

Wage rate under MGNREGA revised

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NEW DELHI: The Centre on Monday revised the wage rate under the Mahatma Gandhi National Rural Employment Guarantee Act and has decided to amend the Act to remove the existing disparity in minimum wage, even as the matter is scheduled to come up before the Supreme Court on April 9.

The revision in the wage rate indexed to the Consumer Price Index for Agricultural Labour (CPIAL) will come into effect on April 1 and will prevail for the year 2012-13. It varies from State to State depending on the specific prevailing CPIAL and will entail an additional burden of Rs.472 crore on the Central exchequer.

The revision is a paltry Re.1 in the case of a poor State like Odisha – from Rs.125 (2011-12) to Rs.126 for the next financial year, which means a negligible increase of 0.80 per cent. The maximum is Rs.30 in the case of Karnataka, where MGNREGA workers will now get Rs.155 as against the prevailing rate of Rs.125 – a 24-per-cent increase.

The wage rate will continue to be the highest in Haryana at Rs.191 and lowest in Jharkhand at Rs.122.

◆ **The revision will entail additional burden of Rs.472 crore on Central exchequer**

◆ **Interestingly, MGNREGA rate in Karnataka is now higher than minimum wage**

The MGNREGA wage rate was linked to the CPIAL in 2011-12 at the directive of Prime Minister Manmohan Singh, who had turned down the recommendation of National Advisory Council chairperson Sonia Gandhi to provide minimum wages to MGNREGA workers.

Report still to come

The Pronab Sen committee, set up to come up with a separate index for MGNREGA wages, is still to submit its report.

Interestingly, the MGNREGA wage rate in Karnataka is now higher than the minimum wage for agriculture labour (Rs.145). The Karnataka High Court in its order of September 23, 2011 directed the State to pay minimum wages to MGNREGA workers as notified on January 1, 2009.

The Centre has challenged the order before the Supreme Court, which will hear the matter on April 9.

Without referring to the matter, which is sub judge,

Union Minister for Rural Development Jairam Ramesh told newsmen that the Centre intended to amend the Act during the current Budget session of Parliament to end the disparity that existed between the MGNREGA wage rate and the minimum wages paid for agricultural workers.

On the advice of the Solicitor-General of India, the government dropped the idea of amending the Minimum Wages Act and decided to amend the MGNREGA law, which it considered much easier to effect. Mr. Ramesh declined to state the provisions to be amended and the impact, saying Parliament was in session.

'Incomparable'

He, however, maintained that the two wage rates were incomparable. The nature of employment was different, MGNREGA workers were allowed to labour on their own land and given transportation allowance if the job given was beyond a distance of 5 km.