

The Impact of Mahatma Gandhi National Rural Employment Guarantee Scheme in India: An overview

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Abstract

Since independence, one of the major challenges faced by successive governments of India has been the provision of adequate remunerative employment to the vast majority of rural workers who are unemployed or, more commonly underemployed in meager subsistence livelihood activities. The Indian Constitution addressed the issue in the Directive Principles of State Policy that according to Article 39, the state must ensure that “citizens, men and women equally, have the right to an adequate means of livelihood” and Article 41 decrees that “the state, shall within the limits of its economic capacity and development, make effective provision for securing Right to Work....” In the first three decades of planning, from the 1950s to the early 1980s, employment growth was seen as incumbent upon faster economic growth. However growth in these decades was too low to absorb the growing labor force. Though there was rising unemployment, the right to guaranteed work did not emerge as a policy priority because of the resource constraints associated with the slow growing economy. However, from time to time the government of India did undertake public works related wage employment programs since the 1960s. These programs were mostly ad-hoc in nature, had limited impact on the generation of employment, and lacked proper planning in relation to the creation of assets. As a result, most, assets created were of poor quality and often suffered from poor maintenance. These programs did not make any lasting impact either on rural unemployment or in improving rural resources. By experiencing all these problem of unemployment in India, now government has introduced Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) to improve the employment opportunities particularly for rural people. This Article deals with the impact of MGNREGA scheme in rural India.

Keywords: Adequate Employment, Indian Constitution, Directive Principles of State Policy, Rural India and Mahatma Gandhi National Rural Employment Guarantee Scheme.

Introduction

Beginning with the initiation of economic reforms in 1991, a structural shift has taken place in development strategy towards market driven growth. The reforms did bring about accelerated growth in GDP in the 1990s (6.7%) compared to the 1980s (5.2%) or the much slower growth in the earlier decades. However, there was a deceleration in the rate of growth of employment in the 1990s (1.07%) compared to the 1980s (2.7%). There was actually an increase in unemployment and underemployment and much of what little growth was witnessed was in the informal sector, with formal employment in the private sector stagnating and in the public sector declining. The trickle down that was anticipated did not

occur. On the contrary, the rate of decline in poverty decelerated and inequalities increased. There was extensive exclusion of marginalized groups and marginalization of large sections, especially small and marginal farmers due to declining state support measures and exposure to the volatility of market fluctuations. The widespread crisis in agriculture that ensued was marked by the suicides of farmers and distress migration for employment. Of the several public demands, employment creation as a part of the growth process was widely discussed and 'right to work' emerged as an important political agenda. The National Rural Employment Guarantee Act 2005 came into force on 2 February 2006 and was implemented in phases. In the first phase, it was introduced in 200 of the most backward districts. Beginning with 1 April 2007, the second phase brought another 130 districts under its fold. The third phase followed in quick succession, and was launched on 28 September 2007 by extending the Act to the remaining 285 districts. Since then the MGNREGA Scheme has been in operation in all the 615 rural districts of India.

Salient Features of MGNREGA programme

MGNREGA is based on the twin principles of universality and self-selection. It offers the legal right to work at a specified minimum wage. For those who request it work is provided within 15 days of applying. Because of its universal nature the program also eliminates targeting errors. With a people-centered, demand-driven architecture, completely different from the earlier rural employment programs, MGNREGA is expected to augment the intensity of employment in the widespread underemployment conditions of rural India. The process of implementation involves undertaking rural resource development work executed by the Panchayat without engaging contractors or machinery, and community involvement in the form of planning and social audit. It is also expected to improve participation, transparency and accountability, and reduce, if not eliminate, corruption and malpractices associated with earlier public works programs.

Objectives of MGNREGA Act 2005

MGNREGA aims at enhancing the livelihood security of the people in rural areas by guaranteeing hundred days of wage employment in a financial year, to a rural household whose members volunteer to do unskilled manual work. The act also seeks to create durable assets to augment land and water resources as well as rural connectivity and strengthen the livelihood resource base of the rural poor.

