments:** According to MGNREGA, payment of wages should be done within fifteen days of closure of muster rolls. The Committee observed delay in release of wages and material components in States/UTs. They recommended DoRD to (i) streamline the payment process, and (ii) use physical pay slips for technologically backward beneficiaries of the scheme.
  - **Revision of wage rates:** Wage rates under MGNREGA are notified using Consumer Price Index for Agricultural Labour with 2010-11 as the base year. These rates are revised every year. The Committee noted that using 2010-11 as the base year is not coherent with the present inflation and cost of living. Wages in Madhya Pradesh and Chhattisgarh are Rs 221, and Rs 228 in Bihar and Jharkhand. A central government Committee on minimum wages had recommended the wages under MGNREGA to be Rs 375 a day. Accordingly, the Committee recommended revising the wage rates.
  - **Unemployment allowance and delay compensation:** According to the Act, applicants who do not receive employment within 15 days of application, are entitled to an unemployment allowance. The Committee observed that states including Bihar, Karnataka and Rajasthan have not provided unemployment allowances between 2018 and 2023. MGNREGA beneficiaries also receive compensation for delay in payment of wages beyond day 15. In 2022-23, compensation worth Rs 94 lakh was approved for 34 states/UTs, however only Rs 59 lakh was paid. In 2023-24, as of November 2023, out of Rs 24 lakh approved, only Rs 2.5 lakh was paid. The Committee recommended the DoRD to engage with relevant governing bodies for timely payment.
  - **Technological Roadblocks:** As of November, 2023, 14% of job card holders were not Aadhaar enabled. The Committee noted that beneficiaries face issues with KYC compliances, linking bank accounts with Aadhaar. Many were also unable to mark attendance on the National Mobile Monitoring System resulting in non-payment of the work done by them. The Committee noted that many workers face issues with internet connectivity and availability of smartphones. It recommended the DoRD to create awareness about existing systems and introduce alternate means of authentication. It also recommended against mandatory Aadhaar compliance till the mechanism was made foolproof.
  - **Job Cards and working days:** The Committee recommended using smart cards or biometric cards to tackle the issue of fake job cards. It also recommended issuing a separate job card for differently abled persons. The Committee also recommended increasing the number of working days from 100 to 150 to incentivise workers. This can be accompanied by utilisation of MGNREGA labour force for other schemes.
  - **Social Audits:** The Act mandates gram sabhas to conduct regular social audits of projects under the scheme within the gram panchayat. The Committee observed that in 2023-24, only 32% of gram panchayats had been audited. States and UTs such as Goa, Andaman and Nicobar and Puducherry are yet to establish a Social Audit Unit. It also noted that the states are not receiving their 6% entitlement towards administrative expenditure. The Committee recommended DoRD to (i) ensure independent establishment and functioning of Social Audit Units, (ii) publish audit reports publicly, and (iii) ensure timely release of funds to Audit Units.

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