

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Tool for Inclusive Growth in Rural India

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ABSTRACT: Poverty in India, according to the Planning Commission report, has reduced successfully in 2009-10 from 1973. Likewise, the rural poverty also declined during the same period. However, India is still facing the mass poverty even after successful completion of Eleventh Five Year Plan. For poverty alleviation, India started a number of programs and policies; but all remained unsuccessful. Despite achieving more than 5 per cent economic growth, the trickle-down effect idea to reach the benefit of growth to the poor also failed. Several laws were passed for poverty alleviation, but they too could not help much to the poor. The Ministry of Rural Development is one of the important ministries in India involved in development of rural areas of the country. The mission and vision of ministry exhibits a sustainable and inclusive growth of rural India. The ministry is striving hard to increase livelihood opportunities and improved quality of life of rural poor people. Furthermore, eradicating poverty is a significant endeavor of the ministry. Implemented by the Ministry of Rural Development, National Rural Employment Guarantee Act (NREGA) is the flagship programme of the Government that directly touches lives of the poor and promotes inclusive growth. The reduced employment opportunities due to more than one reasons, have affected severely the overall sustainable growth of India in general and the rural areas in particular. The increasing population has greater impact on employment scenario in the country. The majority of the poor in rural areas depend mainly on the wages they earn through unskilled and manual labour.

KEYWORDS: *Inclusive Growth, MGNREGA, Rural India.*

Date of Submission: 16-04-2018

Date of acceptance: 02-05-2018

I INTRODUCTION

The National Rural Employment Guarantee Act, 2005 was enacted on 25th August, 2005 and it come into force on 2nd February, 2006. It was renamed and amended as „Mahatma Gandhi National Rural Employment Guarantee Act“ on 2nd October 2009. The Act aims at, “enhancing livelihood security of household in rural areas of the country by providing at least one hundred days of employment in a financial year to every household whose adult members volunteer to do unskilled manual work.” Inclusiveness in the present time is one of the challenging issues for India. The union finance Minister Shri Pranab Mukherjee said that “one of the biggest challenges before our nation today is to ensure inclusive growth.”¹ The planning commission in the approach paper for the Eleventh and Twelfth five year plan specifically emphasized on the “inclusive growth” due to multidimensional aspect of growth. For the country to achieve inclusive growth target, inclusiveness must be translated into poverty reduction through providing livelihood opportunities.

India fixed the target for the growth of 9.0 to 9.5 percent for the Twelfth plan, but it should be inclusive. Poverty, therefore, must be addressed at priority basis, because growth has no meaning

without reducing misery and hunger to the large sections of the society. In India, more than 70 percent people live in rural areas and among rural population. marginalized sections of the society are more vulnerable.

India already achieved a very impressive growth rate of more than 8 per cent in the Eleventh plan, but the country is still facing the problem of mass poverty, especially in the rural areas. This needs special attention by the government. India in this direction has done a commendable

work by enacting employment guarantee act i.e. The Mahatma Gandhi National Rural Employment Guarantee Act, 2005. The Act gives the legal right to the rural people to get at least

100 days employment, which is expected to reduce the poverty level in the rural areas.

The present paper mainly deals with the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 , how it is helpful in reducing poverty in rural areas by providing 100 days

guaranteed wage employment. The data for this purpose collected through secondary sources provided by the planning commission, MIS report on MGNREGA and other sources. The data has been analyzed to know the impact of MGNREGA on the employment and income of the rural people.

The MGNREGA act has laudable objectives of providing a work-guarantee to the poor rural households on one hand and creating quality asset, strengthening rural resource base, ensuring social inclusion, and strengthening Panchayati Raj institutions on the other. However, questions have been raised about the timing and purpose of the act, its design and structure, about the logic of state intervention in labour market in an era of liberalization, likely impacts of the programme on asset creation and economy and its overall success.

Time line of MGNREGA

The following table depicts the time line of MGNREGA and modifications during the years of its running.

