Youngest Workers Rise in MGNREGA

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The proportion of **young workers** under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), **has begun to rise.**

- An analysis of age-wise data of persons employed in MGNREGA indicates that the share of the workforce in the **18-30 age bracket began moving up after the financial year 2017-18.**
    - The ratio of young workers among total MGNREGA workers has been rising to **9.1 % in 2018-19** and **10.06 % in 2019-20** from **7.73% in 2017-18.**
- The **total number of individuals working under MGNREGA has also gone up** in recent years.
    - For instance, 6.71 crores in 2014-15,7.21 crore in 2015-16, 7.65 crores in 2016-17 and 7.76 crores in 2018-19.
- The rising trend of the young workforce among MGNREGA workers could be a reflection of the following events:
    - **Demonetisation**
        - Approximately,**1.5 million jobs were lost** after demonetization. Alongside this loss of jobs, there has been a **decline in the <u>Labour Force Participation Rate (LPR)</u>.**
        - As a result of job loss, many workers opted for MGNREGA for livelihood.
        - For a developing economy like India, a drop in the labour participation rate is a **sign of an economic slowdown.**
    - **The rollout of Goods and Service Tax (GST)**
        - The implementation of GST improved economic efficiency but the complexities of the new tax regime have driven **many small enterprises out of business forcing unemployment.**
        - Uniform tax regime through GST has also pushed many small and medium enterprises in **debt.**
        - Both these events caused **disruptions in the economy** resulting **in a surge of workers opting jobs** under MGNREGA.

- MGNREGA has helped to **reduce rural poverty** to a greater extent, in turn, it has also been described as a **"stellar example of rural development" by World Development Report 2014.**
- But, still, it is facing few challenges like:
  - **Low Wage Rates:**
    - Currently, MGNREGA wage rates of 17 states are less than the corresponding state minimum wages.
    - The low wage rates have resulted in a lack of interest among workers in working for MGNREGA schemes, making way for contractors and middlemen to take control, locally.
  - **Insufficient budget allocation:**
    - Almost every year, more than 80% of funds get exhausted within the first six months.
    - Thus, the fund allocation is insufficient to ensure proper implementation on the ground.
  - **Regular payment delays:**
    Despite the order of the Supreme Court, no provision has yet been worked out for calculation of full wage delays and payment of compensation for the same.
  - **Too much centralisation weakening local governance:**
    - A real-time MIS-based implementation and a centralised payment system has further left the representatives of the Panchayati Raj Institutions with literally diminished its role in implementation, monitoring and grievance redress of MGNREGA schemes.
    - It has hardly have any power to resolve issues or make payments.
- Though there are issues with MGNREGA, the government is trying to improve the scope of the scheme through diversified aspects.
  The central government is working on an initiative to **include skill and training** as a part of MGNREGA to make it not only a job creator but also **to increase skilled labours** across the country.

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.

Source: IE