



## Sub-Group of Chief Ministers on Coordination Between MGNREGA and Agriculture

The First Meeting of Sub-Group of Chief Ministers on coordination between MGNREGA and Agriculture was recently held at NITI Aayog.

- The regional meetings will be finalized by NITI Aayog, in consultation with Ministry of Rural Development and Ministry of Agriculture and State Governments. Ensuring the rights of the labourers and maintaining the “asset creation” spirit of MGNREGA was also stressed upon at in the meeting.
- Use of MGNREGA funds in supplementing labour costs in agriculture and fencing of farm land to protect it from wild animals was suggested at the meeting.
- 5 regional meetings/workshops would be organized one each at Patna, Bhopal, Hyderabad, Guwahati and New Delhi to discuss these issues with experts, farmers and farmer’s representatives and other stakeholders along with State Governments.

### Five Critical Areas

Five critical areas in which MGNREGA could positively help include those related to-

- reducing the cost of cultivation
- enhancing the production through efficient use of water or other inputs
- providing remunerative price to farmers by incentivising aggregation and market infrastructure
- rehabilitation of agricultural land and assets after natural hazards or re-plantation using MGNREGA fund
- bringing diversification in agriculture to help occupational diversification and maximizing profit.

### MGNREGA and the Low Wage Issue

- The Ministry of Finance has refused to bring the central MGNREGA wages on par with the minimum agricultural wages paid by states. As a result, the MGNREGA wages of as many as 28 of the 36 states and Union Territories fell below minimum wages.
- Moreover, the annual wage increase in 2018 was a low 2.9% owing to the Ministry of Finance’s rejection of the Ministry of Rural Development (MoRD) recommendation to index the annual MGNREGA wage revision to Consumer Price Index (Rural) instead of CPI (Agricultural Labourers).
- The CPI (Rural) reflects the current consumption pattern of rural households, whereas the CPI for Agricultural Labourers (CPI-AL), is based on a 35-year-old consumption basket.
- The MoRD raised the issue of wage indexation in the recent meeting.

### Concerns

- The possibility of using MGNREGA to employ agricultural labour on private farms has been another area of concern. It has the possibility to benefit employers more than workers.
- The proposal of using MGNREGA fund to solve the agrarian crisis might amount to a cash transfer to farmers, which can distort the purpose of the labour-oriented scheme.
- Several farmers’ groups have expressed that the proposal may be difficult to implement. It would

be difficult to measure or monitor the work done and could also reintroduce feudalism in rural areas.

## **Background**

- The Sub-Group has been constituted by the PM for suggesting ways and means about use of employment under MGNREGS for improving agriculture and reducing cost.
- The Sub Group consists of Chief Ministers of 7 States viz. Madhya Pradesh, Andhra Pradesh, Bihar, Uttar Pradesh, Gujarat, West Bengal, and Sikkim and Member, NITI Aayog with the Chief Minister of Madhya Pradesh as the convener of the Sub-Group.

## **Mahatma Gandhi National Rural Employment Guarantee Act, 2005**

- The Act aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage employment in a financial year to a rural household whose adult members (at least 18 years of age) volunteer to do unskilled work.
- The central government bears the full cost of unskilled labour, and 75% of the cost of material (the rest is borne by the states).
- It is a demand-driven, social security and labour law that aims to enforce the 'right to work'.
- Ministry of Rural Development (MRD), Government of India in association with state governments, monitors the implementation of the scheme.
- Agriculture and allied activities constitute more than 65% of the works taken up under the programme.

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