

A Study on MGNREGS: A Historical Step after Independence for Rural Wage Seekers

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Introduction:

“India lives in her villages”. This statement of Mahatma Gandhi still holds true. A little more than 70 per cent of India’s population lives in rural areas and the issues are poverty, unemployment, quality housing, and infrastructure. In fact the Ministry of Rural Development, Government of India, has been implementing different type of programmes for bridging gap between rural and urban areas. The programmes are mainly implemented from centre to different states through district level organization viz., District

Rural Development Agency (DRDA)/ Zilla Parishad. In fact in India, top to bottom institutions have been created for planning and implementation of rural development programmes. Rural development in India mainly focuses on removal of poverty, generation of employment, providing of housing facilities, and reduction of regional disparities. In this paper, some recent strategies followed in India for generation of rural employment and constructions of houses under Government of India sponsored programmes are discussed. Before that

Mahatma Gandhi's view in this regard is discussed. Mahatma Gandhi was deeply worried about poverty of the masses.

In his autobiography, he clearly mentioned, "The grinding poverty and starvation with which our country is afflicted is such that it drives more and more men every year into the ranks of the beggars, whose desperate struggle for bread renders them insensible to all feelings of decency and self-respect. And our philanthropists, instead of providing work for them and insisting on their work for bread, give them alms" (Gandhi, 1993). So *Gandhiji* was in favour of providing work to poor persons not alms. He always advocated for the development of the villages for the development of the country.

Gandhiji may be quoted in this context.

- "If the village perishes, India will perish".
- "I shall work for an India in which the poorest shall feel that it is their country in whose making they have an effective voice, an India in which there shall be no high class and low

class of people, an India in which all communities shall live in perfect harmony".

- "The Panchayat is the executive body of *Gram Sabha* to provide civic facilities to the people in its jurisdiction. Indian independence must begin at bottom. Thus, every village will be a republic or panchayat having full powers."
- "I have nothing new to teach the world. Truth and non-violence are as old as the hills."

According to *Gandhiji* self-employment should be the basis of production. Economic system should aim at the welfare of all the citizens but not the majority. *Gandhian* economic system is based on certain assumptions as may be seen below (*Bharathi* 1999).

- Every person has right to live. Every individual in the society has a right to the basic economic needs like food, shelter and clothing.
- Man's body requires bread. So man should earn his bread by manual labour. Intellectual

labour should work for the benefit of the society.

- When a man works for the sake of the wage, he cannot bring out the best in him. When he is motivated by love, he makes the best use of his inner strength and abilities. So it is the love for others which is to be developed and encouraged.

The Indian economic system should be built on the principle of *Swadeshi*.

Swadeshi is not based on narrow and regional considerations. If everyone make use of locally produced goods, all the goods produces in the world will be locally consumed. *Swadeshi* in economic field has some objectives. It tends to revive and encourage the home industries. It provides employment to millions of unemployed and starving people. Every village is expected to be self-supporting and self-contained exchanging such necessities with other villages. *Swadeshi* aims at decentralized economic system. Not only *Gandhiji* but great persons, like *Sri Aurobindo*, *Swami Vivekananda*, also advocated for

the development of villages. According to *Sri Aurobindo* “the village is the cell of the national body and the cell life must be healthy and developed. *Swaraj* begins from the village”. And in the words of *Swami Vivekananda*, “The real India lives in the villages. Unless we are able to uplift the tribals and backward classes, India faces a dark future.”

The means of production should be easily owned and operated by ordinary people. Self employment should be the basis of production. Mass production should be by the masses. When the people are self-employed, the wealth of the nation would be in the hands of the masses.

As mentioned earlier, *Gandhi* by establishing his Ashram at Sabarmati (*Ahmedabad*) wanted to do some development works. One of the reasons of establishing Ashram in *Ahmedabad* was that “Ahmadabad was an ancient centre of handloom weaving; it was likely to be the most favourable field for the revival of the cottage industry of hand spinning”. (*Gandhi* 1927).

Although main activities in the

beginning were: worship, sanitary service, sacrificial spinning, agriculture, dairy, national education, *khadi*, technical school, etc. but he never confined himself in these activities but launched Satyagraha, initiated constructive programmes, convened prayer meetings, adhered to eleven vows: truth, non-violence, chastity, non-possession, non-stealing, bread labour, non-palatable, fearlessness, equal treatment and respect to all religions, *swadeshi*, and untouchability - for the transformation of self and society simultaneously. His practice during his stays in South Africa and later in India proved rewarding in cadre building for the liberation struggle for a nation and reconstruction of the society.

