

Seventeenth Lok Sabha

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Title: Regarding increase in budgetary allocation for MGNREGA Scheme-laid

**SHRI GAURAV GOGOI (KALIABOR):** The MGNREGA scheme serves as a safety net for many in rural India, especially during times prevailing at present when unemployment has crossed unprecedented levels. Yet budgetary allocations for the scheme in FY 23 have been cut by over 25% from the revised estimates of FY 22. Economic Survey 2021-22 shows that the aggregate demand for MGNREGA remained above pre-pandemic levels of 2019 throughout the pandemic years of 2020 and 2021. In December 2021, demand rose as high as 24.9 million households. Rural unemployment for the same month was 7.28%, according to CMIE data. In January 2022, while 21.2 million demanded work, only 13.9 million households worked. The spike in demand is a sign of grave rural distress. Since MGNREGA is a demand-driven scheme, allocations to the same should be increased to meet high demand and to address the issue of unemployment. Continued lack of funds will also suppress demand for work and cause pending payments to accumulate. The reduced allocations for the scheme will not bode well for the economy that is on a K-shaped recovery.