

## **One Decade Of Mgnregs: An Evaluative Report**

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**ABSTRACT:** *Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) the world's largest public funded employment guarantee programme intended to establish democracy in employment in India. A decentralized approach on employment enhances both employment opportunities and encourages rural development. The millions of people suffer from unemployment received it as a boon to maintaining their subsistence. The opportunity of employment is not considered a mercy of the authorities but as their right to get employment. For this purpose MGNREG Act was unveiled before the two houses of the parliament. The act is known as Right to Employment Act 2005. The real trickledown effect happens only with the employment guarantee programme. The paper, here, makes an attempt to break the general myths and realities of Mahatma Gandhi Employment Guarantee Scheme (MGNREGS) initiated by the central government.*

**KEY WORDS:** *MGNREGS, MGNREGA ,Programme, Projects, Scheme.*

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### **I. INTRODUCTION**

In India rural development is a comprehensive approach to development. The rural development aspect takes in to account the connotations like rural employment rural housing, land resources, drinking water and sanitation. Among the five aspects: rural employment is ever lasting and can generate worth in human beings. With the vision in mind, the government of India launched the world's largest public employment programme named National Rural Employment Guarantee Act 2005 (NREGA 2005). The programme was actually launched in 200 selected districts across the country. Later the programme renamed to cherish the dream of our great father of the nation, Mahatma Gandhi. Now the Act/Programme is known as the Mahatma Gandhi National Employment Guarantee Act/Programme (MGNREGA). It was a dream project of the last UPA government. Now the NDA government hailed as their flagship programme to ensure accuracy and transparency in rural development. The Ministry of Rural Development, on behalf of the government of India executes the programme. The financial sharing of the programme is 90:10 proportions between the center and the states. The allocation of funds is on the basis of the proposals and submission of labour budgets, the anticipated labour expenditure in each programme. The transparency, accountability and availability of complete data regarding the project are acclaimed as the real merits of the Programme.

### **II. METHODOLOGY AND OBJECTIVES OF THE STUDY**

The present study has three major objectives. They are:

1. To measure the coverage of the programme.
2. To estimate the variables taken to evaluate MGNREGA.
3. To evaluate the actual benefit of the programme.

The study is confined to descriptive and analytical in nature. Descriptive details are used to understand about the programme. The secondary data is used to analyse the MGNREGA programmes. The descriptive details and data for analysis are taken from secondary sources including on line data. The ongoing works under MGNREGA is to be completed. This is the only constraint in the current data collection.