Salient Features of the Act 2005

1. Provision of unskilled manual employment to adult members of a rural household for up to one hundred days in a financial year.
2. Employment to be given within 15 days of application for work.
3. In case employment is not provided within 15 days, daily unemployment allowance in cash is to be paid. Liability of payment of unemployment allowance is of the States.
4. At least one-third of persons to whom work is allotted are to be women.
5. Disbursement of assured minimum wages has to be done on a weekly basis and not beyond a fortnight.
6. Panchayat Raj Institutions (PRIs) have a principal role in planning and implementation.
7. Each district has to prepare a shelf of projects. These are to be selected from the list of permissible works. Categories of permissible works are as follows:

- Water conservation and water harvesting
- Drought proofing (including plantation and afforestation)
- Irrigation canals including micro and minor irrigation works
- Flood control and protection works
- Minor irrigation, horticulture and land development on the land of SC/ST/BPL/IAY and land reform beneficiaries
- Renovation of traditional water bodies including desalting of tanks
- Land development
- Rural connectivity
- Any other work notified by the Central Government in consultation with the State government.

The shelf of projects has to be prepared on the basis of priority assigned by the Gram Sabha. At least 50% of the works are to be allotted to Gram Panchayats for execution. A 60:40 wage and material ratio has to be maintained. Contractors and use of labor displacing machinery are prohibited.

8. Work should ordinarily be provided within a 5 km radius of the village or else extra wages of 10% are payable.
9. Work site facilities such as crèche, drinking water and shade have to be provided.
10. Social Audit has to be done by the Gram Sabha at least once in every six months.

Funding of the Programme

The Central Government bears the costs on the following items:

1. The entire cost of wages of unskilled manual workers.
2. 75% of the cost of material, wages of skilled and semi-skilled workers.
3. Administrative expenses as may be determined by the Central Government, which will include, inter alia, the salary and allowances of the Program Officer and his supporting staff and work site facilities.
4. Expenses of the Central Employment Guarantee Council.

The State Government bears the costs on the following items:

1. 25% of the cost of material, wages of skilled and semi-skilled workers.
2. Unemployment allowance payable in case the State Government cannot provide wage employment on time.
3. Administrative expenses of the State Employment Guarantee Council.

Its achievements:

MGNREGA sets new records on the number of working days generated and the number of households benefiting under it, a month has seen large scale reverse migration from cities. Last year, according to government figures, 417.7 million people-works, a 13% increase from a year earlier. The number of families covered under the scheme rose by 31% to 28 million last month. This is the highest since the launch of the scheme 15 years ago. Experts said that if this trend continued for a long time, it would increase inflation by increasing wages in the regions. Challenging the government to maintain the employment guarantee scheme in the long run with the current demand is also possible. Rural expert said the programme had the potential to absorb as many people and create assets in rural India but the cost of doing it would be huge. The government has increased the allocation for the scheme by Rupees

40,000 crore out of the Rupees 61,500 crore approved in the budget 2020- 2021, which is more than Rupees 1 lakh crore since its rollout in 2005.

Effects of MGNREGA scheme on environment

Under MGNREGA, providing employment in rural areas without damaging the environment and improving the balance of the environment is most important. Therefore, MNREGA is not based on development but on the concept of sustainable development. The objective of MGNREGA is to do rural development without damaging the environment, So that clean and pure environment can be achieved and problems arising due to environmental balance can be overcome. The main objective of MGNREGA is to ensure employment in rural areas. But under this, well-being implementation of the project does not cause any harm to the environment along with development and creation of employment. The demand of water is increasing day by day for the production of food grains, industrial development and to meet the domestic needs. Without water supply, production work is impossible but along with development excessive a huge problem of drinking water. Due to continuous exploitation of ground water and not enough amount of rainwater to be absorbed in to the land, the water level in the land is decreasing due to water related imbalance. Water conservation project has been included under MGNREGA. Along with this, emphasis has also been laid on the accumulation of essential water which is washed away in vain during the rainy season with this dams, ponds, canals, etc. Water harvesting and environment balance can be maintained.

