

GEO-A-SEC-B-4-03-TH-TOPIC -3

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

(MGNREGA)

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at enhancing the livelihood security of people in rural areas by guaranteeing 100 days of wage employment in a financial year to rural household whose adult members volunteer to do unskilled manual work. It was implemented all over India in 2005 with a welfare approach. MGNREGA is considered the first Act in its type which is more comprehensive in nature. It mainly provides right to demand work and earn wages for their livelihood. It would be considered successful only when deprived, scheduled caste, scheduled tribe, women, and the disables included in the programme got their benefits as declared in the provisions of the constitution. The success of the MGNREGA is much of a hope for the civil society fighting for the rights of the poor. It would be however a critique of the development state if it fails to achieve its goals and deliver what it aims to through its provisions.

A long standing struggle of social activists demanding right to life resulted in the first round of success through the enactment of MGNREGA. The Act was passed on 5th September, 2005 and came into force in February, 2006. The MGNREGS got launched in the 200 poorest and backward districts of 27 states of India. The programme is seen as a significant opportunity by the government as well as civil society organizations to transform rural economy in selected districts/ states as it guarantees 100 days employment per family and provides adequate resources for the improvement of infrastructure including productive assets of the village. The initial three quarters since operationalization of the programme have been invested not only in building systems and procedures but also in developing operational details. Further, many states have moved towards effectively implementing the programme and generating employment for the poor families. The process of implementation has therefore generated ground level data at the household, village, and panchayat levels about the initial bottlenecks and operational hurdles.

OBJECTIVES OF MGNREGS:

The primary objective of this act is to provide minimum livelihood security to rural households. The act states the purpose as:

To provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work....' (Gazette of India, 2006)

The other objectives of the act include reduction in distress migration from the rural to urban areas and from one part to another part of the rural areas; creation of durable assets in rural areas; invigorating civic and community life, strengthening of decentralized and participatory development process through panchayat raj institution (PRIs) as they have been entrusted to formulate, implement and monitor the scheme; empowerment of rural women through increased earning opportunity and participation in community development process; overall development of the rural economy; promotion of inclusive growth and development and to create multiplier effects on the economy.

BASIC FEATURES OF MGNREGS:

To achieve these objectives, the MGNREGS contains new provisions, which were not part of the erstwhile employment generation and public work programmes.

1. While the other employment programmes owe their origins to executive orders, MGNREGS originates from an act of Parliament that gives it legal-constitutional superiority over its predecessors.

2. It is irreversible and can be terminated only by another act of Parliament.

3. It aims more at guaranteeing minimum livelihood security than removing rural poverty or other development objectives.

4. Its overall thrust is entitlement and, hence, the provisions like minimum wages, worksite facilities, and mandatory participation of female workers (one third of the total).

5. It is the first major experiment in at least partially decentralized planning; monitoring and implementation through PRIs across states.

1. Hundred days of wage employment at prescribed minimum wages (not less than 60 and has been raised to 100) to all rural households with a provision to give priority to women workers in the ratio of one third of the total workers;

2. Self-selection and demand-based employment

3. Unemployment allowances in case of the inability of the implementing agency to provide job on demand;
4. Providing fund is a legal obligation and not restricted to budgetary allocations;
5. 60 percent of the project cost to be spent on the wages of unskilled workers and 40 percent on the wages of skilled and semi-skilled workers and materials;
6. Centre funding 100 percent of the wage cost and 75 percent of the material and wage cost of skilled and semi-skilled workers;
7. Non-lapsable corpus of fund, unlike other budgetary allocations;
8. Emphasis on the works of water conservation and harvesting;
9. Institutions of local self-governance (PRIs) are the principal agencies for planning, implementation and monitoring of the works;
10. Social auditing to enforce transparency and accountability;
11. Workers' entitlement to four facilities at worksite: (a) drinking water, (b) shelter, (c) first aid and (d) creche for children of female workers, who are below six years of age;
12. No contractors and, as far as possible, no use of machines;

MGNREGA Focuses on Eight Categories of Work

1. Water conservation and water harvesting, new tanks, ponds and check dams.
2. Drought proofing including afforestation and tree plantation.
3. Irrigation canals including micro and minor irrigation works.
4. Provision of irrigation facilities to land owned by households belonging to SCs and STs, beneficiaries of land reforms, or beneficiaries of Indira Awas Yojna.
5. Renovation of traditional (existing) water bodies including de-silting of tanks.
6. Land development including plantation, land leveling.
7. Flood control and Protection works including drainage in water logged areas.
8. Rural connectivity to provide all weather access.

