

The Assessment of Role of MGNREGA in Rural Development of India

Tripurari Kumar

PhD Research Scholar, Department of Economics, BBMK University, Dhanbad

Dr. Dewendra Prasad

Assistant Professor, Department of Economics, P.K.Roy Memorial College, Dhanbad

Abstract:

A nation cannot be developed without development of its rural economy. Negligence of Rural development has catastrophic impact on development of a nation. It can be firmly argued that without the development of rural areas India can never prosper. Only the socio-economic betterment of people living in Rural India can bring real development. National Rural Employment Guarantee Act (NREGA) which was brought in by legislation on 25th August 2005 and later renamed as Mahatma Gandhi National Rural Employment Guarantee Act on 2nd October 2009 aims at removing the extent of extreme poverty and also on creating assets in Rural India. It was enacted to provide meaningful employment in a right based manner, to check migration and to build rural infrastructure. The scheme also gives legal right of 100 days of employment to any rural household on their demand of work. In the recent times of Global Pandemic of Covid-19 MGNREGA has played a pivotal role in providing bread and butter to large number of households in rural areas of India. In this research paper we will try to find out the impact of MGNREGA in rural development in the recent times. The proposed research will also provide important suggestions to make this scheme more fruitful, powerful and valuable.

Key words: Rural Development, MGNREGA, Employment, Poverty, Infrastructure, Asset Creation

Corresponding Author- *Tripurari Kumar*, PhD Research Scholar, Department of Economics, BBMK University, Dhanbad email; *tps223@gmail.com*

Introduction

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) enacted by legislation on 25th August 2005 is an employment guarantee scheme. United Progressive Alliance (UPA) government brought National Rural Employment Programme by a legislation which was later renamed as MGNREGA. MGNREGA is a Social Security Employment Act which gives guarantee of employment to rural households. MGNREGA gives guarantee of minimum 100 days of employment to

those who are willing to work. The Authorities are responsible to give the persons willing to take up the employment within 15 days, otherwise they are entitled for unemployment allowance. MGNREGA is one of the major flagship programme of poverty eradication, employment generation and asset creation. This scheme was brought in to enhance the livelihood security of poor households mainly. MGNREGA was promoted by Man Mohan Singh and has been continued by Narendra Modi led Government. The Budget of 2020 allocated Rs 61,500 crore for the aforementioned scheme. After the outbreak of Covid-19 this scheme has played a central role in giving employment to rural households. This scheme has become a ray of hope for work in the villages. After India's Strict Lockdown nearly 100 million migrant workers were forced to move forced to move to their villages. This has increased the importance of MGNREGA in these testing times. India's economy has shrank by nearly 25 percent in the second quarter. It has come at a time when the sectors of construction and manufacturing were already ailing.

The MGNREGA gives wages to rural employees against work done for the development of rural areas the various kinds of works for the economic development of rural areas are done through MGNREGA are as follows.

1. Water Conservation and water harvesting.
2. Drought proofing, including afforestation and tree plantation.
3. Irrigation canals including micro and minor irrigation works.
4. Irrigation facilities for landowners by households belonging to SC/ST or to land of beneficiaries of the INDIRA AWAAS YOJANA.
5. Renovation of traditional water bodies, including de- sitting of tanks.
6. Land development
7. Flood control and protection of works, including drainage of water-logged areas.
8. Rural connectivity to provide all weather roads.
9. Any other work, which may be notified by the Central government in consultation with the state governments.

By these development works the MGNREGA has played main role in infrastructure development in rural areas of India. There is a considerable and visible change in development in rural areas of India by MGNREGA like the development of roads, development of irrigation canals, development of housing in rural areas etc.

The most significant and unique fact about MGNREGA is that it has given a fair opportunity to people from rural India to get their own income without any discrimination of caste, Religion, gender and Sex. Most remarkable feature of NREGA is that it paves the way for equal pay to women the same as men, something that was nearly unimaginable in rural India some time before.

