

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:4410
ANSWERED ON:20.12.2012
MATERIAL LABOUR COST UNDER MGNREGS
Patle Kamla Devi

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the ratio of labour cost and material under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is 60:40;
- (b) whether the said ratio is fixed at the gram panchayat level;
- (c) if so, whether the said ratio is detrimental to the progress of construction works such as C.C. road, culverts undertaken at the gram panchayat level;
- (d) if so, whether the Government proposes fixation of the said ratio at the district level instead of at gram panchayat level;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

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

(a)&(b): Yes, Madam.

(c)to(f): The primary objective of Mahatma Gandhi National Rural Employment Guarantee Act (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. Creation of durable assets and strengthening the livelihood resource base of the rural poor is also an important objective of the Act. Since the focus of activities under MGNREGA is on generation of unskilled wage employment for rural households, 60:40 ratio of labour cost and material cost has been stipulated to check the tendency to adopt works with high material component, which also mostly involve skilled labour. Section 16(1) of MGNREGA provides that Gram Panchayats shall be responsible for identification of projects in the Gram Panchayat area to be taken up under the scheme as per the recommendations of the Gram Sabhas and Ward Sabhas. Further, the Act mandates that 50% of the works in terms of cost will be implemented through Gram Panchayats, In view of above, an increase in wage material ratio or its fixation at district level is not considered appropriate.