ADVANTAGES OF MGNREGS:

- **Employment Generation:** This scheme was started with basic objective of providing employment opportunity to those who are unskilled belongs to BPL families. Research studies suggested that, MGNREGA in financial year 2011-12 provide 209 crore person-days to nearly 5 crore households with it from financial year 2006 upto financial year 2011-12 over 110700 crore under MGNREGA has been spent on worker wages.
- **Source of Income:** MGNREGA makes positive impact on employment and income opportunities. Beneficiaries in rural areas not only get employment opportunity but also have some extra income. Study report of some district proves that MGNREGA has share in the income of the poor, like in Andhra Pradesh it has highest share about 17 percent, in Rajasthan 10 percent and in Maharashtra it was 7 percent.
- **Community Asset creations:** MGNREGA is the scheme which not only employed people but also develops assets in the society or in the villages. Assets like- irrigation canals, all weather roads, water tanks, water conservation and water harvesting, flood control and protection, renovation of traditional water bodies, land development etc. will be created through this labour in the vicinity of villages. Survey conducted by the National sample Survey Office (NSSO) IN Andhra Pradesh, Madhya Pradesh and Rajasthan; it was found that around 99 percent of rural households in Rajasthan, 82 percent in Madhya Pradesh and 64 percent in Andhra Pradesh were using the assets created through MGNREGA works.
- **Gender and Social empowerment:** It is the basic requirement of time to empower rural women for better development of rural society. In this context MGNREGA made efforts with easy access to work, equal wages norm, decent working conditions and decentralization of power by involving them in decision making process. A report says that from financial year 2006-07 up to financial year 2011-12 around 53000 crore have been spent on wages for women and around 47 percent of the total person days generated by women. Interstate comparison proves that Kerala has the highest women participation at 93 percent while Uttar Pradesh and Jammu and Kashmir showed low

levels of women participation at 18 percent and 17 percent respectively.(Source: MGNREGA Sameeksha, Ministry of Rural development, Government of India, 2012). The survey said that percentage share of employment availed by women under MGNREGS was 40 percent during 2006-07, 43 percent in 2007-08, 48 percent in 2008-09, 2009-10 and also in 2010-11. Hence the percentage of women beneficiary under MGNREGA has been much higher than provided under the Act (i.e. 33 percent of total employment). This shows increasing contribution of women in work provided under MGNREGA. This effort not only increases the income level but also change the social attitude of women and men towards the society.

- ***Better Access to Financial Institutions and to Credit:*** The transfer of funds through bank account makes bank account compulsory for all to receive their income. Due to this step of government rural people reach more near to bank. Such an effort provides benefit to the society in two ways-first, removal of intermediaries who were working as financial helper(other than financial institutions) to the rural people no people take credit directly from financial institutions and second people now have some surplus money in the form of savings.
- ***Reduction in Migration:*** Employment provide under MGNREGA near home, with better working conditions, better wages, development of rural assets, the opportunity cost of time are some better aspects, which reduce large scale migration of rural unskilled people towards urban areas. Study across 12 districts of Gujarat, Madhya Pradesh, Maharashtra and Rajasthan found that out of 938 beneficiaries, 55 percent felt that migration had been reduced in their families.
- ***Other Benefits:*** Other benefits under MGNREGA are land development by improving irrigational facilities and better infrastructural facilities, availability of water through renovation of traditional water bodies and water conservation, with better drainage system removal of flood, improvement in ground water, improvement in soil quality etc.

DISADVANTAGES OF MGNREGS:

- **Temporary Employment Scheme:** MGNREGA is a temporary employment scheme which assures employment for only 100 days not for whole year or for sustained livelihood. It creates social unrest among rural people which results large scale migration of people from rural areas to urban areas in search of better livelihood.
- **Insufficient Income for Family Requirements:** The income generated under MGNREGA is too small i.e. Rs. 120 per day. That means 12000 for whole year, how will a person who doesn't have other kind of work will survive for rest of the days in the year. Second most of the posts under it are not permanent, which create a distrust and results absence of workers.
- **Irregularities in the Payment:** Under MGNREGA it was also observed that the payment made to workers for their work is not according to the decided criteria, they received half or no payment for their work. Sometime the village representative provides the work to the villagers on cooperative basis i.e. no payment for the work done by them.
- **Poor quality of Construction:** Completed work under MGNREGA is not up to the mark and the completed work is also of poor quality which is washed away during rainy season. The statement in this context gives clear picture- It is also due to the reason because there is no proper monitoring of projects which increase corruption. Another important criticism is the poor quality of public works schemes' completed product. In a February 2012 interview, Jairam Ramesh, the Minister of Rural Development for the central government of India, admitted that the roads and irrigation canals built by unskilled labour under this programme are of very poor quality and wash away with any significant rains.
- **Corruption and Inefficiency:** It is also observed that corruption involves in MGNREGA from top to bottom the CAG (Comptroller and Auditor General) reports proves the corruption and inefficiency of states.

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