### **III. DISCUSSION**

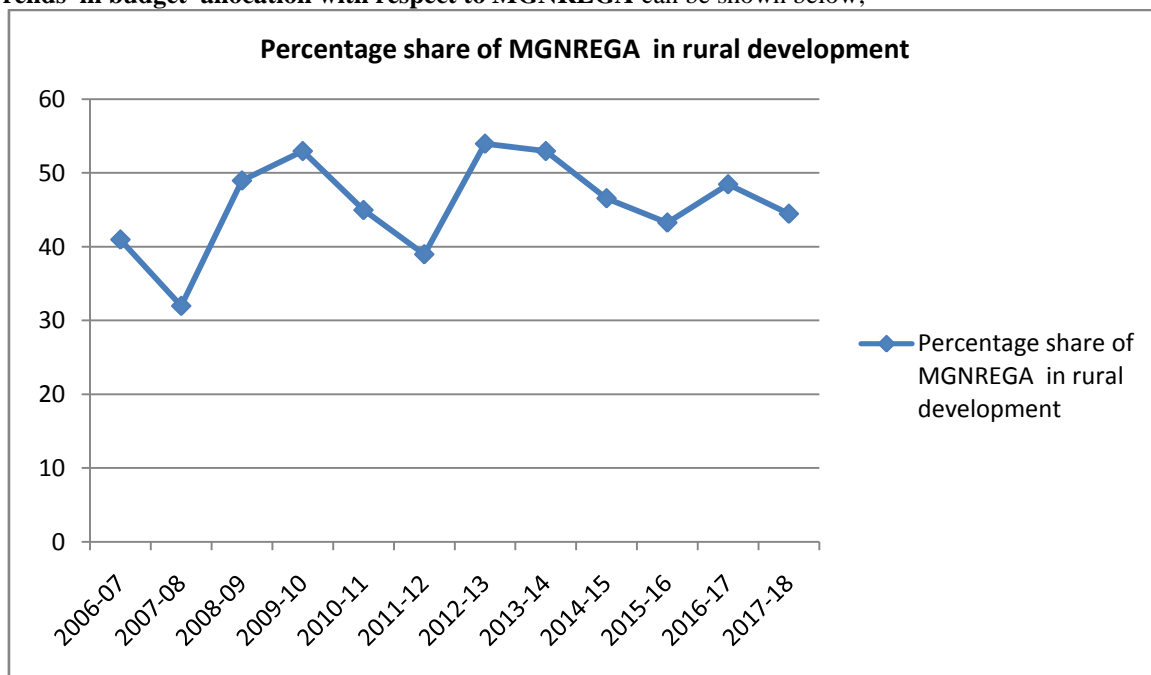
The percentage share of budget allocation for rural development has been increasing annually. But the percentage share of MGNREGA in the rural budget allocation has been fluctuating. The trend and the percentage share of MGNREGA in rural development can be shown as:

Financial Year	Budget Share for Rural Development	Share of MGNERGS In Rural Development (Amount in crores)	Percentage of MGNREGS in Rural Development
2006-07	31012	11300	41
2007-08	37389	12000	32
2008-09	67191	30000	49
2009-10	73431	39100	53
2010-11	89629	40100	45
2011-12	79621	31000	39
2012-13	55052	29387	54
2013-14	61864	33000	53
2014-15	70713	33000	46.6
2015-16	79279	36967	43.3
2016-17	97760	47499	48.5
2017-18(BE)	107758	48000	44.5

Source: Indian expenditure Budget Vol.2, MoRD and supplementary budgets.

The highest amount of budgetary provision for rural development is allotted for the current financial year (2017-18). At the same time the amount allotted for MGNREGA is also highest in the same year.

**Trends in budget allocation with respect to MGNREGA** can be shown below;



Source: Indian expenditure Budget Vol.2, MoRD and supplementary budgets.

There is a wave like movement in the percentage share of spending in MGNREGA. It is not continuously rising or falling. The inference of the above action is that there is instability in allocation of funds in rural employment.

The very serious matter relating to the spending of the allotted funds to rural employment is that allotted funds are not evenly spent. For the sake of analytical convenience the spending of allotted funds can be brought in to three slabs, the states utilized 100% of the allotted funds are considered excellent, states' utilization is in between 75-100% are considered good and the states' spending of funds between 50% and below 75% are identified as average. The proof of the analytical experience can be brought in the form of a table below:

