

Mahatma Gandhi National Rural Employment Gurantee Scheme - "A Right to Act"

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Abstract: *The Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA) represent a paradigm shift from other wage employment programme operating in India. It is a shift from 'programme to act', compared to the earlier programmes. It ensures the livelihood security of the poor households in rural areas by providing at least 100 days of guaranteed wage employment, to the adult members who are willing to do unskilled manual labour in every financial year. It is perhaps the largest and the most ambitious social security and public work programmes in the world. Though the achievements of MGNREGA have been impressive, there has been an issue with regard to its implementation. That needs to be recognized and addressed meaningfully. This paper tries to create full awareness about the scheme.*

Keywords: poverty, unemployment, MGNREGA, Key stakeholders, funding pattern

1. Introduction

In a rural agrarian labour surplus economy, sections of rural population depend on the wages they earn through unskilled, casual, manual labour. They are vulnerable to the possibility of sinking from chronic poverty in the event of inadequate labour demand. In the context poverty and unemployment workfares programmes have been become more important interventions in developed as well as developing countries. So the govt implemented workfare programmes that offered wage employment on public works on minimum wages. Noted programmes are CRSE, PIREP, SFDA, FWP, SGSY, MNP, IRDP etc...here much emphasis was given to IRDP. But it was not able to attain the expected results. However the govt of India designed a new strategy for providing employment to the rural people and consequently the NREGA was passed.

MGNREGA (Mahatma Gandhi National Rural Employment Gurantee Act)

The National Rural Employment Gurantee Act passed in the year 2005 and came in to force on 2nd February 2006 implemented in 200 backward districts of India with the aim of providing 100 days employment and thereby alleviating poverty and creating rural assets at a statutory minimum wage. It was renamed as Mahatma Gandhi National Rural Employment Gurantee Act by merging the two existing programmes, Sampoorna Grameen Rozgar Yojana and National Food for Work Programme. It is one of the largest right based social protection initiatives in the world. In 2007 it was extend to another 130 districts and with effect from 1st April 2008 the scheme came to applicable in all districts.

Permissible works under MGNREGA

| S. No | Type of Work | S. No | Type of work |
|-------|---------------------------------|-------|--------------------------------|
| | Watershed- related works | | Fisheries related works |

2. Objectives of the study

The main focus of the study is to create full awareness about the scheme, therefore the study has been made;

1. To explain the basic features of MGNREGA
2. To highlight the process, institutions and funding pattern of MGNREGA
3. To investigate the critical issues of MGNREGA

3. Methodology

The relevant data have been collected through secondary sources. Salient features of MGNREGA. The essential features of MGNREGA are

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|--|
| Adult members of a rural household willing to do unskilled manual work may apply for registration to the local Gram Panchayath |
| The registered household is issued a Job Card (JC) |
| The JC should be issued within 15 days of application |
| The JC holder may submit a written application for employment |
| Employment will be provided within 15 days of application other wise employment allowance to be paid |
| Work should be provided within 5 km radius of the village otherwise extra 10% wages are payable |
| Wages are to be paid according to the minimum wage act 1948 |
| At least one third of the beneficiaries shall be women |
| Worksite facilities are to be provided |
| Social audit has to done by Gram Sabha |
| Grievance redressal mechanism has to be put in place for ensuring a responsive implementation process. |