Gandhiji was not in favour of large scale production. As large scale production divides society into exploiter and exploited. In his own words, “By nationalizing the means of production you can only minimize the exploitation within the four walls of the country but you cannot prevent the exploitation of the weaker backward nations by the powerful advanced nations”. So he pleaded small scale production, which would reduce poverty also. The central concept of *Gandhian* theory is man not the material wealth. *Gandhiji* believed that in a country like India, where a poor man earned about an *anna* everyday, it was a crime to keep hoards of money lying idle by means of ornaments and decorative pieces. His wife processed no ornaments (*Bandyopadhyaya*, 1964).

Mahatma Gandhi National Rural Employment Guarantee Act **(Mahatma Gandhi NREGA): Wage -employment for rural household**

In view of the serious unemployment in the rural areas of India, Government of India has implemented a wage employment programme by passing an Act in the

Parliament on 7th September, 2005 which is known as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) an as programme known as National Rural Employment Guarantee Scheme

(MGNREGS). Regarding gravity of unemployment one case is presented here. This piece of information has been collected from the newsletter, *Nav Bharat Jagriti Kendra, Hazaribagh, Jharkhand*, and January-March 2016. “Recently (here recently means prior to January 2016) 23 lakh people applied for 368 posts of peon in the state secretariat of Uttar Pradesh. Among the applicants, 255 candidates with a PhD degree and more than two lakh hold B. Tech, B.Sc., M.Com and MSc degrees. This episode reflects our mind set and dealing with the youths. It may be mentioned that 44.79 million Indian youths were unemployed in 2012 and the rate was higher among educated youths than their illiterate counterparts. One out of every three graduates is unemployed in India. In Jharkhand, about 42% households are with unemployed persons. The situation is alarming as unemployment not only has financial impact but also has many social impacts like increase in cases of theft, violence and other criminal activities”.

The above news item should be taken more seriously as for 368 posts that too for attendant posts persons with Ph. D. and also with Post-graduation and Graduate degree applied indicating there is urgent need for manpower planning. Simultaneously, population growth needs to be controlled.

However, regarding MGNREGS, the objective is 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 adults volunteer to do unskilled manual work”. Prior to MGNREGS few wage employment programmes were launched in the country. Some of these were -National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), and *Jawahar Rozgar Yojana (JRY)*, *Sampoorna Grameen Rozgar Yojana (SGRY)* etc. Salient features of MGNREGS (Annual Report 2012-13 MoRD, GoI) are:

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) with its legal framework and rights-based approach was notified in September 5, 2005. It aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, on February 2, 2006, and was extended to all the rural districts of the country in phases.

The key achievements of the MGNREGS since inception to 2014-15 (till 31st Dec. 2014) are as follows (Annual Report, 14-15):

- **Employment Generated:** in 2014-15, 3.60 crore households were provided employment and 121.25 crore person-days of employment were generated.
- **Increased outreach to the poor and marginalized:** Self targeting in nature, the programme had high work participation from

marginalized groups like SC/ST (40%), Women (56%)

- **Strengthening Natural Resource Base:** In 2014-15, 95.14 lakh works were undertaken (spill over + new works), of which 31% for water conservation, 14% for the provision of irrigation facility on land owned by SC/ST/BPL and IAY beneficiaries, 14% for rural connectivity and 6% for land development.

The Government has taken a series of steps for improving quality of planning, durability of assets, particularly those aimed at enhancing agricultural production and productivity by encouraging convergence and curbing corruption under MGNREGA, such as:-

- To ensure correct identification of assets through scientific planning, an Intensive Participatory Planning Exercise (IPPE) was launched in 2500 backward blocks in July 2014. This would bring greater

- participation and scientific methods in planning of works;
- A clear 'Outcome Orientation' has been brought in the execution of works and measurement of outcomes after execution of work has been made mandatory, since August 2014;
 - Schedule I to MGNREG Act, 2005 has been modified on 21st July, 2014 providing that at least 60% of the works being taken in a district in terms of cost shall be for creation of productive assets directly linked to agriculture. This measure will create irrigation sources, promote water conservation and improve soil fertility;
 - In order to allow creation of durable assets, the 60:40 ratio of labour to material will be maintained at the district level instead of block level for the works executed by implementing agencies other than Gram Panchayats;

Achievement under MGNREGS:

MGNREGS has tremendous impact among the rural communities to address unemployment issue. Unemployment is a major issue in the country. Unemployment is a serious issue in our country as lakhs of youths have been entering every year in job market but supply is not as per demand. In India, the unemployment rate means the number of people actively looking for job and it is measured as percentage of total labour force and total number of persons seeking job (tradingeconomics.com/india/unemployment-rate).