Economic empowerment of women

In India since independence, there has been continuous effort at the government and non-government level for the welfare of women. In view of the weak position of women in education, health status, economic participation, legal knowledge of rural women, programs such as women empowerment are conducted in rural areas. The main objective of their programs is to make rural women, especially socially economically backward and disadvantaged women, that she can stand up against social customs and protect her existence. One of these programs is “MGNREGA”. In order to make women financially stronger, the government of India has enacted a law to provide 100 days of employment to every family in the under MGNREGA, under which there is a provision to provide 50 percent employment opportunities to women. Most of the women have been benefited through this scheme so that the objective of women empowerment can be fulfilled. The agriculture sector has an important role to play in growing population and labor force. In such a situation, MGNREGA has proved to be a milestone in the village. Under the MGNREGA, the panchayats have been instructed to provide employment to the unemployed family on non-arable land, fallow land and arable wasteland. So that the unemployment of the village can be eradicated by allocating these lands to women as per rules and for a certain time. Under the MNREGA, women have been engaged in the development of small irrigation projects in various panchayats so that if the water is collected in the villages then the farming work can be possible. Priority has been given to these works under MGNREGA. Along with this women are also given information about advanced varieties of crops, new techniques of growing vegetable.

Performance of Mahatma Gandhi National Rural Employment Guarantee Scheme in India

Over the years, MGNREGS has delivered the largest employment programme in human history, which is unlike any other in its scale, architecture and thrust. It has been a bottom-up, people centered,

demand-driven, self-selecting, rights-based design is new and unprecedented. Never have in such a short period so many crores of poor people benefited from a Government programme.

Financial Inclusion

To ensure transparency in the deliverance of wages to the MGNREGS beneficiaries and to reduce chances of misappropriation by the middle men in the process of wage payment, the Government of India authorized that all MGNREGS wage payment should be made through banks and post office accounts directly in the accounts of the beneficiaries. As a result, nearly 8.6 million accounts have been opened and around 80 percent of payments have been carried out through these means. In this way, the scheme has brought much improvement in the financial and social security provision of the rural sectors. If year wise report is examined in 2008, 27.1 million bank accounts were opened in the rural areas with zero balance requirements for wage payments under the scheme. As much as 7, 06 million bank accounts and 3.22 million post office accounts have been opened in 2014-2015, and in the FY 2015-16, 7.30 million and 3.30 million bank and post office accounts have been opened.

Almost 80-90% of the rural people have been for the first time being included in the financial network of the country. Though financial inclusion was not one of the many provisions of the scheme, but still the scheme has assumed achievement in it.

Inclusive Growth

Mahatma Gandhi National Rural Employment Guarantee Scheme has been a self targeted programme, targeting the rural poor in general, and the marginalized groups in particular. The trends in the participation of marginalized groups have been remarkable. The share of participation of marginalized sections namely, the Scheduled Castes (ST), Scheduled Tribes (ST) and Other Backward Classes (OBC) in the number of workdays created at the national level has been as high as 40 to 60 per cent across each of the years of the Scheme's implementation.

Surveys conducted in 2008, reveals the majority of the schemes beneficiaries belonging to the disadvantaged sections of the society. In FY 2011-12, 40 per cent of the total person-days of employment were provided to SCs and STs as according. In the case of both SCs and STs, the participation rate exceeds their share in the total population. In the FY 2014-15, out of 1.55 million total numbers of person-days worked by households, 34 crore were the total person-days worked by Scheduled Castes and 26 crore were the total person-days worked by the Scheduled Tribes. According to the FY 2015-16, out of 1.44 million total numbers of person-days worked by households, 33 crore were the total person days worked by Scheduled Castes and 24 crore were the total person-days worked by the Scheduled Tribes.

