

Impact Of Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) On Rural Development

Dr. Basavaraj S. Benni

Dean of Social Science and Chairman,
Dept of Studies and Research in Economics,
VSK University, Ballari, Karnataka

Nagaraja J

UGC-Senior Research Fellow,
Dept of Studies and Research in Economics,
VSK, University, Ballari, Karnataka

Abstract: *Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is considered as a “Silver Bullet” for eradicating rural poverty and unemployment, by way of generating demand for productive labor force in villages. It provides an alternative source of livelihood which will have an impact on reducing migration, restricting child labor, alleviating poverty, and making villages self sustaining through productive assets creation such as road construction, cleaning up of water tanks, soil and water conservation work, etc. For which it has been considered as the largest anti-poverty programme in the world. But the success of this Act depends upon its proper implementation. Government of India (GOI) enacted the National Rural Employment Guarantee Act (MGNREGA) in 2005, but it was implemented in 02-02-2006 and it was renamed as Mahatma Gandhi National Rural Employment Guarantee programme. It is the biggest poverty alleviation programme in the world which is started with an initial outlay of Rs. 11,300 crore in year 2006-07 and it is Rs. 40,000 crore (2010-11). This present study attempts to depict the Impact of Mahatma Gandhi National Rural Employment Guarantee Programme on Rural Development.*

Keywords: *MGMNREGA, Impact, Rural, Wage.*

I. INTRODUCTION

The National Rural Employment Guarantee Act, (NREGA) was passed on 23rd August 2005 and Notified on September 7, 2005. Enacted after a successful struggle for an employment guarantee

Legislation, this Act was a partial victory towards a full-fledged right to employment. The Act became operational in February 2006, starting with 200 districts; another 130 districts were added in 2007-08 and finally the Act was extended to the whole country in April 2008.

Thus, MGNREGA covers the entire country with the exception of districts that have a hundred Percent urban population. The Act was renamed on 2nd October 2009, as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). It is perhaps the most ambitious anti-poverty scheme launched anywhere in the world. The Government of India has been introducing many schemes and policies to make ‘people of rural India’ as active partners in the process

of economic activities. Among many the ‘MGNREGS’ is one of a scheme, introduced in the year of 2006 with the ultimate objective to provide employment opportunities to the people who are especially residing in the small towns, villages and hamlets. Proper implementation of schemes like this will definitely improve their ‘earnings’ and thereby purchasing power which leads to improvements in standards of living. This seminar paper tries to analyze the scheme of ‘MGNREGA’ in terms of its achievements and its impact on the ‘un-employed’ in the villages and small towns.) present study mainly focus on the important achievements of MGNREGA though the inclusive growth since inception of the act.

II. OBJECTIVE OF THE PROGRAM

The objective of the Act is to enhance livelihood security and improve the purchasing power of the rural people, whether or not they are below the poverty line. It provides a

legal Guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. It aims to provide

- ✓ Strong social safety net for the vulnerable groups by providing a fallback employment source, when other employment alternatives are scarce or inadequate.
- ✓ Growth engine for sustainable development of an agricultural economy. By providing employment on works that address causes of chronic poverty such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. Effectively implemented, MGNREGA has the potential to transform the geography of poverty.
- ✓ Empowerment of rural poor through the processes of a rights-based Law.
- ✓ New ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy.

Thus, MGNREGA fosters conditions for inclusive growth ranging from basic wage security and

Recharging the rural economy to a transformative empowerment process of democracy

OBJECTIVES OF THE STUDY

- ✓ To Study The History Of MGNREGA
- ✓ To Know Its Impact On Rural Development
- ✓ To Study The Challenges Before This Program

III. METHODOLOGY

This Study Is Based On Secondary Data, Which Data Has Been Collected From Ministry Of Rural Development, Govt Reports, Articles And Books, Etc.