Unemployment rate in India is reported by the Ministry of Labour and Employment, Government of India. According to the statistics, unemployment rate in India decreased to 4.90 percent in 2013 from 5.20 percent in 2012. From 1983 to 2013 average unemployment rate was 7.32 percent, with an all-time high of 9.40 percent in 2009 and a record low of 4.90 percent in 2013. On the other hand, as per the website of www.indexmundi.com/india/unemployment_r

ate.html, unemployment means percent of the labour force that is without jobs.

unemployment may be seen in table-1.

As revealed from the website the rate of

Table: 1 Unemployment rate in India (%)

Year	Rate of unemployment
2002	8.8
2003	9.5
2004	9.2
2005	8.9
2006	7.8
2007	7.2
2008	6.8
2009	10.7
2010	10.8
2011	9.8
2012	8.5
2013	8.8

Source: www.indexmundi.com

As evident from the above table that unemployment rate is high in our country. Deterioration of law and order in any area can be attributed inter alia, to unemployment. While I was in Kashmir valley many persons told if unemployment was addressed then extremist issue would be neutralized to a great extent. Same I have heard while I

visited across Assam as most of the ULFA youths were unemployed.

Referring to 68th Round NSS Report it may be mentioned that employed persons are categorized into three broad activity-groups according to their status of employment. These broad groups are: (i) self-employed, (ii) regular wage/salaried employees and (iii) casual

labour. In the total workforce of usual status at the all-India level, the share of self-employed, regular wage/salaried employees and casual labour were 52 per cent, 18 per cent and 30 per cent, respectively. In the rural areas, the share of self-employed, regular wage/salaried employees and casual labour were 56 per cent, 9 per cent and 35 per cent, respectively.

With high rate of unemployment many social issues may crop up like increase in crime rate etc., but major issue related to unemployment is poverty & under-nourishment. Rural persons both male and female are thronging for the works. As a result of implementation of MGNREGS employment opportunities and wage rates have gone up leading to significant dent in poverty in rural areas. Creation of water bodies /water conservation measures under MGNREGS may be a small step but we know “little drops of water and little grains of sand makes a mighty ocean and a pleasant land”.

With the launching of MGNREGS, not only employment opportunities

are being generated but community assets are also being created. Thus through employment generation, economy is gaining by “Multiplier Effect” vis-à-vis community assets have been helping for the development of environment as most of the works are pertaining to water related activities. Implementation of MGNREGA contributed to very high levels of women empowerment, particularly in the following aspects.

- As the work is organized by women's groups, the gender perspective gets built in automatically.
- As women are comfortable working along with their neighbors, nearly 80% of the workers have been women.
- For the first time equal wages are really paid and this has boosted the earnings of women.
- As the wages are paid into Bank accounts the habit of thrift which was already inculcated through

the *Kudumbashree* experiment has further been strengthened.

- As the Bank deposits are increasing, the intra-household status of the woman has also been improving commensurately as she controls substantial cash resources and withdrawal can be only on her decision.

The progress MGNREGS may be followed from the following table.

