

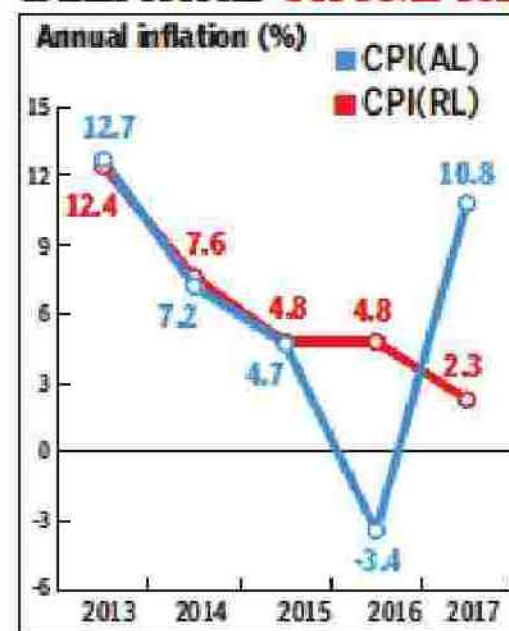
RD ministry to finmin: Index NREGA wages to rural inflation

Move Will Hike Income

New Delhi: In a bid to ensure higher returns for labourers in MGNREGA, the Union rural development ministry has again asked the finance ministry to index the wages under the job guarantee scheme to Consumer Price Index (rural) in place of the current CPI (agricultural labourers).

The RD ministry has argued that CPI (R) better reflects the present consumption pattern among rural households unlike CPI(AL) which is an old basket of mea-

BIZARRE WAGE HIKES



surement. The CPI (AL) has a greater weightage for food items, whose prices have dipped after the advent of the National Food Security Act.

According to sources, the switch in indexing would re-

2015-16

₹2 | MP and Chhattisgarh

₹4 | Bihar and Jharkhand

₹10-12 | Assam, Andhra, Gujarat, Odisha, Rajasthan, Punjab

2018-19

➤ No wage hike in Uttarakhand, Arunachal Pradesh, Jharkhand, Bihar

₹2 | MP, Gujarat, Maharashtra

2017-18

₹1 | Bihar, Jharkhand, Assam, Uttar Pradesh, Uttarakhand

sult in hike in wages and put an annual financial burden of Rs 2,500 crore on the Centre.

The annual wage revision under the job scheme has for years resulted in minimal, negligible, hike across states,

sparking outrage from activists. The hikes have been as low as Re 1 in some states while some have registered no increase at all. Then too, RD officials had blamed the no-show in wage hikes on CPI (AL). The renewed push for change in methodology for wage revision under MGNREGA comes in the wake of strong differences between the ministries of RD and finance over the issue.

Following the recommendation for change by Nagesh Singh Committee set up by RD ministry, a reference was sent to the finance ministry this year. However, the latter refused to agree, questioning the rural ministry on the need for change and if it had worked out the additional financial burden.