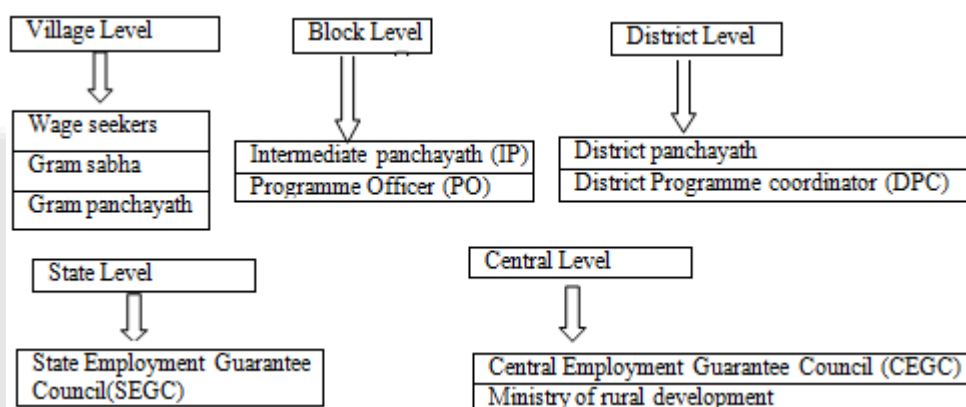
| | | | |
|----|--|----|---|
| 1 | Contour trenches | 18 | Fisheries on seasonal water bodies on public land |
| 2 | Contour bunds | 19 | Works on coastal areas |
| 3 | Boulder checks | 20 | Fish drying yards |
| 4 | Farm bunding | 21 | Belt vegetation |
| 5 | Gabion structures | | Construction of storm water drains for coastal areas |
| 6 | Underground dykes | | Rural drinking water related works |
| 7 | Earthen dams | 22 | Soak pits |
| 8 | Dugout farm ponds | 23 | Recharge pits |
| 9 | Stop dams | | Rural sanitation related works |
| 10 | Watershed related works in mountain regions | 24 | Individual household latrines |
| 11 | Springshed development | 25 | School toilet units |
| 12 | Agriculture related works | 26 | Anganavadi toilet |
| 13 | NADEP composting | 27 | Solid and liquid waste management |
| | Vermi-composting | 28 | Flood management related works |
| | Liquid bio-manures | 29 | Deepening and repair of flood channels |
| | Livestock related works | | Chaur renovation |
| 14 | Poultry shelter | 30 | Irrigation command related works |
| 15 | Goat shelter | | Rehabilitation of minors, sub minors and field channels |
| 16 | Construction of pucca (permanent) floor urine | | |
| 17 | Tankand fodder trough for cattle | | |
| | Azolla as cattle-feed suppliment. | | |

Source: MoRD, 'Report of the Committee on Revision fo MGNREGA Operational Guidelines', Ministry of Rural Development

4. Funding pattern of MGNREGA

The govt of India has established a fund called the national rural employment guarantee fund (NREGF), from which the grants are released directly to the district. Revolving funds are to be set up under NREGS at the district, block, and the Gram Panchayath levels with separate bank accounts being opened for such funds at each level. The MGNREGA is implemented as a centrally sponsored scheme on cost sharing basis between central and state govt. The central govt bears the following cost;

Key stakeholders of MGNREGA



5. Major challenges with MGNREGA

MGNREGA marks a radical change from the earlier wage employment programme. However there is no denying the fact that there have been many problems in infusing the system. The following are the major problems identified through many field studies:

- Lack of awareness about the provision of demanding work
- Inaccurate schedule of rate and delay in payment of wages

- The entire cost wages for unskilled manual workers,
 - 75% of cost of material and wages of skilled and semi-skilled workers,
 - Administrative expenses as may be determined by the central govt,
 - Administrative expenses of the Central Employment Guarantee Council.
- The share of State Govt-
- 25% of cost of material and wages of skilled and semi-skilled workers,
 - Unemployment allowances,
 - Administrative expenses of State Employment Gurantee Council (SEGC)

- Irregular flow of fund, Poor coverage/ networks of banks/ post office
- Inadequate staff and other institutional framework
- Worksite facilities are not available
- Poor maintenance of record, Illiterate workers, Low cash and time limit
- Non availability of Muster Rolls at worksite, Fake entries in Muster Rolls
- Use of contractor and machinery

- Payment to fictitious workers
- Frequency of social audit and there quality
- Ineffective grievance redressal system.

| | | | | |
|---|------|----|-----|---|
| % of payments Disbursed through EFMS | 38.3 | 26 | 0.9 | 0 |
| Performance since inception: Persondays Generated (In Cr.): 1680.54 Total expenditure(Rs.In Cr.): 250664.44 | | | | |

Source: <http://nrega.nic.in/netnrega/home.aspx>

Recent initiative to strengthen MGNREGA

The following are the reforms taken up by the govt of India;

