

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:668

ANSWERED ON:24.11.2011

WAGES UNDER MGNREGS

Bhoi Shri Sanjay;Dhruvanarayana Shri R. ;Gaikwad Shri Eknath Mahadeo;Jeyadural Shri S. R.;Mandlik Shri Sadashivrao
Dadoba;Muttemwar Shri Vilas Baburao;Paranjpe Shri Anand Prakash;Raghavan Shri M. K.;Reddy Shri Anantha
Venkatarami;Sudhakaran Shri K.;Venugopal Shri P.

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Karnataka High Court has ruled that the Minimum Wages Act enjoys supremacy over the wages paid under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);

(b) if so, the details thereof and the reaction of the Government thereto;

(c) whether the wages being paid under MGNREGS in some of the States are less than the minimum agricultural wages paid under Minimum Wages Act; and

(d) if so, the details thereof and the steps taken/being taken by the Government in this regard so as to bring parity between the wages under MGNREGS and wages paid under the Minimum Wages Act?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a): In a Writ Petition No. 30619/2009 filed in the High Court of Karnataka challenging constitutional validity of Section 6(1) of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, the High Court has accepted the plea that wage rates notified under MGNREGA can not be less than the minimum wage rate for unskilled agricultural labourers under the Minimum Wages Act. In another Writ Petition in the High Court of Andhra Pradesh on the same issue the High Court has reserved its judgment. The matter is thus sub-judice.

(b)to(d): The primary objective of MGNREGA is to enhance the livelihood security of the rural households by providing up to 100 days of guaranteed wage employment in a year to every household on demand for doing unskilled manual work. Sections 6(1) and 28 of MGNREG Act give the Central Government power to determine wage rates for MGNREGA workers independent of other existing laws including the Minimum Wages Act 1948. The MGNREG Act also provides for a host of other benefits to the workers which are otherwise not available to agricultural labour under the Minimum Wages Act. These benefits are in the nature of providing employment within radius of 5 Km, in case distance is more than 5 Km, payment of additional 10% of wage rate as extra wages for meeting transportation and living expenses, free medical treatment for injury, expenses of hospitalization if required and payment of daily allowance, payment of ex-gratia in cases of death or permanent disability, provisions for safe drinking water, sheds /creche for children etc, free medical treatment on injury to any child accompanying workers and ex-gratia payment. In the States of Kerala, Mizoram, Goa, Daman & Diu, Andhra Pradesh, Karnataka and Rajasthan, the wage rate under MGNREGA is less than the minimum agricultural wage rate for unskilled workers under the Minimum Wages Act. Till such time a separate and satisfactory index and mechanism for updation of MGNREGA wages is developed, wage rates under Section 6 (1) of MGNREGA has been indexed to the Consumer Price Index for Agriculture labourers (CPIAL). The revised wage rates were made applicable w.e.f 01.01.2011 or the date of actual payment of the revised wage rates, whichever was later.