

MGNREGS in West Bengal: Why It Was Halted and How It Could Restart

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MGNREGS Latest News

- The **Supreme Court** has allowed the resumption of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in West Bengal after a suspension of three and a half years.
- Under the **MGNREGA Act, 2005**, rural adults willing to do unskilled manual work are legally entitled to **100 days of wage employment annually**, with funding shared in a **90:10 ratio** between the **Centre and the State**, and the **Centre covering all wages**.
- Before the **Centre suspended the scheme in 2022**, West Bengal ranked among the **top-performing states**, with **51-80 lakh families** benefiting from it each year between **2014-15 and 2021-22**.
- The **Supreme Court dismissed the Centre's plea** challenging the **Calcutta High Court's order** that directed the **scheme to resume from August 1, 2025**, clearing the way for its implementation to restart.

Why MGNREGS Was Stopped in West Bengal

- The Centre suspended MGNREGS funds to West Bengal from March 2022, citing “non-compliance with central directives” under **Section 27 of the MGNREGA Act, 2005**.
- According to the Ministry of Rural Development, inspections revealed financial irregularities, execution of non-permissible works, splitting of projects, and a lack of transparency and accountability in implementation.
- Despite repeated warnings, no significant improvement was observed.
- The state government persistently demanded resumption of the scheme. When the Centre refused, the state moved the Calcutta High Court, which ordered MGNREGS to resume from August 1, 2025.
- The Centre appealed to the Supreme Court, but recently, a bench of Justices Vikram Nath and Sandeep Mehta dismissed the plea, clearing the way for the scheme’s restart in the state.

MGNREGS Likely to Resume Soon in West Bengal After SC Order

- With the Supreme Court dismissing the Centre’s plea, the Ministry of Rural Development (MoRD) now has no option but to restart MGNREGS in West Bengal.
- The ruling is a major setback for the ministry, which had earlier resisted resuming the scheme.
- In December 2024, MoRD had stated that West Bengal must meet compliance requirements before funds for MGNREGS and PMAY-G could be released.
 - The Centre had halted funding for both schemes in 2022, citing corruption in implementation.
- Now, after the SC’s decision, the ministry is expected to begin procedural steps to restore funds and resume MGNREGS operations in the state.

Labour Budget Clearance Key to Restarting MGNREGS in West Bengal

- The first step toward restarting MGNREGS in West Bengal is the **approval of the state’s labour budget** by the Ministry of Rural Development (MoRD). The state has already approached the ministry for this clearance.
- The labour budget **outlines the expected demand for unskilled work and lists projects to be undertaken** in a financial year. It is **approved by an Empowered Committee** headed by the Union Rural Development Secretary.
- Once approved, states can generate fund requests through NREGASoft, the scheme’s Management Information System (MIS).
- The MoRD then releases funds based on the agreed labour budget.
- Normally, these approvals are completed by January each year, but West Bengal’s labour budget has not been cleared since 2021-22, when funding was suspended.
- Approval of this budget is therefore essential for resuming MGNREGS operations in the state.

West Bengal’s Pending Dues Under Rural Development Schemes

- According to West Bengal government sources, about ₹18,000 crore in dues are pending from the Centre under three major rural development schemes:
 - MGNREGS,
 - Pradhan Mantri Awas Yojana-Gramin (PMAY-G), and
 - Pradhan Mantri Gram Sadak Yojana (PMGSY).
- However, the Central government reports a lower figure.

- In a Rajya Sabha reply in December 2023, then Rural Development Minister stated that ₹13,965 crore was pending as the Central share for MGNREGS and PMAY-G combined.
- The gap between the two estimates highlights the ongoing disagreement between the Centre and the state over the exact amount owed to West Bengal under these key welfare programmes.

Source: IE

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