

A MOMENT TO REVIVE MGNREGA

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

The lockdown has resulted in a massive loss of livelihoods, and the 400-million strong unorganised workforce is the worst hit. A significant part of this workforce has migrated to cities from rural areas. With the allocation of an additional Rs 40,000 crore as part of the stimulus package, the Union government has finally acknowledged the importance of MGNREGA. The most important part of MGNREGA's design is its legally-backed guarantee for any rural adult to get work within 15 days of demanding it. This demand-based trigger enables the self-selection of workers and gives them an assurance of at least 100 days of wage employment.

The additional financial support for MGNREGA needs to be fully appreciated. But, it is also important to put it in context. Since 2012, an average of 18 per cent of the annual budgetary allocation for MGNREGA has been spent on clearing pending liabilities from the previous years. Even this financial year began with pending wage and material liabilities of Rs 16,045 crore. An allocation of Rs 1 lakh crore for FY 2020-21 would mean that approximately Rs 84,000 crore is available for employment generation this year. This will still be the highest allocation for MGNREGA in any year since the passage of the law. However, the allocation, which amounts to 0.47 per cent of the GDP continues to be much lower than the World Bank recommendations of 1.7 per cent for the optimal functioning of the programme.

Given the scale and depth of the current crisis, this additional allocation too will be under stress, as both the number of people demanding work and the number of days of work they demand will go up dramatically. Nevertheless, since enough funds are now available to meet at least the immediate demands for work, the government must undertake some immediate steps to ensure the MGNREGA lives up to its potential.

First, state governments must ensure that public works are opened in every village. Workers turning up at the worksite should be provided work immediately, without imposing on them the requirement of demanding work in advance.

Second, local bodies must proactively reach out to returned and quarantined migrant workers and help those in need to get job cards.

Third, at the worksite, adequate facilities such as soap, water, and masks for workers must be provided free of cost. For reasons of health safety, MGNREGA tools should not be shared between workers. The government should provide a tool allowance to all workers — some states are already providing such an allowance.

Fourth, procedures for implementing MGNREGA must be simplified but not diluted. The [pandemic](#) has demonstrated the importance of decentralised governance. Gram panchayats and elected representatives need to be provided with adequate resources, powers, and responsibilities to sanction works, provide work on demand, and authorise wage payments to ensure there are no delays in payments.

Fifth, as per a study by the RBI, more than half the districts in the country are under-banked. The density of bank branches in rural India is even more sparse. At this time, payments need to not only reach bank accounts on time, but cash needs to reach the workers easily and efficiently. The limited coverage of bank infrastructure in rural areas must not be made a hurdle. Attempts to distribute wages in cash, sans biometric authentication, must be rolled out.

Sixth, there needs to be flexibility in the kinds of work to be undertaken, while ensuring that the community and the workers are the primary beneficiaries. While many governments will possibly prioritise individual land-based works to comply with instructions of physical distancing, it is important to also keep community works going to ensure that landless workers are not crowded out of the programme

Over the last few years, MGNREGA had begun to face an existential crisis, engineered by successive governments capping its financial resources, and turning it into a supply-based programme. Workers had begun to lose interest in working under it because of the inordinate delays in wage payments.

With very little autonomy, gram panchayats had begun to find implementation cumbersome. Barring a few exceptions, state governments were only interested in running the programme to the extent funds were made available from the Centre. Allocating work on demand, and not having enough funds to pay wages on time was bound to cause great distress amongst the workers and eventually for the state too. As a result, state governments had begun to implement MGNREGA like a supply-driven scheme, instead of running it like a demand-based guarantee backed by law. With nearly eight crore migrant workers returning to their villages, and with an additional allocation for the year, this could be a moment for the true revival of MGNREGA. A revival led by workers themselves.

The writer works with the Social Accountability Resource Unit and is associated with the Peoples' Action for Employment Guarantee (PAEG)

The Indian Express is now on Telegram. Click [here to join our channel \(@indianexpress\)](#) and stay updated with the latest headlines

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

Crack