- List of permissible work expanded,
- Ensuring demand based character
- Effective planning and strict time schedule
- Reducing delays in wage payment and strengthening MIS
- Equal Opportunity for weaker group and facilitation
- Better social audit, performance audit and vigilance

MGNREGA at a glance

| | FY 2014-2015 | FY 2013-2014 | FY 2012-2013 | FY 2011-2012 | |
|---|--|--------------|--------------|--------------|---------|
| Total no of Districts | 645 | 644 | 636 | 635 | |
| Total No. of Blocks | 6601 | 6576 | 6568 | 6378 | |
| Total No. of GPs | 247643 | 247643 | 247643 | 247643 | |
| Total no of Villages | 778134 | 778134 | 778134 | 778133 | |
| Total No. of HH Registered(In) | 13 | 13.3 | 13.2 | 12.6 | |
| Total No. of Workers in Job Card(In Cr) | 28.9 | 29.5 | 29.3 | 27.8 | |
| Number of GPs with NIL exp | 110474 | 26092 | 26190 | 25389 | |
| Number of Ongoing Works(In Lakhs) | 72.9 | 72 | 79.1 | 53.2 | |
| Total No. of Works Takenup (New+Spill Over)(In lakhs) | 74.1 | 93.8 | 104.6 | 80.8 | |
| Total Exp(In Cr) | Wages(Rs. In Cr.) | 4655 | 26592.9 | 27152.8 | 24306.2 |
| | Material and skilled Wages(Rs. In Cr.) | 1252.9 | 9607.2 | 10430 | 10650.5 |
| | Adm Exp: | | | | |
| | GP Level | 6.4 | 224.7 | 307.6 | 301.8 |
| | Block Level | 124.1 | 1329.7 | 1330.1 | 1191.7 |
| | District Level | 35 | 593.6 | 482 | 514.4 |
| | State Level | 21.855 | 200.166 | 32.936 | 108.055 |
| | Total Adm | 187.3 | 2348.2 | 2152.7 | 2116 |
| Total Exp(Rs. in Cr.) | 6095.2 | 38548.3 | 39735.4 | 37072.7 | |
| Labour Vs | Labour Vs | 78.8 | 73.5 | 72.2 | 69.5 |
| | Admin Exp(%) | 3.1 | 6.1 | 5.4 | 5.7 |
| Wage Employment Provided (in lakhs) | Households | 121.4 | 478.1 | 498.9 | 506.4 |
| | Individuals | 173 | 736.2 | 797.3 | 820 |
| | Men | 71 | 383.3 | 422.1 | 446.6 |
| | Women | 101.9 | 352.9 | 375.3 | 373.3 |
| | SCs | 38.6 | 167.3 | 181.7 | 185 |
| | STs | 30.1 | 129.4 | 142.9 | 147.4 |
| | Persons with Disability | 1.6 | 4.8 | 4.6 | 4 |
| Person days(In Cr) | Total as per LB | 227 | 258.6 | 278.7 | 199.6 |
| | Persondays Generated so far | 20.5 | 219.7 | 230.5 | 218.8 |
| | % of Total LB | 9 | 85 | 82.7 | 109.6 |
| | % as per Proportionate LB | 42.3 | | | |
| | SC persondays | 4.4 | 49.6 | 51.2 | 48.5 |
| ST persondays | 3.5 | 37.9 | 41 | 40.9 | |
| Average Wage rate per day per person | 130.5 | 132.7 | 121.4 | 114.5 | |
| Average days of employment provided per Household | 16.9 | 46 | 46.2 | 43.2 | |
| Total No of HHs completed 100 Days of Wage Employment(In Lakhs) | 0.1 | 46.4 | 51.7 | 41.7 | |
| % payments generated within 15 days | 72.9 | 50.7 | 63 | 57.8 | |

6. Conclusion

The demand driven approach of NREGA marks a paradigm shift from the previous wage programme. It has turned as a significant vehicle for strengthening decentralization and increasing outreach to the poor. For developing rural economy the programme is definitely a boon but it needs to be metamorphosed from short term job provider to long-term sustainable livelihood and society based on equity. Effective levels of awareness and sustained public initiatives are crucial to ensure that the implementation problems are not only addressed but also resolved and the objectives are met.

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