

SHORE UP THE LIFELINE: THE HINDU EDITORIAL ON KEEPING RURAL JOBS SCHEME FUNDED

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

After reports clearly indicated that the States had run out of funds for expenditure on wages and materials for the MGNREGS, [the Government announced 10,000 crore in additional funds](#) as an interim measure. Though allocated on November 5, the scheme's financial statement as on November 25 still showed a negative net balance of 9,888 crore indicating that the balance sheets were in the red in 24 States and Union Territories. This means that the fund crunch suffered by the scheme due to high demand and a low budgeted outlay in the Union Budget for this financial year, continues. The high demand is an indication of the extended effects of the pandemic in rural areas, and a continuing lack of funds will hurt any further demand for work in such areas besides of course delaying payments for those who have already completed work. The impact of the lockdowns during the pandemic has continued to depress employment levels and rural wage incomes, which is why the MGNREGS has proven to be a popular avenue for employment and wages. In fact, even during the economic crisis during the pandemic, the rural sector sustained the poor by providing them guaranteed work through the scheme. The delays in payments and the lack of funds have contributed to an estimated unmet demand to the tune of 20% in Bihar, Telangana and Gujarat, according to activists tracking the implementation of the scheme. As the scheme guarantees income for 100 days of work, many households get a reduced number of workdays for which they are paid — a situation that should not be tenable.

The budgeting for the scheme by simply fixing a nominal increase from the original Budget estimate in previous years is a flawed method. If anything, the outlay must be tied to revised/actual estimate of expenditure for the scheme each year — in the case of 2021-22, the total [allocations were 73,000 crore](#), much lower than the 1,11,500 crore as revised estimates in expenditure in 2020-21. Nearly a quarter of the allocation for the current financial year was also tied to meeting the liabilities from previous years. Clearly, the scheme suffers from a budgeting problem that has hampered its proper implementation despite its popularity, and this needs to be rectified. The Union Government has done the right thing in [continuing till March 2022, its free foodgrain ration scheme](#), the Pradhan Mantri Garib Kalyan Anna Yojana, that was launched as part of the COVID-19 relief packages — the fourth such extension. This was an acknowledgment of the need for the scheme to support poor families in a recovering economy. Considering that the MGNREGS acts as a robust lifeline as well, it will be prudent for the Government to make up the shortfalls in the allocations quickly.

[Our code of editorial values](#)

U.S. President Biden should not buckle to pressure from irate anti-vaccine campaigners

END

Downloaded from [crackIAS.com](#)

© **Zuccess App** by crackIAS.com