IMPACT OF MGNREGA ON RURAL DEVELOPMENT

People wonder: what is MGNREGA? A social safety net? A step towards the right to work to prevent migration? Or a boost to local market economies? For those who cannot think beyond the confines of the free market economy and the business manager mindset, MGNREGA is just a nightmare. For years, simplistic management solutions to poverty, with the poor as an input to be managed, have failed. We cannot see ordinary people as active participants and empowered citizens. That is why it is difficult to understand the practice and logic of democracy and the complexity of an Employment Guarantee initiative. Anyway, has MGNREGA impacted the lives of the poor in any positive way? Has MGNREGA energized, mobilized, empowered, and delivered to India's poorest and most marginalized rural people? Has it provided them a measure of dignity, tangible economic benefit, and a motivation to participate in local action? These are vital questions. MGNREGA can only succeed in bringing about change if millions of workers become its true advocates and monitors.

MGNREGA better than previous programs: Apart from corruption the bureaucratic chronic Inefficiency, unwillingness and incapacities of system have raised doubts whether MGNREGA Would is able to deliver anything meaningful to the poor. However, MGNREGA stands apart from employment and poverty alleviation programs in significant ways. It is the first national program of consequence which has woven transparency and accountability norms into the mundane fabric of daily interaction of people with government. The rural worker might often be the victim but in many cases scams have been exposed by the workers themselves. MGNREGA gives an opportunity to break the feudally enforced silence of its victims. Through transparency and social audit measures, it allows anyone, anywhere to be part of the monitoring of the delivery system. Thus, the MGNREGA gives a further opportunity to realize the Constitutional sovereignty, the power of the people. The other programs appear to be clean only because no one knows what really goes on!

The success of MGNREGA need not be measured only on the single parameter of employment generation; though its record is far better than earlier programs. This Act has become a role model for innovation in many areas of public service delivery. This has implications for the important debates on public services in rural areas.

Power of RTI displayed in MGNREGA: Transparency and accountability to the poorest and the weakest, is in fact the biggest potential contribution of the MGNREGA to the entire governance system. The MGNREGA is an outstanding example of how the RTI Act can be woven into the fabric of the delivery system and the whole legal and governance paradigm. The entire expenditure on works and workers — 94 per cent of the total amount — is required to be put on the website of the MGNREGA, with every transaction revealed in detail. This can easily be increased to 100 per cent.

Performance of Mgnrega: MGNREGA has generated 67.83 crore man days up to January 2015. In the financial year 2014- 15, 1094870 households were provided employment by generating 43369681 person days. Most of the expenditure is on wages. At present the average wage earned is Rs.190/- where as it was only Rs.65/- during the year 2006. Women work force participation under this scheme has increased to 46.59%. During the financial year 2014-15, 70330 works have been completed and 118155 works are in progress under MGNREGA.

Table-1 shows that out of the total 3486289 works taken up, only 592971 works have been completed and 2892748 works are still in progress from 2006-07 to 2014-15. The performance in terms of completed work is quite low Table-2 shows the employment provided to different categories from 2006-07 to 2014-15. The overall employment provided is 8098.1 lakhs. In the year 2009-10 maximum number of people got employed and the total number stood at 2740.50 lakhs. The minimum number of members got employed in the year 2014- 15 and the number stood at 144.96 lakhs. Among the total, 1070.38 lakh were SC category, 577.23 lakh were under ST category, 4769.45 were other category and remaining 2589.21 lakh were women got employed under MGNREGA.

Table-3 shows the details of person days generated from 2006- 07 to 2014-15. In total person days of 67.83 crores the

share of SC/ST category is 17.30 crore person days and women has generated 29.44 crore person days. During the year 2006-07 total person days generated was 2.22 crores and it has gone up to 20.04 crore person days in 2009-10. This is due to the introduction of scheme in all the districts of the State.