Table the time line of MGNREGA

Aug, 2005	NREGA legalized
Fr, 2006	Came into force in 200 districts
Apr, 2007	130 more district included
Apr, 2008	Universalization of the scheme
Oct, 2008	Wage transaction through banks/post offices
16 Feb, 2009	MOU with the postal dept.
Oct, 2009	Name changed to MGNREGA

Source : www.mgnrega.nic.in

II REVIEW OF LITERATURE

Annual Report Ministry of Rural Development (April2006 - March2007) reported that in case of choice of work under NREGA, highest priority that is 54% was given to water conservation followed by providing irrigation facility to the land owned by SC/ST 10% land development 11%, rural connectivity 21% and any other activity 4% in 2006-2007etc. The All India Report on Evaluation of NREGA (2008), a survey of twenty districts, observed that eighty percent of household expressed that they did not get the work within the stipulated 15 days time; neither were they paid the unemployment allowance. The survey revealed that the number of families spending less on food has come down drastically where as there is a rise in number of families who are spending more on food and non food items.

Mathur, Lalit (2008) “Employment guarantee progress so far” depicted in the finding that MGNREGA could act as a great agent of socio-economic up-liftment and providing livelihood security of poorest of the poor in India if implemented earnestly. The employment and the earning under MGNREGA should be treated as additional avenue for such households.

Jaswal Anshuman and Mistry Paulomee’s (2007) study summary reported on “will MGNREGA ensure security against hunger” in Gujarat, Madhya Pradesh, Rajasthan, Maharashtra concluded that 42% of the cases creation of new ponds and depending or cleaning of existing once was undertaken 26% of cases, work related to road construction and maintenance was provided, check-dam related work formed16% of the case, rest of the cases comprised of work like canal maintenance and mud-work (digging and carrying) hence it is clear that the emphasis is on creation of assets which form a part of the basic infrastructure for the community.

Anil Kumar Kute, Dr. P.M. Honnakeri (2012) examined very interesting case in Gulbarga district in Karnataka state, and observed that 63 percent of respondents stated that the migration has decreased after MGNREGA implementation. They also found that the scheme has helped workers in their food security management.

III OBJECTIVE OF THE STUDY

- To Take An Overview Of The Mahatma Gandhi NREGA
- To study the use of e- governance and ICT with respect to Mahatma Gandhi NREGA
- To study the overall impact of Mahatma Gandhi NREGA on rural livelihood of India.

IV METHODOLOGY

This study uses mainly secondary data. The sources of the data are published and unpublished sources like books, journals, magazines, publications, reports, etc.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005

Since independence, the government launched a number of poverty alleviation and employment generation programmes, especially for rural people, like TRYSEM, IRDP, RLEGP, JRY, NRY, SGSY, etc. These programmes were somehow effective, but not up to the expectations of the people in solving the problem of unemployment and poverty eradication on account of several shortcomings noticed in the wage employment programmes. These shortcomings were likely to be : lack of awareness, lack of sincerity, lack of community participation, lack of complete awareness, lack of planning, Panchayats not well equipped, Quality of assets created not always

of requisite standard, Reports of false muster rolls, Problems in payment : often less than prescribed wages and disparity between wages paid to women and men, Contractors persisted, Diversion of funds, Weak monitoring and verification systems, Lack of comprehensive data base, Inadequate capacity of implementing agencies, Multiple wages employment programmes running in parallel. Lack of Genuine will to decentralize, Lack of organization of the poor for greater participation, and Lack of Public Accountability. Considering these deficiencies in the earlier programmes, MGNREGA was designed and given a legal status.⁴ The MGNREGA is a step towards the right to work, as an aspect of the fundamental right to live with dignity.

The Mahatma Gandhi NREGA Foremost Features The main features are as follows:

(a) Job assignment process

The process for job assignment for an unemployment worker in rural India under MGNREGA is as follows:

- Any adult person of a rural household can apply to his „Gram Panchayat“ for an employment for unskilled manual work.
- The Gram Panchayat after a verification of an applicant will issue a job card.
- The households can submit a written application to Gram Panchayat mentioning the number of days the household seeks to work under the scheme.
- The Gram Panchayat issues a receipt to the household mentioning the guarantee to offer work within 15 days. The household is entitled to get unemployment allowance if the state government is failed to provide a job within 15 days.
- Once the household starts working it should get the payments on weekly basis not later than fortnight.

