

STANDING COMMITTEE ON RURAL DEVELOPMENT

Critical Evaluation Of Mahatma Gandhi National Rural Employment

Guarantee Act (MGNREGA)

TWENTIETH REPORT

INTRODUCTION

The need for a scheme like MGNREGA arose, when various GOI employment schemes for rural households that lie 'Below The Poverty' line proved to be insufficient to provide adequate employment to them. Thus the 'National Rural Employment Guarantee Bill' was introduced in 2004 in the Lok Sabha, subsequently after various Committee reports, the 'Mahatma Gandhi National Rural Employment Guarantee Act' (MGNREGA) was notified in 2005 that ensured a certain minimum days of wage employment in rural areas.

OBJECTIVES OF THE SCHEME

The core objectives of the scheme was to provide **employment of not less than 100 days to unskilled manual work as a guaranteed employment in a financial year to every household as per demand** which results in i) creation of productive assets of prescribed quality and durability ii) strengthening the livelihood resource base of the poor and iii) proactively ensuring social inclusion. There is a budget allocation of Rs. 73000 cr under Mahatma Gandhi NREGA for the financial year 2021-22 along with an additional provision of Rs. 10000 cr over Budget Estimates provided by the Ministry of Finance.

MAJOR ACHIEVEMENTS OF THE SCHEME

Under MGNREGA, GeoMGNREGA was rolled out in 2016 onwards in two phases. Under GeoMGNREGA Phase-II, More than 4.61 crore assets (as on 27.08.2021) have been geo-tagged. As per provision of the Act, Minimum 60% of the expenditure has been earmarked for agricultural and allied activities which amount to 71.68% of the total expenditure as on 27.08.2021. 99.68% of the

transactions are done using National Electronic Fund Management System (Ne-FMS)/ Electronic Fund Management System (e-FMS) to the workers bank/post office accounts directly. This Direct Benefit Transfer (DBT) is a big step towards transparency.

Aadhar Based Payment - 65% of the total active workers' (14.85 cr) Aadhaars are seeded in the Management Information System (MIS) and 6.28 cr workers have been linked to Aadhar Based Payment System. Under the Good Governance Initiative, It is ensured that i) the States/UTS take the exercise to verify the Job Cards regularly ii) 7 registers are adopted in a Gram Panchayat in comparison to the earlier average of 22 and iii) the installation of durable citizen Information Boards is done.

The scheme also emphasises on i) Strengthening of Social Audits which are adopted by 27 states and 1 UT as of now ii) Capacity Development through initiatives like Bare Foot Technicians (BFT) and iii) skill development through 'UNNATI' which intends to upgrade the skill-base of workers. Additionally, The implementation of SECURE (Software for Estimation Calculation using Rural Rates for Employment) for administrative and technical sanctions of works online.

The scheme also provides for thematic experts in various domains to 300 blocks under Cluster Facilitation Project (CFP). During COVID-19, necessary directives/SOPs were issued and all health-related precautions were taken while carrying out work.

REALISATION OF OBJECTIVES OF THE SCHEME

- A. Performance of Scheme in terms of women employment** - The Act requires that at least one-third of the beneficiaries should be women. In the realisation of the same objective emphasis has been put to provide for measures such as wage parity, facilities for creche, work-side sheds for children and child-care services. The participation of women over the years has been highlighted in the table below.

Financial Year	2021-22	2020-21	2019-20	2018-19

%age of women	54.12%	53.19%	54.78%	54.59%
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B. Challenges being faced by the Scheme - In Spite of general improvement in programme implementation and effective monitoring & supervising of all aspects of the programme, Timely payment of wages, improvement in technical capacity to create quality assets and generating general awareness are few challenges enlisted in the report.