Year	Works started	Works completed	Works in progress
2006-07	18642	11004	7638
2007-08	26180	18040	8140
2008-09	96598	8446	88152
2009-10	519471	27919	491552
2010-11	391657	195430	195657
2011-12	326002	144029	181973
2012-13	311898	78359	233539
2013-14	544356	39414	504942
2014-15	1251485	70330	1181155
Total	3486289	3486289	2892748

Source: Karnataka State convergence plan, Department of RD and PR.

Table 1: Works completed during the period from 2006-07 to 2014-15

Year	SC	ST	Others	Women	Total
2006-07	73.37	45.18	319.25	112.2	550
2007-08	59.79	37.94	352.87	99.4	550
2008-09	79.89	39.88	167.84	145.03	432.64
2009-10	334.64	171.77	1497.02	737.07	2740.50
2010-11	177.4	102.72	817.75	505.08	1602.95
2011-12	109.84	58.02	531.68	321.32	1020.86
2012-13	104.89	55.63	461.40	287.59	909.51
2013-14	16.41	09.12	74.34	46.81	146.68
2014-15	114.15	56.97	547.3	334.71	144.96
Total	1070.38	577.23	4769.45	2589.21	8098.1

Source: www.mgnrega.nic.in

Table 2: Employment provided to different categories (in lakhs)

Year	Total person days generated (in crores)	Women (in crores)	SC/ST(in crores)	Average person days per family out of 100 days (No. Of days)
2006-07	2.22	1.12	1.08	41
2007-08	1.97	0.99	0.97	36
2008-09	2.88	1.45	1.19	32
2009-10	20.04	6.85	5.07	57
2010-11	10.98	4.91	2.80	48
2011-12	7.01	3.23	1.68	42
2012-13	6.21	2.87	1.60	46
2013-14	7.18	3.34	1.71	50
2014-15	9.34	4.68	1.20	41
Total	67.83	29.44	17.30	-

Source: www.mgnrega.nic.in

Table 3: Person days generated from 2006-07 to 2014-15

Year	Total funds available(in crores)	Total expenditure (in crores)	Percentage of utilization of funds
2006-07	341.31	248.30	73
2007-08	436.72	236.51	54
2008-09	727.33	373.61	51
2009-10	3407.30	2569.20	75

2010-11	2587.90	2116.29	82
2011-12	1957.01	1528.25	78
2012-13	1788.76	1456.86	81
2013-14	2192.94	2097.70	95
2014-15	1590.40	1222.78	77

Source: Rural Development and Panchayat Raj annual report
Table 4: Financial Performance of MGNREGA from 2006-07 to 2014-15

The above table shows the total fund availability during the year 2006-07 was Rs.341.31 crore and exceptionally high during the year 2009-10 it is Rs.3407.30 crore and in the year 2014-15 it is 1590.40 crores. Similarly the utilization of fund has increased from 248.30 crore in 2006-07 to 2569 crores in 2009-10. This is mainly due to the implementation of the scheme in all district of the state since 2008-09. However the total utilization has come down to Rs.1222.78 in 2014-15.

Unemployment allowance to the poor!: it is something unheard of in the history of India, But MGNREGA made this happen. MGNREGA has the provision of unemployment allowance if the work is not provided within 15 days. The MGNREGA has already recorded payments of Unemployment allowance to large numbers of workers in chronically poorly-administered Areas. It has happened when workers groups have got organized. The payment of unemployment allowance emanates from an administrative lapse, and is eventually deducted from the pocket of erring officials. It is not a freebie doled out of the government exchequer. Like the Right to Information Act, this has created an important mechanism for enforcing the right while holding the bureaucracy accountable. The successful payment of unemployment allowance — in Barwani District of Madhya Pradesh, Raichur of Karnataka, Bolangir, Navrangpur and Kalahandi of Orissa, Latehar in Jharkhand, Sitapur District of UP — has been a breakthrough in accountability, and an inspiration to other workers struggling for entitlements.