(b) Works allotted under Mahatma Gandhi NREGA

Table: Works conducted under Mahatma Gandhi NREGA

Sr.No	Area of Work	Type of Work
1	Watershed- related works	Contour trenches, Counter bunds, Boulder checks, Farm bunding, Gabion structures, underground dykes, Earthen dams, Dugout farm ponds, stop dams.
2	Watershed-related works in mountain regions	Springshed development
3	Agriculture related works	NADEP composting, Vermi composting, Liquid bio- manures
4	Livestock-related works	Poultry shelter, Goat shelter, construction of pucca (permanent) floor urine tank and fodder trough for cattle, Azolla as cattle – feed supplement.
5	Fisheries related	Fisheries in seasonal water bodies on public land
6	Works in coastal areas	Fish drying yards, construction of storm water drains for coastal protection, Belt vegetation.
7	Rural drinking water related works	Soak pits, Recharge Pits
8	Rural Sanitation	Individual household latrines, School toilet units, anganwadi toilets, solid and liquid waste management.
9	Flood Management	Deepening and repair of flood channels, chaur renovation
10	Irrigation Command related works	Rehabilitation of minor’s, sub minors and field channels
11	Rural Connectivity	Stone Kharanja or brick kharanja, cement concrete and cement interlocking
12	Land Development	Private land owned by Schedule Caste, Schedule Tribe or Below Poverty Line families (BPL)

Source : MoRD, ‘Report of the Committee on Revision of MGNREGA Operational guidelines’, Ministry of Rural Development, 2012.

(c) Coverage of the scheme

- In phase I, it was introduced in 200 of the most backward district of the country.
- It was implemented in an additional 130 districts in phase II, 2007-2008
- The Act was notified in the remaining rural districts of India from April 1, 2008 in phase

(d) Funding agencies and Fund transfer

The funding of the scheme is done by central and state governments. The central government assists for whole cost of wages of unskilled workers. It also bears the administrative charges related to scheme. The state government is entitled to provide unemployment allowance to the households in case if the village panchayat does not give the employment in stipulated time. The central assistance is directly provided to the implementing agencies at district level. From 2006-07 the ministry has shifted to e- payment mode which involves core banking system network with Real time Gross Settlement (RTGS) mode. The funds are released to district rural development agencies by the Ministry of Rural Development.

(e) Main initiatives to strengthen effectiveness, transparency and efficiency to the scheme

- Information, Education and Communication (IEC) initiatives

The ministry has been involved in various activities towards creating consciousness amongst rural population concerning the scheme. It conducts one day orientation program with all Sarpanches, arranges Gram Sabha and promotes the scheme by using local news papers, media like print, TV, radio preferably in regional languages. Also it motivates NGOs, SHGs to take active participation in consciousness creation. A monthly magazine „Kurukshetra“ and News letter „Grameen Bharat“ (a monthly magazine published by Ministry of Rural Development) helps in creating demand for programme like Mahatma Gandhi NREGA.

➤ **Formation of Ombudsman**

One of the main problems with workers in the complaints related to wages. Consequently all states are supposed to form Ombudsman to solve the complaints. Almost 50 percent of states have operationalized the Ombudsman. The functioning of the same is as follows.

➤ **Social Audits**

It is made obligatory that all Gram Panchayat must conduct at least one social audit in six months. It is also advised that, all the elected members and staff be there in the Gram Sabha. The summary of finding of social audit should be submitted to the state and the state is guide to forward it to Comptroller and Auditor General of India.

➤ **Payment system**

For efficient and transparent payments to workers, the ministry is emphasizing all the payment to be made through banks and post offices.

