

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2232

ANSWERED ON:22.08.2013

E PAYMENT UNDER MGNREGS

Krishnaswamy Shri M.;Reddy Shri Mekapati Rajamohan;Siricilla Shri Rajaiah;Suvendu Shri Adhikari

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Union Government proposes to emphasis on Electronic Master Roll System (EMRS) to facilitate e-payment without delay under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS);

(b) if so, the details thereof;

(c) whether National Advisory Council has made some recommendations on minimum wages under MGNREGS;

(d) if so, the details thereof;

(e) whether the Government has rejected the recommendations of National Advisory Council on payment of minimum wages to MGNREGS workers;

(f) if so, the details thereof and the reasons therefor; (g) whether MGNREGS has reversed the stagnation of agricultural wages of the early 2000s as established in a research by Commission for Agricultural Costs and Prices (CACP); and (h) if so, the details thereof and the present position thereof, State/UT-wise in this regard?

Answer

MINISTER OF RURAL DEVELOPMENT (SHRI JAIRAM RAMESH)

(a)&(b): Yes, Madam. States/UTs have been instructed to roll out Electronic Muster Roll (e-MRs) under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The State-wise status on e-MR implementation as reported by the States/UTs is at Annexure.

(c)to(f): There is no specific recommendation(s) received from National Advisory Council (NAC) on payment of minimum wages to MGNREGA workers. However, in its letter dated 2nd November, 2010 the NAC had conveyed that there was a general agreement in NAC to pay minimum wages to the MGNREGA workers as per Minimum Wages Act (MWA) 1948 and to hold inter-ministerial consultation to facilitate an early resolution of the issues in this regard.

The suggestion has not been accepted so far by the Union Government on the following ground:

(i) Wages for works under MGNREGA is fixed by the Central Government under Section 6(1) of the MGNREG Act, which states that notwithstanding anything contained in the Minimum Wages Act, 1948, the Central Government may by notification specify the wage rate for the purposes of this Act. Hence, MGNREGA wage rate is delinked from the wage rate fixed by the State Government under the Minimum Wages Act.

Section 28 states that 'The provisions of this Act or the Schemes made thereunder shall have the effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of such law'. Thus, Section 28 clearly states that MGNREGA has overriding effect over preceding legislations.

Thus, both Sections 6(1) and Section 28 give the Central Government the power to determine its wage rates independent of the Minimum Wages Act, 1948.

(ii) The Hon'ble High Court of Karnataka its order dated 23.9.2011 had ruled that the MGNREGA wage rates cannot be less than the minimum wage rate for unskilled agricultural labourers fixed under the Minimum Wages Act and directed the Central Government to make payment of arrears. In a Special Leave Petition (Civil) No.379-390 of 2012 filed by the Government of India against the aforesaid judgement of Hon'ble High Court of Karnataka, the Hon'ble Supreme Court has granted interim stay to the orders of the Karnataka High Court. On a Writ Petition on a similar issue filed in the High Court of Andhra Pradesh, the Hon'ble Court has reserved its judgement. The matter is thus, sub-judice.

However, the suggestions made by NAC on the wage issue were carefully examined in consultation with the Ministries concerned. The consensual view which emerged during the consultation was that while statutorily the wage rate under MGNREGA is delinked and independent of the provisions of the Minimum Wages Act, Government would be committed to protecting a real wage of `100/- per

personday, as announced in the Union Budget Speech 2009. Accordingly, a decision was taken to index the wage rate notified under MGNREGA to the Consumer Price Index for Agricultural Labour while maintaining a distinction between the notified wage rates under MGNREGA and the Minimum Wages Act.

(g)&(h): In a discussion paper on 'Rising Farm Wages in India - The 'Pull' and 'Push' factors- the commission for Agricultural Costs and Prices (CACP) has attempted to analyse the factors causing rise in farm wages. The paper, however, has indicated no conclusive evidence regarding the impact of MGNREGA in reversing the stagnation of agricultural wages of the early 2000s.