MGNREGA wages set the benchmark for the market: The wage rate, the measurement system, and the timely payment of wages have all become part of the entitlement package. Thanks to MGNREGA, minimum wages have, for the first time, become a real factor in determining the lower limit for market wages. There are many ongoing struggles for the payment of minimum wages; the MGNREGA shows the path! Wage payments through MGNREGA have initiated the biggest “financial inclusion” drive, with the requirement that all wage payments be made through banks and post offices. In fact, the project managers, the accountants, and the post offices have been unable to cope up with the sheer volume of work handling MGNREGA bank accounts. It resulted in compensation for delayed payment to the poor! It acquired a political overtone in Rajasthan during draught that woke up the lethargic bureaucracy to perform.

Financial inclusion: MGNREGA has done a remarkable job of including the poor in the financial system of the country. Of the millions of new bank accounts opened in the rural areas with zero balance requirements, 80-90 percent are those included in the financial network for the first time. This is a remarkable achievement although financial inclusion was not a stated objective of the program.

Marginalized and excluded communities are biggest gainers: In terms of participation of the marginalized sections

in the number of workdays created, more than 50% of total person days of employment generated has gone to SC and ST households.

Significant employment to women: Similarly, as against the stated objective of one-third of women's participation in total person days generated, the actual numbers have been close to 50%. An expected spill over has also been the rise in wages in almost all states since the initiation of the program. While there are other factors contributing to this rise, the role of MGNREGA can't be ignored.

Independent India has to acknowledge the critical role the MGNREGA has played in providing a measure of inclusive growth. It has given people a right to work, to reestablish the dignity of labor, to ensure people's economic and democratic rights and entitlements, to create labor intensive infrastructure and assets, and to build the human resource base of our country. The MGNREGA can give people an opportunity to make the entire system truly transparent and accountable. Properly supported, people's struggles for basic entitlements can, in turn, become the strongest political initiative to strengthen our democratic fabric.

IV. MAIN CHALLENGES BEFORE MGNREGA

Poor planning & administrative skill The representatives of the Central and State governments, as well as NGOs, reviewed the MGNREGA in the month of April, 2011. What emerged was the comment that the annual budget of Rs.40,000 crore could be better utilized with more effective planning. Thus far, the panchayats, barring those in Karnataka and, to some extent, in those in West Bengal, have no experience at all in planning large-scale programmes. Even the report by the Comptroller and Auditor General (CAG) has highlighted the lack of administrative capacity of the village panchayat members to run this scheme in a designed and decentralised manner

Lack of focus on objectives Though Schedule One of the MGNREG Act referred to conservation of natural resources such as rainwater, land, forests, this was not reflected in the works floated for the scheme. 3 under this scheme, contractors and machineries should not be used. But in some work places, contractors were allowed and machineries were involved. And the erring officials claim that the works were done as if they were completed by workers and not by machines

Inadequate manpower Another issue is the deficiency of adequate administrative and technical manpower at the Block and Grama Panchayat (GP) Levels, especially at the level of programme officer, technical assistants, and Employment Guarantee Assistant Level etc. The lack of manpower has adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of the stipulated records at the block and GP level. The CAG report points out that besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency

Discrimination MGNREGA has provided a unique opportunity to people from rural India to earn their own income without any discrimination of caste or gender. The most remarkable feature of MGNREGA is that it pays women

the same as men, something that was virtually unimaginable in Rural India. However, cases of discrimination against women and people from backward groups are reported from several regions of the country.⁵ Some states such as Kerala and Andhra Pradesh have registered high percentage of women workers getting enrolled in the scheme whereas others have registered a very low percentage of women availing benefit under MGNREGA. It has been reported that in some regions only a few job cards are issued when the applicants are women, or there are delays in the issue of cards. Women are sometimes told that manual labour under the MGNREGS is not meant for women and they could not participate in ongoing works as it entailed digging and removing soil. In some states, the powerful groups among the work force get large number of job cards