Further the works done in private lands of the marginalized since 2011-2012 indicates 20 lakh individuals benefiting under this category. There has hardly been any development programme that involves SC's and ST's participation without any reservation or quota. Clearly, the scheme has acted as a powerful tool of economic redistribution, social equity and has in fact become a positive indication for the country. The Scheme also provides an alternative source of income for rural laborers, raising the reservation wage and implicitly offering laborers bargaining powers in an otherwise inequitable rural labor market. The Scheme has provided laborers (particularly those who are in debt bondage or contract labor with a dignified choice of work). MGNREGS has also reduced distress migration from traditionally migration-intensive areas.

Women Empowerment

As a rural wage employment programme the Mahatma Gandhi National Rural Employment Guarantee Scheme mandates that a minimum of one-third of the beneficiaries are women who have registered and have requested for work. This offers a unique opportunity for the rural women who rarely get a chance to earn their income. At the national level, the participation of women in the Scheme has surpassed the statutory minimum requirement of 33 percent. With 40 percent of total person-days worked by women in the financial year 2006 to 2007, to 43 percent in the year 2007-2008 and 55 percent beneficiaries as women in 2013-14, around Rs 62,000 crore have been spent on wages for women. Their participation under the Scheme has been much higher than in all other forms of recorded work as the scheme creates a decent and favorable working condition. As the scheme stipulates a work of within 5 kilometers of the village where the job applicant resides makes women participation broader and who would have otherwise remained unemployed or underemployed.

With an increased rate of participation and large amounts being spent on wages for women, suggest a positive impact of the Scheme on the economic well-being of women. The Scheme has also led to gender parity in wages. The NSSO 66th Round indicated that MGNREGA has reduced traditional wage discrimination in public works. Access to economic resources has also had a favorable impact on the social status of women, for example, women have a greater say in the way the money is spent in households.

However, there have been differences in women's participation all over India. There has been a higher participation of women from the southern Indian states compared to the northern states. The southern states, like Kerala and Tamil Nadu, show a higher rate of participation in MGNREGA as compared to their overall work participation in all recorded works. Among the northern and some eastern states, however, the pattern has been different with proportionately fewer women working in the Scheme than in other rural work with Rajasthan is the only exception. These gaps are especially marked in Punjab and Jammu and Kashmir, where women participation in Mahatma Gandhi National Rural Employment Guarantee Scheme are low. Some of the possible factors responsible for a high rate of participation of women in few states of India are due to;

- 1. Social factors:** Culture plays a dominant role in defining a women's place in the society. A more egalitarian kinship structure is found in some states of India particularly the southern India while the communities in the north are patrilineal in structure. Thus, cultural acceptance of female participation in various political, social and economic spaces leads to higher women participation in the scheme.
- 2. Economic factors:** An abundant supply of female workers in the labor market is another reason why women participate and get empowered. The private sector pays women Rs 40 to Rs 100 for a day's work in agriculture while men earn Rs 250 to Rs 500 a day in the agricultural and construction sectors. In contrast, under MGNREGS, the wages ranged from Rs 60 to Rs 80 a day, for both men and women in 2006 and in 2014-15 from Rs 150 to Rs 169. As a result, most men prefer private sector employment. While women earn less in private sector agriculture, they prefer MGNREGS.
- 3. Institutional factors:** The presence of effective institutions at the state and local government level are factors promoting female participation in MGNREGS. The provision of the Act to provide worksite services like crèches have made a significant impact on women's participation. The absence of contractor from the worksite is another institutional factor that has led to favorable women's participation.

- 4. Civil societal factors:** The influence of numerous, active women's self-help groups (SHGs) also have an impact on women empowerment. The role of community-based organizations and Self-Help Groups has been important in mobilizing and organizing the poor women to increase their participation.

Conclusion:

MGNREGA is an important step towards realizing employment right. Economic and social infrastructures have been developed in rural areas through this initiative made by Government of India. Due to which people are getting regular employment opportunities. Also it mainly deals with problems like dry forest destruction, land erosion due to which poverty is spreading on a large scale. With the proper implementation of this law, the geographical map of poverty has been changed by employment. Under the MGNREGA, an attempt has been made to make the employment so that people can be saved from the rural of law and do not be exploited.

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