Present Status of Mahatma Gandhi NREGA In current financial year 2011-12, (upto December, 2011) 3.77 crore households were provided employment and 120.88 crore persondays of employment were generated. The enhanced wage earnings have led to a strengthening of the livelihood resource base of the rural poor in India; 72 percent of funds utilized were in the form of wages paid to the workers. Self targeting in nature, the programme has high work participation for marginalized groups like Schedule caste/Schedule tribe (40%), women (49%) in 2011-12 (upto December, 2011). Entire work undertaken were 62.72 lakh in the same period, of which 53% relate to water conservation, 12% for the provision of irrigation facility to lands owned by schedule caste/ schedule tribe/ below poverty line, small farmers of marginal farmers, IAY beneficiaries, 22% for rural connectivity and 9% for land development, 4% for any other activity approved by Ministry of Rural Development and 0.37% for Rajiv Gandhi Seva Kendra. Women participation in current financial year upto December, 2011 was 49% and the participation and schedule caste and schedule tribe in current financial year upto December, 2011 is 40%.

Use of ICT, E- Governance in Mahatma Gandhi NREGA The ministry of Rural Development has taken various initiatives with deployment of ICT towards improved performance of the scheme.

(a) **MIS** The ministry has developed a web enabled MIS, www.mgnrega.nic.in dedicated to this ambitious program. The system makes the enormous data obtainable to public in a whole transparent manner. The MIS incorporated independent pages devoted to every panchayat (almost 2.5 Lakh), the data of 619 districts belonging to 34 states and Union Territories. The various stakeholders like common public, Zilla Parishadas, Gram Panchayat, staff, workers, district program coordinators, program officers, and ministry use this MIS system.

The ministry along with National Informatics Centre (NIC) has developed a very comprehensive software package as „NREGA soft“. The „NREGA soft“ is a local language work flow based transaction level system designed for all MGNREGA related activities. The software is hosted on the portal of Mahatma Gandhi NREGA. The software provides a transparent system across all the areas connected to exchange of data for a variety of users.

The NREGA soft“ offers a variety of modules like,

➤ **Workers management module** which includes data of registration and issue of jobs to workers, payment details

➤ **Fund management module** keeps a record of funds transfer from ministry to workers.

➤ **Grievance redressal module** where all concerned can lodge and track the status of their complaints.

➤ **Social audit module** integrates the social audits to the all gram Panchayat.

Data storage at NREGA soft- The NREGA soft uses the Microsoft platform using ASP, NET languages. The server keeps massive data gathered from all India. The system has around, 12 Crore worker’s job card with all details and has been maintaining more than 8 Crore muster rolls.

(b) **Developmental projects**

The innovative technology is being used and tested for implementing the scheme in more efficient manner and to decrease the gaps observed during last few years. The handheld devices like Laptops, mobile phones, are being used for data capturing, downloading and transferring. The NREGA soft after processing the

data sends the pertinent information to banks and post offices for fast payments to NREGA workers. Another very significant development is taking place is „Aadhaar“ based authentication of a worker which will offer dependable biometric system in future.

V CONCLUSION

It is no uncertainty that the Mahatma Gandhi NREGA has been successful in achieving its primary objective of providing wage employment to rural household in India. The Ministry of Rural Development has done an imposing work towards conceptualizing and operationalizing this enormous flagship program. The Mahatma Gandhi NREGA will be a path breaking program for inclusive growth of rural India. India is a country of more than one billion people, where more than 70 per cent population are living in rural areas. Mostly they were dependent on seasonal agricultural labours and were bound to migrate to urban cities for the work before the implementation of MGNREGA. Poverty was widespread across the country at varying level in different states. Rural areas were most affected with the problem of poverty and non-availability of opportunities to work in hometowns. They were always in hardship and were forced to suicide. In this backdrop, the MGNREGA proved to be a miracle for the poor in the rural areas.

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Nagaraja J. " Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Tool for Inclusive Growth in Rural India." International Journal of Humanities and Social Science Invention (IJHSSI) 7.04 (2018): 82-86.