Objective of the Paper

1. To analyze the importance of MGNREGA in Rural Development in recent times
2. To analyze the importance of MGNREGA in Employment Generation
3. To analyze the role of MGNREGA in asset Creation and Rural Infrastructure

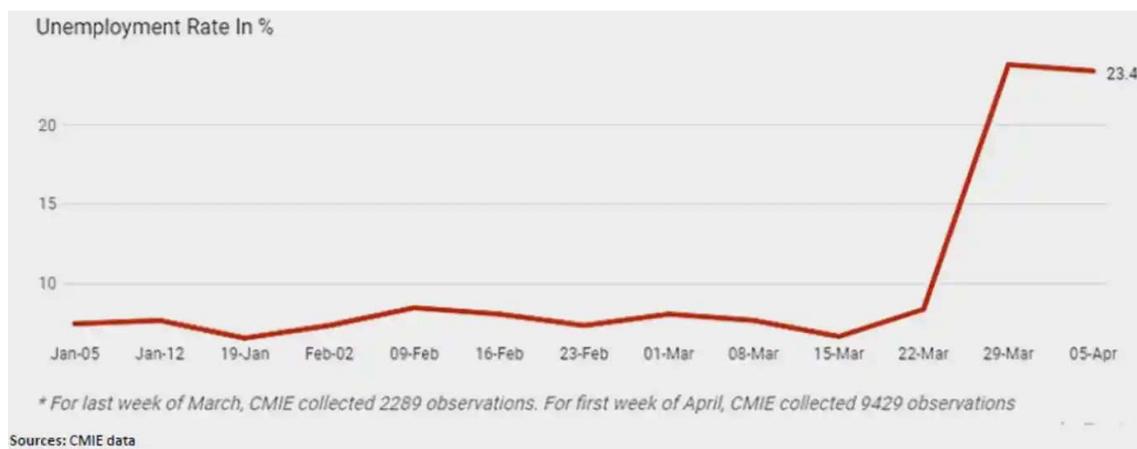
Research Methodology

The Research paper is based on secondary source of Data. The data has been collected through News Articles, Magazines, Journals, Reports etc.

Role of MGNREGA in Rural Development

Because of Covid-19 , India is up to huge challenge of unemployment and reverse migration.

Migrant Labourers have headed back to their native villages in the faith of sustaining themselves better than they would have been able to manage in the more hostile living conditions of host locations where there were limited work opportunities left due to this Pandemic. Mostly these migrants are daily wage labourers and negligible amount of work opportunities in high cost of living urban areas made it difficult for them to sustain themselves in these difficult times. The uncertainty about the normalization of Situation left them with the no choice but to return their homes.



The above graphics clearly depicts that unemployment rate in India has risen dangerously in recent times and Hence MGNREGA has acquired the attention in providing employment to vulnerable people.

Total FY 19-20 spending by the Centre was Rs. 71,000 crores however the original budget for FY 21 was Rs.61,500 crores. In the Wake of Covid-19 related reverse

migration the center has recently hiked the disbursement for MGNREGA by another Rs. 40,000 crores. In the financial year 2019-20 nearly 13 crore workers availed work under MGNREGA. One of the main focus areas of Center's recently announced Rs. 20 lakh crore stimulus Package to revive economy is MGNREGA.

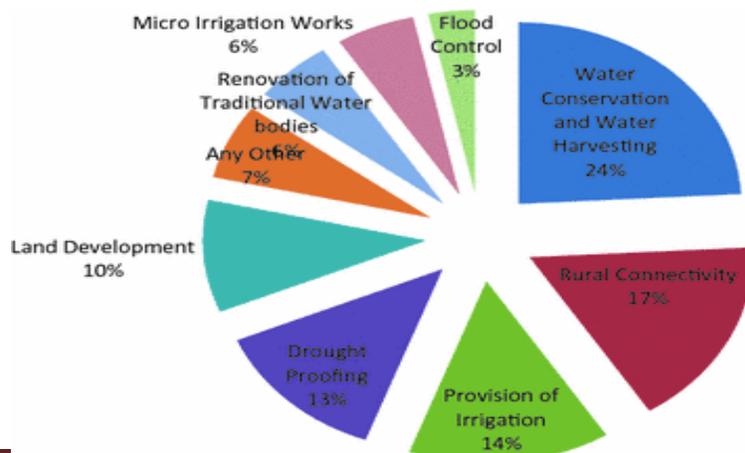
Role of MGNREGA in Employment Generation

Our country has completed nearly seventy years of independence but poverty and Inequality in rural India continues to increase day by day. The country has not achieved its goal of the economic development and it can't reach unless and until these two problems are completely eradicated. Therefore, since independence, employment generation programmes in India have been continuously redesigned to generate productive and meaningful employment and additional income. In the seventies, the policy makers of India used the approach of rural development and rural employment programme to remove the rural poverty.

