

**Joint Press Release by NREGA Sangharsh Morcha (NSM) and People's Action for
Employment Guarantee (PAEG)**

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**Modi Government's Assault on NREGA Continues: Abysmal Wage Rates for
NREGA in FY 2022-23**

The wage rates for NREGA workers for FY 2022-23 were notified on 28.03.2022. The notification of the wage rate has been extremely late, with only 3 days remaining for the beginning of the next financial year. Such a delay prevents any discussion or debate regarding the wage rates or their adequacy. This is a continuation of the government's assault on NREGA and has once again exposed the central government's lack of commitment for NREGA workers' rights. The hike ranges from a meagre Re 4 to utmost Rs. 21 for various states and Union Territories (UTs). And workers of 3 states (Manipur, Mizoram & Tripura) will have to be content with no hike at all. The average increase in NREGA wage rate across the country is measly 4.25%. Whereas, Central Government employees and pensioners get a dearness allowance (DA), of 31%, costing Rs. 9,544.50 Cr to the exchequer each year. While the government revises DA twice a year and pays out thousands of crores for it, it systematically ignores NREGA workers.

An increase in NREGA wages, since it is a base wage, will also lead to upward pressure on rural and subsequently urban industrial wages. In times of the current economic distress, it will also increase rural expenditure, leading to an increase in aggregate demand in the economy, which is crucial for its recovery.

Table 1:

Select States	NREGA Wage Rate FY 2021-22	NREGA Wage Rate FY 2022-23	Increase in Wage Rate	% Increase in Wage Rate
A	B	C	D = C - B	E = (D/B)*100
Karnataka	289	309	20	6.92
Kerala	291	311	20	6.87
Jammu & Kashmir	214	227	13	6.07
Bihar	198	210	12	6.06
Jharkhand	198	210	12	6.06
Chhattisgarh	193	204	11	5.70

Madhya Pradesh	193	204	11	5.70
Haryana	315	331	16	5.08
Andhra Pradesh	245	257	12	4.90
Telangana	245	257	12	4.90
Punjab	269	282	13	4.83
Himachal Pradesh: Non-Scheduled Areas	254	266	12	4.72
West Bengal	213	223	10	4.69
Rajasthan	221	231	10	4.52
Himachal Pradesh: Scheduled Areas	203	212	9	4.43
Uttar Pradesh	204	213	9	4.41
Uttarakhand	204	213	9	4.41
Gujarat	229	239	10	4.37
Odisha	215	222	7	3.26
Maharashtra	248	256	8	3.23
Tamil Nadu	273	281	8	2.93
Assam	224	229	5	2.23
All India Average	239.30	249.46	10.16	4.25

Source: MGNREGA wage rate data is from Ministry of Rural Development notification

For 27 states and Union Territories the NREGA wage rate is less than the corresponding minimum wage for agriculture, condemning the workers to another year of bonded labour. The difference is greatest in Karnataka (despite having the highest % increase in wage rate) where the NREGA wage rate is only 70 per cent of the state minimum wage for agriculture. This ratio is around 70 percent for a number of states such as Jharkhand, Odisha, Bihar & Himachal Pradesh. The total average difference between NREGA wage rates and minimum wage rate for the country comes out to be around 20 percent.

Table 2:

Select States	NREGA Wage Rate in FY 2022-23	Agricultural Minimum Wage Rate	Difference Between FY 2022-23 Wage Rate and Agricultural Minimum Wage Rate	NREGA Wage Rate as proportion of the Agricultural Minimum Wage Rate
A	C	F	G = C - F	H = (C/F) * 100

Jharkhand	210	315	-105	66.67
Karnataka	309	441	-132	70.07
Odisha	222	315	-93	70.48
Himachal Pradesh: Scheduled Areas	212	300	-88	70.67
Bihar	210	292	-82	71.92
Kerala	311	410	-99	75.85
Punjab	282	369	-87	76.42
Assam	229	298	-69	76.85
Gujarat	239	310	-71	77.10
Chhattisgarh	204	262	-58	77.86
West Bengal	223	268	-45	83.21
Telangana	257	306	-49	83.99
Uttarakhand	213	245	-32	86.94
Tamil Nadu	281	322	-41	87.27
Haryana	331	377	-46	87.80
Andhra Pradesh	257	292	-35	88.01
Himachal Pradesh: Non-Scheduled Areas	266	300	-34	88.67
Madhya Pradesh	204	228	-24	89.47
Rajasthan	231	252	-21	91.67
Maharashtra	256	276	-20	92.75
Uttar Pradesh	213	201	12	105.97
Jammu & Kashmir	227	225	2	100.89
All India Average	244.86	302.08	-57.22	81.06

Source: V V Giri National Labour Institute & state notifications for minimum wages, Retrieved from <https://timesofindia.indiatimes.com/india/mnregs-workers-subsidised-creation-of-infra-assets-by-rs-20000-crore-a-year/articleshow/89125423.cms> and <https://paycheck.in/salary/minimumwages>

At a time when the country is going through the worst employment crisis in decades, this meagre hike in NREGA wages is nothing less than a much-touted “surgical strike” on the poor. In the past few years, unemployment rates have touched historical high and have consistently remained a concern. The poor are still recovering from rural distress caused by the

pandemic that led to job-loss for millions across the country. In such a scenario, MGNREGA has been a lifeline for the rural workers—one that provides work and cash—in times of need and distress. It is ironic that while the country is traversing through a path of economic recovery, rural wages have remained stagnant in the same period. And by severe rationing of funds, the state is systematically undermining the programme.

