

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1297

ANSWERED ON:12.12.2013

WAGES UNDER MGNREGS

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Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government proposes to increase wages under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and if so, the details thereof;
- (b) whether the Government proposes to route the funds through some other Government agency instead of giving directly to Panchayats to check the increasing corruption under the Scheme and if so, the details thereof;
- (c) whether any assessment has been made between the wages paid under MGNREGS and the rate of inflation during the last three years;
- (d) if so, the details thereof and the reaction of the Government thereto;
- (e) the number of times wages has been raised under the scheme till now;
- (f) whether the Government also proposes to increase the wage days under MGNREGS;
- (g) if so, the details thereof;
- (h) whether the Government has scrapped a panel headed by Chairman, National Statistics Commission replacing it with new Committee to prepare a fresh wage index for MGNREGS workers and if so, the details thereof; and
- (i) whether the new Committee has been asked to revise the wage index factoring the inflation component and evolve a mode of resetting the baseline in 2014 and thereafter every five years and if so, the details thereof?

Answer

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

(a) to (e) Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) wage rates are notified under Section 6 (1) of the Act. To ensure that the wages of MGNREGA workers are protected against inflation, the Central Government revises MGNREGA wage rates, annually, based on the price movements in the Consumer Price Index for Agriculture labourers (CPIAL). Since inception, the MGNREGA wage rates have been revised through five principal notifications and amendments thereto. As per the provisions enunciated in the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), wages are required to be disbursed through the Bank/Post Office accounts of the MGNREGA workers. The Ministry has taken up the issue with the Banks/ Department of Posts to ensure that the wages are disbursed at the Gram Panchayat level using biometric authentication.

(f)&(g) No, Madam. Such special dispensation is considered only in cases of natural calamities and drought situations after a careful assessment of the requirements and financial implications.

(h) & (i) The Government of India had earlier constituted a committee under the Chairmanship of Dr. PronabSen, then Chief Statistician of India and Secretary (Statistics & Programme Implementation) to develop a mechanism to evolve a framework to create a separate index for updation of MGNREGA wages. The committee had not submitted its report. In view of the subsequent developments, a new Committee has been constituted on 15.10.2013 under the Chairmanship of Prof. S MahendraDev, Director (Vice Chancellor), Indira Gandhi Institute of Development Research, Mumbai to suggest (i) a proper index for revising MGNREGA wage rates every year by protecting the wages against inflation and (ii) the mode of resetting the baseline in 2014 and thereafter every five years.