

# Labour Budget

From Arthapedia

Share |

Labour Budget (LB) under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 (<http://nrega.nic.in/rajaswa.pdf>) refers to advanced labour estimate for execution of a shelf of works for the next financial year. The advance assessment of labour demand in a district takes into account seasonality aspects along with the examination of employment and livelihood opportunities in the respective rural areas. On the basis of LB estimates, the Central Government projects its central liability towards the districts.

LB entails planning, approval, funding and project execution modalities under MGNREGA. Sub-section 6 of Section 14 of MGNREGA mandates the District Programme Coordinator (DPC) under MGNREGA to prepare in December every year a labour budget for the next financial year. LB contains the details of anticipated demand from unskilled manual work in the district and the strategy for engagement of workers in the works covered under the programme. LBs are prepared in accordance with the provisions made in sections 13 to 16 of MGNREGA and processes defined in Chapter 8, para 8.4 of Operational Guidelines ([http://nrega.nic.in/Nrega\\_guidelinesEng.pdf](http://nrega.nic.in/Nrega_guidelinesEng.pdf)) of MGNREGA 2005. DPC has to ensure a strict adherence to the principle of bottom-up approach from planning to approval of the selected shelf of works by each of the gram sabha in village panchayats of the district. District-wise LBs of all MGNREGA implementing States are provided to Government of India latest by 31st January each year for the next financial year. Once financial requirement of the districts is assessed through LB, the first instalment of central share (up to 50 % of the total cost indicated in LB) is released to the district.

## Contributed by

- K. K. Tripathy, IES(1999) (<http://www.ies.gov.in/myaccount-profile-view.php?memid=258>)
- Email- [kk.tripathy@nic.in](mailto:kk.tripathy@nic.in) (<mailto:kk.tripathy@nic.in>)

Retrieved from "[http://www.arthapedia.in/index.php?title=Labour\\_Budget](http://www.arthapedia.in/index.php?title=Labour_Budget)"

Category: Concepts

---

- This page was first created on 17 October 2011, at 05:22 and last modified on 17 October 2011, at 05:37.
- This page has been accessed 12,016 times.