State wise Spending of the allotted funds for MGNREGA

Financial Year	100% Utilization of allotted funds (Outstanding performance)	75 to 99 percent Utilization Of allotted Funds. (Excellent)	50 to 74 percent utilization of allotted funds (Good)
2008-09		Mizoram, Andhra Pradesh, Bihar, Jharkhand Madhya Pradesh, Maharashtra	Karnataka, Orissa, West Bengal, Uttar Pradesh, Kerala, Rajasthan
2009-10	Karnataka	Mizoram, Orissa, Andhra Pradesh, West Bengal, Uttar Pradesh, Bihar, Kerala, Rajasthan	Jharkhand, Madhya Pradesh, Maharashtra
2010-11		Haryana, Odisha, Bihar, Uttar Pradesh, Chhattisgarh	Madhya Pradesh, Rajasthan
2011-12		West Bengal, Odisha, Kerala, Uttar Pradesh, Chhattisgarh, Punjab	Jharkhand, Madhya Pradesh, Gujarat, Rajasthan
2012-13	Haryana	Madhya Pradesh, Himachal Pradesh, Chhattisgarh, Odisha, Rajasthan, Uttar Pradesh, Maharashtra, Tamil Nadu, Kerala	Gujarat, Jharkhand, Bihar
2013-14	Madhya Pradesh, Gujarat, Himachal Pradesh, Chhattisgarh, Bihar, Haryana.	Odisha, Jharkhand, Rajasthan, Uttar Pradesh, Maharashtra	Tamil Nadu
2014-15	Punjab, Himachal Pradesh, Haryana, Madhya Pradesh, West Bengal, Assam, Tripura, Odisha, Uttar Pradesh, Gujarat	Chhattisgarh, Rajasthan, Maharashtra, Jharkhand, Bihar, Karnataka, Sikkim	Tamil Nadu
2015-16	Assam, Uttarakhand, West Bengal, Rajasthan, Chhattisgarh, Andhra Pradesh, Maharashtra, Madhya Pradesh, Karnataka, Odisha	Tamil Nadu, Kerala	

	Jharkhand, Bihar Madhya Pradesh, Gujarat		
2016-17	Assam, Uttarakhand West Bengal, Rajasthan Chhattisgarh, Andhra Pradesh Maharashtra ,Uttar Pradesh Karnataka	Odisha,Jharkhand,Madhya Pradesh , Bihar,Gujarat.	

Datasource:www.nrega.nic

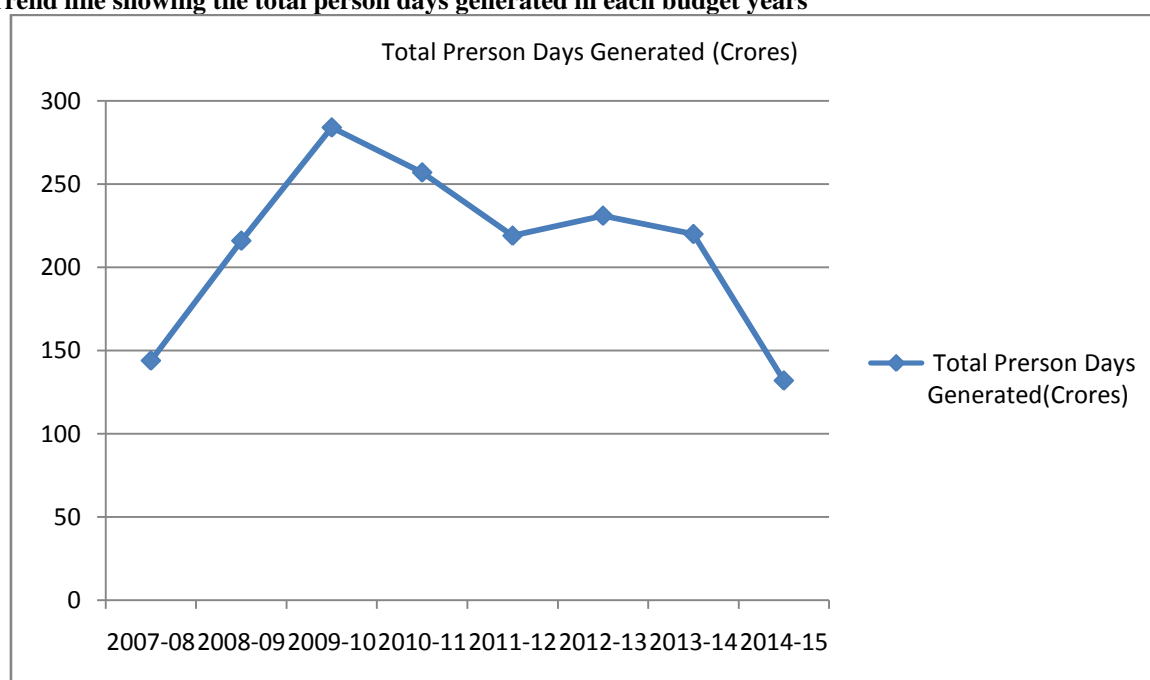
The break-up of funds allotted to the states confine to 60% as wages and the remaining 40% materials. There are slight variations in wage material ratio depending on the circumstances of the states. In 2009-10 the highest wage material ratio was maintained by the state of Madhya Pradesh, The ratio is 62:38. The least wage material or high wage rate ratio is maintained by the state of Kerala where the percentage is 100. The entire fund received by the state has been spent for the payment of wage alone. The real meaning of the MGNREGA is thus kept by the state of Kerala.

