

Centre to review spending pattern of rural job scheme

SANJEEB MUKHERJEE

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The Centre has formed a high-level panel headed by a former bureaucrat to undertake a comprehensive review of the flagship rural job guarantee scheme's expenditure pattern, governance structure, and administrative issues with an aim to plug loopholes and leakages.

The move comes ahead of the Budget, with questions over the hefty allocation for the scheme despite resumption of normal economic activity.

Sources said the panel, formed in October, is slated to submit its report by January, just before the 2023-24 Union Budget is placed in Parliament in February.

The review is a pan-Indian exercise that will also look at areas and districts where Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) expenditure has surged during the past few years, and the reasons thereof. According to some reports, the spending on MGNREGS in poorer states such as Bihar and Odisha has been lower than the relatively economically affluent ones such as Tamil Nadu, which have a higher per-capita income. "One



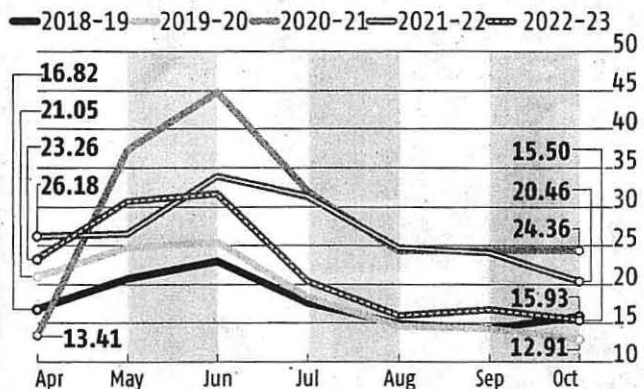
Source: MGNREGS

big focus area of the panel would be to understand whether MGNREGS has been fulfilling its role of poverty alleviation and whether there needs to be any change in focus for that," a senior official directly involved in the process told *Business Standard*.

He said a fundamental alteration of the MGNREGS structure looked very unlikely because it was a legislation unlike any other government schemes, and would need Parliament approval.

"MGNREGS was started in 2006 and 16 years have passed since then. The scheme's performance and progress has been reviewed several times in the past and the current

HOUSEHOLDS DEMANDING WORK (in-mn)



one is also being done with the same objective to make it more in sync with changing times and requirements," another official said.

Work demand for MGNREGS has shown signs of slackening in the past few months. In October, around 15.5 million households sought work under the scheme, which is higher than the corresponding pre-Covid month of October 2019, but much less than the demand for the same month in the next two years.

The October work demand under the scheme, according to the MGNREGS website, is the lowest in a month so far in this financial year.

However, the fact that a sig-

nificant number of people are still seeking work under this scheme means that if the trend continues in the months ahead, there is a chance that once again close to 70 million households could seek work, said experts.

Before the pandemic, 50-55 million households regularly used to seek work in a year. This has jumped to over 70 million per year since the pandemic. If this year, too, over 70 million households demand work, then it will mean that the scheme characteristics have fundamentally undergone a change and overall economic growth is still not percolating down to the rural and unorganised segments of the society.