Corruption & irregularities Statistics clearly indicate that the poverty alleviation programmes have had a minimal effect on poverty levels in India due to corruption. The actual funds that reach the beneficiaries are very little compared to the funds allocated for welfare schemes. Former Prime Minister, Rajive Gandhi had once said that out of every 100 paisa allocated for public welfare only 14 paisa reaches the targeted people.⁶ Further concerns, include the fact that corruption of the local governments leads to the exclusion of specific sections of the society. Local governments have also been found to claim that more people have received job cards than people who actually work in order to generate more fund than needed, to be then embezzled by local officials. Bribes as high Rs.50 are paid in order to receive the job card. 7 A multi-crore fraud has also been suspected where people have been issued under the MGNREGS card who is either employed with another Government job and who are not even aware that they have a job card. There are several cases of fake muster roll entries, over writing, false names and irregularities in job cards. Even the names of dead people who have not registered often feature in the muster rolls.

Maoist insurgency Less than 9% of households in the 60 districts most affected by Maoist militancy found the required 100 days of employment under the country's rural jobs programme in the year ended 31 March. The National average of households that have completed 100 days under the job guarantee plan last fiscal was also poor at 10.1% compared with 8.8% in the districts hit by the Maoist insurgency. The percentage of women employed under the programme in the insurgency hit districts in the same period was 44% compared with the national average of 48%.⁸ The poor performance of the scheme in these areas has prompted the Rural Development Ministry to boost the implementation of social and economic development programmes in the 60 Integrated Action Plan (IAP) districts in nine states, including Orissa, Jharkhand, Chhattisgarh, Bihar and West Bengal.

V. CONCLUSION

Large scale social security programmes like MGNREGA are subjected to undergo several stumbling blocks. Government and NGOs must study the impact of MGNREGA in rural areas so as to ensure that this massive anti-poverty scheme is not getting diluted from its actual path and to see

that the disparity in terms of socio-economic condition among people in rural and urban areas is reduced to considerable extent MGNREGA has helped in enhancing the livelihood in rural areas by providing 100 days of guaranteed wage employment in each financial year to every household who volunteers to do unskilled manual work. It also helped in the creation of durable assets that can provide environmental services and sustainable livelihood; reduction in distress rural migration and work participation by women, SC, ST and disabled persons. MGNREGA helps in strengthening of gross root process of democracy.

REFERENCES

- [1] http://www.ijmra.us/project%20doc/IJPSS_JUNE2012/IJMRA-PSS1123.pdf
- [2] <http://www.gktoday.in/problems-with-mgnrega-scheme>
- [3] <http://odisha.gov.in/e-magazine/Orissareview/2013/Feb-Mar/engpdf/76-80.pdf>
- [4] A backgrounder to the NREGA, Natural Resource Management and Livelihood Unit, Centre for Science and Environment, October, 2007, New Delhi
- [5] Poverty line drawn by the Planning Commission of India based on consumption expenditure data of the National Sample Survey Organisation's 61st round of survey, 2007
- [6] A backgrounder to NREGA, CSE, 2007, New Delhi.
- [7] Harsimran Singh (2012). Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), IJRCEM.
- [8] Manjunatha S. (2013). The Role of Women Self Help Groups in Rural Development of Karnataka -State, Int. Res. J. Social Sci., 2(9), 23-25.
- [9] Umdor Sumarbin (2014). Social Audits of MGNREGA in Meghalaya, INDIA Int. Res. J. Social Sci., 3(4), 12-16.
- [10] N.Pani and C. Iyer (2011). Evaluation of the impact of Processes in the Mahatma Gandhi National Rural Employment Scheme in Karnataka, NIAS.
- [11] Prasanna V Salian and DS Leelavathi (2014). Implementation of Mahatma Gandhi National Rural Employment Guarantee Act in Karnataka: Issues and Challenges, JRD, NIRD, Hyderabad.
- [12] Mahatma Gandhi National Rural Employment Gurantee Act [www. nrega.nic.in](http://www.nrega.nic.in) (2015).