The provision of wages to the workers is set on the basis of the development and minimum wage rate prevailing in each and every state. Even though, the wage rate varies from state to state, the wage disbursement is based on the nature of work and working conditions of the states. There may be differences in the notified wages and average cost per person (average wages). In 2009, the highest notified wage in Haryana was Rs.141, but the state had paid Rs.151 as average wage per person in 2009-10. The lowest wage in the same year notified in Orissa was Rs.70, but the State has paid Rs.106 in 2009-10. But at the same time, contradictions can be experienced with regard to wages. The notified wage in Rajasthan during 2010-11 was Rs.119. Instead of this notified wages, the state spent average wage per person days was Rs.75. This situation happened when the minimum wages of agricultural workers during that period was Rs.135. The same situation is experienced in Tamil Nadu, Uttar Pradesh, Jharkhand, Bihar, Madhya Pradesh, West Bengal and Kerala. In Kerala, 2010-11, the notified wages was Rs.150 and paid Rs.133 as average wage per person days. The state of Haryana continued the same structure of wages. Simultaneously the state of Rajasthan spent more than the notified wage in 2011-12. Instead of the notified wage of Rs.90, the state paid Rs.133 as the wage rate of average person days. In 2013, the notified highest wage rate in Punjab was Rs.184 and paid Rs.184 as average wage per person days. The lowest notified wage rate was Rs.138 in Bihar and Jharkhand. Bihar paid the average wage rate per person days was Rs.154. But Jharkhand maintained the notified wage is equal to the average wage rate per person days. In 2013-14, the state of Rajasthan notified wage rate of Rs.149, but paid only less amount at the rate of Rs.110. The reduction in the wage rate is accounted to be 73.8%. A similar situation is happened Tamil Nadu.

The practical experiences and magnitudes differ when time passes. During the beginning, the percentage of budgetary provisions to rural development and the sharing of amount to rural employment were the major concerns. There came the role of MGNREGA. The dimension of the magnitudes changed to the matter of wage-material ratio. After that, the comparative cost differences came as an issue of the differences between comparative differences in notified wage rate and the wages paid on average person days utilized. The conceptual and practical dilemma is the inherent features of every public funded programme. The above discussed matter is a practical dilemma. If one is rectified the other one will come up. The reason is that the public funded programmes are like open book. The data is publically available. So the analysts and academicians publically criticize and evaluate the annual reports. The criticisms lead to corrections of errors. The merit is that the public funded programmes like MGNREGA became totally transparent.

The major accountability criterion of MGNREGA changed to average person days employed at national and state level from 2007 onwards. The total person days utilized can be shown with the help of the trend line. The highest number of person days generated during the year 2009-10 was 284 cores. The lowest number of person days generated in the year 2014-15 is 132 cores. The person days generated in 2014-15 is comparatively low. The following trend line shows the total person days generated in each budget year.

Trend line showing the total person days generated in each budget years



www.nrega.nic

The financial and institutional set up is highly conducive and created a favorable atmosphere for the funds disbursement of the MGNREGA for their beneficiaries or workers participating in the programme. During the initial stages of the programme even the advanced state like Kerala had paid 2% of wages through banks and post offices. At the same time the state of Haryana paid 98% of their wages through post offices and banks. But in recent years 100% payments of MGNREGA is disbursed through post office and banks. It is mandatory to open the savings bank account (SB A/c) in a nationalized bank or post offices. The wages of the works are paid through the accounts. It is to ensure greater transparency and to put an end to the financial corruption.