Despite recommendations from government-appointed committees to link NREGA wages with state minimum wages (by Mahendra Dev Committee) and to index the wage rate to Consumer Price Index - Rural Labourers (CPI-RL) instead of Consumer Price Index – Agricultural Labourers (CPI-AL) (by Nagesh Singh Committee), or Rs.375 per day as recommended by the Anoop Satpathy Committee, the government has not implemented these recommendations. Additionally, the Parliamentary Standing Committee Report of the Ministry of Rural Development and Panchayati Raj had also recommended that the NREGA wage rate be indexed to the CPI (R). Despite these recommendations, the meagre increase in NREGA wage rates has not been proportional to the increase in inflation and the cost of living in the past few years.


The government does not put in public domain the methodology it uses to calculate the NREGA wage rate every year. This not only curbs discussion on the wage rates, but is also against the transparent and accountable spirit of the Act. A few states like Jharkhand (Rs. 225 from Rs. 198) have added from their own budgets to enhance the MGNREGA wage from the existing amount fixed by the Centre. However, on the whole, state governments would rather spend on populist schemes and doles rather than enhance a programme that can positively affect the labour market and wage rates in favour of the poor. It is nothing less than a joke that governments are not able to ensure even minimum wages to workers.

The Supreme Court has repeatedly upheld minimum wages as a fundamental right and equated payment of anything less to the status of “[forced labour](#)”. Derisively low budget allocation, unremunerative NREGA wages, coupled with long delays in wage payments – even non-payment of wages in many cases – has turned many rural workers away from the employment guarantee programme. The programme must run as the demand-driven programme it was envisaged to be, with the true spirit of employment guarantee to rural citizens.

NREGA Sangharsh Morcha and People's Action for Employment Guarantee strongly condemn this anti-workers decision and demand that wages are paid in a timely manner along with an increase in the NREGA wage rate to Rs. 600 a day. This follows the Seventh Pay Commission recommendation of Rs. 18,000 as the minimum monthly salary six years ago in October 2016, after which huge increases in prices have taken place..

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Table 3:  Annexure For a more detailed analysis of the wage rate data, please refer to the linked annexure.

State	NREGA Wage Rate FY 2021-22	FY 2022-23 NREGA Wage Rate	% Increase in NREGA Wage Rate	Average Rural Inflation Rate (June 2021-Feb 2022)	Inflation Adjusted 2021-22 Wage Rate	Difference Between Inflation Adjusted 2021-22 Wage Rate and FY 2022-23 Wage Rate ¹	Difference Between % Increase in NREGA Wages and Rural Inflation Rate ²
A	B	C	$E = \frac{C-B}{B} \times 100$	I	$J = \frac{B \times (100+I)}{100}$	$K = C - J$	$L = E - I$
Andhra Pradesh	245	257	4.90	5.30	257.97	-0.97	-0.40
Assam	224	229	2.23	3.54	231.93	-2.93	-1.31
Bihar	198	210	6.06	4.07	206.05	3.95	1.99
Chhattisgarh	193	204	5.70	4.11	200.93	3.07	1.59
Gujarat	229	239	4.37	5.85	242.40	-3.40	-1.48
Haryana	315	331	5.08	6.42	335.24	-4.24	-1.34
Jammu & Kashmir	214	227	6.07	7.42	229.87	-2.87	-1.35
Jharkhand	198	210	6.06	3.10	204.14	5.86	2.96
Karnataka	289	309	6.92	5.32	304.36	4.64	1.60
Kerala	291	311	6.87	3.68	301.71	9.29	3.19
Madhya Pradesh	193	204	5.70	6.44	205.44	-1.44	-0.74
Maharashtra	248	256	3.23	6.40	263.86	-7.86	-3.17
Odisha	215	222	3.26	2.92	221.28	0.72	0.34
Punjab	269	282	4.83	5.03	282.54	-0.54	-0.20
Rajasthan	221	231	4.52	4.67	231.32	-0.32	-0.15
Tamil Nadu	273	281	2.93	5.46	287.90	-6.90	-2.53
Telangana	245	257	4.90	7.82	264.15	-7.15	-2.92
Uttar Pradesh	204	213	4.41	5.77	215.77	-2.77	-1.36
Uttarakhand	204	213	4.41	4.27	212.72	0.28	0.14
West Bengal	213	223	4.69	5.56	224.85	-1.85	-0.87
All India Average	239.30	244.86	2.33	5.33	252.05	-7.19	-3.00

¹ In column K, a negative number means that the inflation adjusted FY 2021-22 wage rate is higher than the wage rate for FY 2022-23. In other words, the NREGA wage rate for this year is less than the wage rate of last year, in terms of the real incomes earned by workers.

² Similarly, in column L, a negative number indicates that the NREGA wage rate for FY 2022-23 has not increased even as much as the rural inflation rate till February 2022.