Below mentioned are few data points and instances that further highlight the aforementioned challenges -

1. Delay in transfer of wages have been identified primarily because of the huge chunk of failed transfers of payments pertaining to inactive Aadhaar accounts, no such active account, account closed and blocked or frozen account. Low wages under MGNREGA is making the scheme less attractive along with the existing disparity in wages across states.
2. Unemployment allowance is subject to be paid to 0.74% of the people which reflects that 99.26% of the beneficiaries who have demanded for work have been offered work. These allowances are state liability subject to supervision and review by the ministry.
3. Wage seekers are entitled to receive payment of compensation for the delay at the rate of 0.05% of the unpaid wages per day beyond sixteenth day of closure of muster roll. Delayed compensation paid during 2020-21 was equivalent to Rs. 160.63 lakhs. In this regard, A computer system should be developed which automatically calculates the compensation payable and the date of deposit of wages in the accounts of wage seekers and this shall be operationalised by the District Programme Coordinator or Programme Officer.
4. Corruption complaints status under Mahatma Gandhi NREGA as on 11.11.2021 reflects that 1759 complaints of corruption were received of which 1710 have been disposed while 49 were regarded pending.

5. Total number of Gram Panchayats planned for audit at least once in FY 2021-22 were 1,32,032 out of which only 18,589 were successfully audited.

II. New Initiatives

- A. Project UNNATI - i)** Project UNNATI has been rolled out with the objective to upgrade the skill-base of the MGNREGA workers with a target to train 2 lakh workers who have completed 100 days of work in FY 2018-19 in 3 years. **ii)** This programme is conducted through convergence between Rural Skill Division of MoRD and KVKs of Ministry of Agriculture with MGNREGA. **iii)** Eligible beneficiaries get stipend for maximum 100 days of work per household and may opt for any of the Skilling for Wage employment (conducted by PIAs of DDU-GKY) and self-employment (conducted by RSETIs and KVKs)
- B. Cluster Facilitation Project (CFP) -** Cluster Facilitation Project aims to oversee the implementation of MGNREGA under the 300 identified blocks via a thematic expert whose responsibility will be planning, designing, implementation, capacity building, and monitoring of works by providing expertise in Geographical Information System (GIS), Natural Resource Management (NRM) and Livelihoods.
- C. Value addition under MGNREGA -** In order to enhance the livelihood security of beneficiaries, MoRD issued guidelines for promoting Nutri-Garden for individual beneficiaries and community in convergence with state schemes and NRLM. It includes convergence with schemes by the Department of Animal Husbandry and Dairying (DAHD), Ministry of Agriculture and Farmer Welfare, National Medicinal Plantation Board, Ministry of Ayush, Ministry of Panchayati Raj and Department of Drinking Water and Sanitation.
- D. Monitoring -** Initiatives like i) National Mobile Monitoring Software (NMMS) App for taking real-time attendance of workers and uploading geo-tagged photographs, ii) Area officer Monitoring App for authorities to facilitate recording their findings online and iii) Yuktdhara Portal for GIS based planning has been launched for effective monitoring.

III. Recommendations - The standing committee on Rural Development submitted its report on the critical evaluation of MGNREGA on February 8, 2022. Following observations and recommendations were made by the committee -

- A. Budgetary Allocation - The committee has recommended the department to review their demand for budgetary allocations pertaining to the gap between the BE and RE. The committee observed a serious administrative lag of the nodal agency because of the co-existence of the unspent balances and pendency in payment of wages. On this issue, It has been advised to utilise the allocated funds in a time-bound and financially prudent manner.
- B. It has been advised to establish a common platform to exercise coherence on the observation that the centre is highlighting non-compliance of requisite procedures by the states which is unacceptable in a federal structure.
- C. Delay in Payment of wages - It is recommended to take steps and possibly wipe-off the wage liabilities as soon as possible through completion of the formalities of the Aadhar Based Payment (ABP) at the earliest while ensuring tightening of payment modalities.
- D. Increase in Wage per day- The report further highlights that wage rates under MGNREGA are abysmally low (majorly remaining below Rs 250/- per day). This nominal nature of wages propel the workers to seek employment with better remuneration prospects. This is clearly established by the data on the number of households completing 100 days of work which is as low as 72 lakh against 755.36 lakh provided with employment for the FY 2021-22. It also observed that the recommendation of the Dr. Nagesh Singh Committee to index wages to CPI-R in place of CPI-AL was not implemented. The ministry is advised to review its position on this and index wages commensurate with inflation by reaching out to all the decision making bodies with a plausible rationale.
- E. Unified Wage Rate - The concept of wage rates which keep fluctuating between 193/- to 318/- under MNREGA being different across States/ UTs create a lot of disparity. The committee has advised the DoRD to devise a mechanism for notifying a unified wage rate across the entire country to reduce this disparity.