In the last phase of nineteen seventies, Government had created three major anti-poverty programmes namely Integrated Rural Development Programme (IRDP), Rural Landless Employment Guarantee Programme (RLEGP)), and National Rural Employment Programme (NREP). Moreover, the Indian Government had made different types of schemes under different names and purposes to give partial employment to the rural India to support

their family economy like Food for Work, Ensured Employment Scheme , Jawahar Rojgar Yojana, ,Sampoorna Gramin Rojgar Yojna, Rashtriya Sram Vikash Yojana etc. But these programmes have not proved so much successful. due to their because the main reason behind that is inability to provide sufficient employment as per the demand and at the minimum wages. The limitations of these employment programmes created the need for making some other sort of employment model with the potential to provide employment and to reduce household poverty in rural India.

In order to achieve this objective the government of India introduced The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2006 that



guaranteed 100 days of employment in a year to every rural house of rural India. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 seems to be an advanced and radical scheme which directly provides a right to employment. Through MGNREGA, the Government was committed to providing employment to every rural family which demands such work and whose adult members volunteer to do such work, such work was to be provided at the minimum wage rate and, as far as possible, within a radius of five kilometres of the village where the applicant resided. Failure to provide such wage employment within 15 days of the receipt of the application entitled the applicant to receive unemployment allowance. Starting with 200 districts across the country in Phase-1 during 2006-2007 MGNREGA was extended to an additional 130 districts in Phase-2 during 2007-2008. From 1 April 2008 onwards MGNREGA covered the whole of rural India. MGNREGA was the main plank of the Eleventh Five Year Plan of poverty eradication.

Number of beneficiaries provided employment under Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA) during the current FY 2020-21 as on September 12, 2020 is 8.29 crore.

Inclusion of new works under the Scheme is a regular exercise to expand the ambit of work offered under the Scheme. In this direction, recently on 2.7.2020, the permissible works under the Scheme has been enhanced to 262 numbers by adding unskilled wage component of 230 person-days for construction of Community Sanitary Complexes in convergence with Swachh Bharat Mission (Grameen).

MGNREGA and Asset Creation

The two main objectives of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is to provide 100 days of wage employment to every household in need of it and to create durable assets to strengthen the livelihood resource base of the rural poor. In this context, the act and the operational guidelines prescribe a number of conditions for the works to be taken up:

1. The ratio of wage to material costs should not be less than 60:40
2. The list of priority-wise permissible works which can be taken up under MGNREGA should be as indicated in the Act
3. Use of contractors and machinery are not allowed
4. Allotment of at least 50 percent of the works to GPs for the execution
5. Administrative and technical sanction for all works to be obtained in advance, by December of the previous year.

Assets generation is left as a major limitation of the MGNREGA over 15 years of its implementation. Official statistics reveal the same at aggregate level and grass-root

level as well. Work completion rate under MGNREGA was never matched with employment generation. Lack of adequate and dedicated manpower adversely affects the preparation of plans, scrutiny, execution, monitoring and maintenance of the MGNREGA works. In absence of dedicated technical resources, the administrative and technical activities of the MGNREGA are routed through the normal departmental channels which already burdens with existing responsibilities. It is reflected in poor progress in completing the undertaken works. In addition, lack of timely co-ordination and co-operation from convergence departments results in poor progress of works in the ground.

Challenges due to emergence of Covid-19

Governments at both levels (Center and State) are facing huge challenges today due to emergence of Covid-19. They have to rehabilitate migrant workers along with Covid screening, quarantine facilities, essential supplies. Not only this Both governments also need to provide income opportunities to these stranded workers. They also need Health and sanitation facilities.

Measures that can be taken to counter the current situation

The Research paper proposes following changes in prevalent MGNREGA Guidelines .

1. There must be a new category of works that needs to be approved without any physical assets creation.
2. The Health , Sanitization and Hygiene workers need to be funded from MGNREGA.
3. Sanitization and Hygiene workers need to be trained from MGNREGA funds.
4. Private Sector organisations should be involved in bringing project management expertise with respect to quickly mobilize, skill and maintain a pool of sanitisation and hygiene workers for Gram Panchayat levels as well as in matching workers to work outside MGNREGA projects.

