

# Mahatma Gandhi National Rural Employment Guarantee is Crucial to Rural India in 2021

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## Abstract:

*The role of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) as a lifeline for the working poor in rural India has been proved once again with the experience of the lockdown. In April and part of May, it was the absence of MGNREGA which accentuated rural distress. The Central government revised lockdown guidelines to allow MGNREGA work only from April 20, nearly a month after the nationwide lockdown was imposed, and released funds for it belatedly.*

**Keywords:** MGNREGA, Rural India, Financial year (FY), COVID-19, Indian Economy

## 1. Introduction

A comparison of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) demand and supply of work between the first quarter of financial year (FY) 2020, when the national lockdown was in place and the first quarter of FY 2021 when the second wave was at its peak offers a useful window into understanding the extent to which MGNREGS has provided robust support to rural India and the role of the government in ensuring relief and protection to the vulnerable during the deadly second wave. But once the money reached the States, the results are evident. Whereas the number of households who got work in April 2020 was the lowest in several years at 95 lakh, in May the number went up to 3.05 crore. Till the third week of June, 2.84 crore households had got work, much higher when compared to the same months last year. With an average 23 days of work and a daily wage of 200, households who got work earned an average of 1,500 a month. Even though this is meagre, it shows the potential of MGNREGA to bring work and relief, provided it is further expanded.

## 2. Demand vs supply

In 2020, when the ravages of COVID-19 and associated policies became visible, the

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