Creation of durable assets or assets beneficial to the society is the main objective along with providing 100 days of employment. For the creation of assets, it is required to undertake projects on behalf of MGNREGA. The rural asset creation happened in different forms. The priority of activities are: water conservation and water harvesting (20%), provision of irrigation facility (18%), rural connectivity for connecting village roads (18%), Land development, especially in the land of SC/ST (14%), draught proofing (9%), micro irrigation (7%) and flood control and protection (4%). The works not coming under the purview of the above categories are counted as other works (2%).

In 2013-14 the pattern of works shifted like, water conservation and draught proofing (17%), rural connectivity (15%), land development (10%), irrigation (16%), rural sanitation (32%), flood control and renovation of existing water bodies (4%), other works (2%) and Rajeev Gandhi Sava Kendra (1%). There is a typical pattern of works and thereby assets created in that area. The assets mean products which are useful to human beings for maintaining the basic standard of living. Food, water and sanitation are the trio human basic needs now a day.

The labour participation rate of workers is another consideration of MGNREGA. The labour participation rate among women in India is comparatively low. Especially in Kerala, the labor participation rate among educated and uneducated women is low. With the introduction of MGNREGA, it can be visualized a dramatic change in the labor participation rate among women. On an average the participation of women labor covers more than 50%. The slogan of gender equality and social justice with rural development was materialized only with the introduction of MGNREGA. The women labor force actively involved in every project which led to the success of MGNREGA. Gender justice on gender equality is achieved and maintained through rural development programmes. In Kerala the women participation rate is alarmingly very high compared to other states. As per the latest estimates, the women participation in MGNREGA is 93% in Kerala. The second place in this regard goes to Tamil Nadu with 74%. The lowest participation rate (17%) of Uttar Pradesh is quite shocking. It is below the normal rate of 33%. The 33% normal rate is a benchmark as per the scheme. The scheme reserves one third of total employment for women which is ensured as per the act. The all India average rate of women labor participation is reported as 47%. The states below normal level are Jharkhand, Bihar and Uttar Pradesh.

The lowest income group people play a crucial role in the rural employment programme. About 42% of the lower income group is directly engaged in the programme for maintaining a hand to mouth existence. Forty one percent of the workers belong to the middle income group. The percentage of high income group is accounted to be only 16 % of the total work force engaged in MGNREGA. Rajasthan holds the first position of bringing about 23% of the higher income group into the MGNREGA works. Maharashtra occupies the first place with regard to the participation of lower income group into the scheme, i.e. 63 %. The highest percent of middle income group participation in MGNREGA goes to Bihar. The above data clearly portrays that irrespective of income, the people are actively participating in this programme. The reason of this high participation may be attributed to the excessive dependence on agriculture which is seasonal in nature in these states.

#### **IV. FINDINGS**

1. The lowest income group people (BPL) play a crucial role in the rural employment programme.
2. The labour participation rate of women workers is high in MGNREGA.
3. Environment maintenance and upgradation have given high priority in the schemes/projects
4. Rural asset building is happened along with employment generation.
5. Even though with heavy financial burden, the govt. ready to continue the scheme because of its the social responsibility.

#### **V. CONCLUSION**

To conclude, the evaluative report of MGNREGA over the last 10 years depicts the remarkable strength of planning, proper execution, timely implementation and transparency and accountability of the world's largest public sponsored employment programme. There may be slight variations in the calculation actual beneficiaries of the scheme. The net result of this programme is that a large number of people belong to rural area benefitted a lot. The real assets created by this programme are the assets that protect the environment. The development caused as a result of MGNREGA is real and sustainable.

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