- F. Currently, The scheme offers additional 50 Days of work in case of need arising from natural calamities. In this regard, the committee has recommended to increase the guaranteed days of work from 100 to at least 150 days.
- G. Expanding work ambit - The committee opines that the ambit of permissible works under MGNREGA should be expanded and revised frequently. Works like Construction of bunds to stop land erosion and boundary works for agricultural fields to protect them from grazing animals must be added after considering a dialogue with the stakeholders of MGNREGA and specific geographical terrains. Additionally, The committee finds that MGNREGA is a multifaceted scheme to achieve many targets in 'one go'. With the same hope, *i)* provision of lining of ponds with plastic, *ii)* promotion of Buldhana Pattern, *iii)* rejuvenation of traditional water bodies, *iv)* mandatory plantation of cash crops and *v)* inclusion of Agricultural Labourers/Works under MGNREGA can be done to further expand the ambit of permissible work.
- H. Delay in compensation - Any beneficiary is entitled to receive payment of compensation for the delay in receiving wages at the rate of 0.05% of the unpaid wages per day beyond sixteenth day of closure of muster roll. The committee observed that the compensation figures are low and hence either the amount transferred is very less or the provision of delay compensation is not implemented strictly on ground level. This is regarded as non-adherence to the act by the ministry and hence strict compliance in this regard is advised.
- I. Unemployment Allowance - Any applicant who is not allotted work within 15 days is entitled to a daily allowance at a rate determined by the State governments. It is observed that only Rs 3000/- were paid in 2021-22 as daily allowance which reflects a dismal picture. The committee has advised to ensure proper implementation of this provision on ground.
- J. Muster Updation at Gram Panchayat level - Timely updation of muster rolls by the muster clerks is the conjecture to timely release of wages. The committee observed that the muster clerks and the officials at the Gram Panchayat are lagging in their primary responsibility. Hence, necessary directions should be rolled in this regard.
- K. Reviews have been advised on the following issues

1. The state's material share is not being released on time pertaining to non-completion of documentary procedures.
 2. The revision of the 4:6 wage-Material ratio has been advised post ground assessment in the pretext that with increasing ambit of MGNREGA work and constant evolution of work techniques to suffice the present requirements.
- L. The committee has suggested increased use of technology in order to ensure the real-time monitoring and supervision of the scheme to achieve envisaged ground zero implementation.
- M. Social Audits – A Gram Panchayat is supposed to be audited twice a year. However, the actual implementation of this provision is abysmally low which can be established through the data that only 29,611 Gram Panchayats were audited in FY 2020-21 against a total of 2,68,981. The committee urges the DoRD to provide the audit reports in the public domain to increase transparency and ensure the implementation of social audits.
- N. It has been observed that the officials concerned are non-participant in the thread-bare discussion at the time of deciding the works need to be undertaken through MGNREGA by the Gram Panchayats. It has been recommended to mandatorily ensure participation
- O. Monitoring - The committee feels that 50% of the work under MGNREGA undertaken by the different agencies/departments other than Gram Panchayats may take a back seat. This merits a relook and hence similar supervision procedure should be followed as is followed for the Gram Panchayats.
- P. Fake Job Cards – A rampant prevalence of fake jobs cards is observed which definitely fosters a huge nexus of commission mongering agents whereby wages under the grab of fake labourers are being collected. A serious monitoring on this issue is recommended.
- Q. Durability – The major objective of MGNREGA was to provide employment while creating durable assets such as ponds, Gram Panchayats' Bhawan, roads etc. Hence, the ministry is advised to create a measure with qualitative and maintenance aspects of infrastructure or other assets created under MGNREGA.
- R. The committee puts forward that the workers under MGNREGA must be upskilled to ensure improvement of their career prospects and create women-centric workplaces while creating a provision for facilities of Safe Drinking Water, shade for children, periods of rest etc.

- S. Appointment of Ombudsmen - The committee has noted that only 263 Ombudsmen have been appointed out of total 715 possible appointments. In this regard, punitive measures including stoppage of funds under MGNREGA to err states is found appropriate.