States need to propose changes to be made in the scheme to Centre given there will be no asset creation and the work is of regular nature. The proposal needs to include the following: justification for the work, areas where the work will be undertaken, number of wage seekers to be employed (employment potential), nature of durable asset to be created, expectations from the work to strengthen the livelihood base of the rural poor, other benefits that may accrue such as continued employment opportunities, strengthening of the local economy and improving the quality of lives of people. The model project should contain the following: unit cost of the work, the split between labour and material component and between skilled and semi-skilled component, transparency and accountability mechanisms, expected final outcome

(asset that will be created), benefit to the livelihood base of the rural poor and any other benefit likely to accrue.

Conclusion

The above evidence and observations unambiguously indicate that the role of the MGNREGA on overall poverty reduction and development of rural India is visible. The act and the operational guidelines require the states and the panchayati raj institutions to monitor the implementation of the scheme in a variety of ways Gaps in the envisaged monitoring mechanisms were noticed in a large number of states. There were significant shortages in verification of works by state officials. Quality monitors and vigilance and ineffective to large extent as social audit units had not been established. There were deficiencies in the approval and release of funds by the ministry. The ministry needs to take decisive steps to ensure proper implementation of the scheme. It needs to focus on developing intensive monitoring and evolution systems. An analysis of releases made to states for the period under review and poverty data showed that three states Bihar, Maharashtra and Uttar Pradesh had 46 percent of the rural poor in India, but accounted for only about 20 % of the total funds released under the scheme. This would indicate that the poorest of poor were not fully able to exercise their rights under MGNREGA.

References

1. Role of MGNREGA in Rural Employment: A review, Santosh Kumar, lecturer in sociology, Govt. P.U Collage Karnataka, international journal of economics and business review, ISSN 2347-9671.
2. Role of MNREGA to Eliminate Poverty From India, Dr. Vikas Kumar, Assistant Professor, Department of Commerce, Govt. Raja (P.G.) College, Rampur, October 2014 Vol. IX No. 2 ISSN: 0973-4503 RNI : UPENG 2006/17831.
3. MGNREGA: The Role in Inclusive Growth Md. Rahmatullah Asstt. Professor in Economics Dept. of Law, A.M.U., Aligarh.
4. Impact of MGNREGA on Socio-Economic Development & Women Empowerment Karthika K T (Guest Lecturer In Govt. Arts And Science College, Tanur, Department Of Commerce And Management, Calicut University, India) IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 17, Issue 7. Ver. II (July. 2015), PP 16-19
5. Report of comptroller and auditor general of India on performance audit of MGNREGA.
6. <http://www.nrega.nic.in/misreport.htm>

7. <http://www.livemint.com/Politics/LupcSW9DSZLgDJfBY1LQMM/MGNREGA-status-report--Working-towards-empowerment.html>
8. Institute of Social and Economic Change (2013). Impact of MGNREGA on wage rate, food security and rural urban migration: A consolidated report. Project Leader- Prof. Parmod Kumar (Agriculture Development and Rural Transformation Centre).<http://www.isec.ac.in/IMPACT%20OF%20MGNREGA-All-India.pdf>. (Accessed on 12 Jan 2021).
9. MGNREGA operational guidelines-frequently asked questions (2013). Ministry of Rural Development, Government of India. Occasional Paper No. 2 (2016). Eliminating poverty: Creating jobs and strengthening social programs. Niti Aayog, Government of India. https://niti.gov.in/writereaddata/files/OccasionalPaper_No2_Poverty. (Accessed on 13 Jan 2021).
10. OECD (2018). Review of agricultural policies in India. Trade and Agriculture Directorate, Committee for Agriculture. Report of the working group on migration (2017). Ministry of Housing and Urban Poverty Alleviation. <http://mohua.gov.in/upload/uploadfiles/files/1566.pdf>. (Accessed on 12 Jan 2021).
11. Standing Committee on Rural Development (2012–2013). 42nd Report on 'Implementation of Mahatma Gandhi National Rural Employment Guarantee Act, 2005'. Ministry of Rural Development, Government of India. http://164.100.47.193/lsscommittee/Rural%20Development/16_Rural_Development_52.pdf. (Accessed on 12 Jan 2021).