Table 2 Achievement of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) - Overview

	2006-07 (200 Districts)	2007-08 (330 Districts)	2008-09 (615 Districts)	2009-10 (619 Districts)	2010-11 (625 Districts)	2011-12 (635 Districts)	2012-13 (636 Districts)	2013-14 (644 Districts)
Total Job Cards Issued (in Crore)	3.78	6.48	10.01	11.25	11.98	12.28	12.63	13.15
Households provided Employment (No. in Crore)	2.10	3.39	4.51	5.25	5.49	4.98	4.97	4.76
Persondays of employment (in crore)								
Total Employment days	90.5	143.59	216.32	283.59	257.15	211.42	210.80	218.67
-- SCs	22.95 [25 %]	39.36 [27 %]	63.36 [29 %]	86.44 [31 %]	78.75 [30.63 %]	46.60 [22.04 %]	45.79 [21.72 %]	49.41 [22.6 %]
-- STs	32.98 [36 %]	42.07 [29 %]	55.02 [25 %]	58.74 [21 %]	53.61 [20.85 %]	38.38 [18.15 %]	34.45 [16.34%]	37.58 [17.19 %]
-- Women	36.40 [40 %]	61.15 [43 %]	103.57 [48 %]	136.40 [48 %]	122.74 [47.73 %]	101.86 [48.18 %]	109.77 [52.08 %]	115.54 [52.84 %]
-- Others	34.56 [38 %]	62.16 [43 %]	97.95 [45 %]	138.40 [48 %]	124.78 [48.52 %]	126.43 [59.80 %]	130.55 [61.93 %]	131.68 [60.21 %]
Persondays per HH	43 days	42 days	48 days	54 days	47 days	42 days	44 days	46 days
Budget Outlay (Rs. Crore)	11300	12000	30000	39100	40100	40000	33000	33000
Central Releases (Rs. Crore)	8640.85	12610.39	29939.60	24714.19	10382.87	9951.50	32550.26	32745.83
Total available fund [including OB] (Rs. crore)	12073.55	19305.81	37397.06	45682.46	52648.89	41563.51	38834.54	38151.88
Expenditure (Rs. Crore) [Percentage against available funds]	8823.35 [73 %]	15856.89 [82 %]	27250.10 [73 %]	37909.78 [83 %]	39377.27 [74.8 %]	37548.79 [90%]	39439.95	42272.70 [110.8 %]

Expenditure on wages (Rs. Crore) (as % of total expenditure)	5842.37 (66%)	10738.47 (68%)	18200.03 (67%)	17832.62 (69 %)	22700.11 (58 %)	24006.71 (64 %)	27422.65 (69 %)	29243.39 [72.82 %]
Average Wage paid per person -day (Rs.)	65	75	84	89	99	113.54	121.38	133.73
Total works taken up (in Lakh)	8.41	17.81	27.75	33.83	50.99	73.95	98.11	138.63
Works completed (in Lakh)	3.97	8.20	12.14	22.59	25.90	16.39	15.29	20.37
Works break-up (in Lakh)								
Water conservation and Water harvesting	4.51 [54%]	8.73 [49%]	12.79 [46%]	17.41 [51%]	10.33 [20.3 %]	19.04 [25.8 %]	27.37 [31.7 %]	21.55 [15.54 %]
Provision of Irrigation facility to land owned by SC/ST/BPL and IAY	0.81 [10%]	2.63 [15%]	5.67 [20%]	5.68 [17%]	9.15 [17.90 %]	4.54 [6.15 %]	10.69 [12.4%]	16.16 [11.66 %]
Rural Connectivity	1.80 [21%]	3.08 [17%]	5.03 [18%]	5.43 [16%]	9.31 [18.3 %]	15.52 [21.0 %]	12.88 [14.9 %]	15.10 [10.89 %]
Micro Irrigation					3.45 [6.8 %]	9.11 [12.3 %]	4.92 [5.7 %]	6.47 [4.67 %]
Land Development	0.89 [11%]	2.88 [16%]	3.98 [15%]	4.63 [14%]	7.04 [13.8 %]	7.12 [9.63 %]	6.25 [7.2 %]	7.48 [5.40 %]
Flood Control	--	--	--	--	1.92 [3.8 %]	2.81 [3.8 %]	2.72 [3.1 %]	3.16 [2.28 %]
Drought Proofing	--	--	--	--	4.56 [8.9 %]	4.05 [5.5 %]	15.60 [18.0 %]	15.75 [11.36 %]
Renovation of Traditional Water Bodies	--	--	--	--	4.00 [7.9 %]	8.85 [12.0 %]	3.73 [4.3 %]	3.75 [2.71 %]
Other activities approved by MoRD	0.34 [4%]	0.56 [3%]	0.28 [1%]	0.68 [2.03%]	1.06 [2.10 %]	2.63 [3.6 %]	2.02 [2.3 %]	9.90 [7.14 %]
Bharat Nirman Rajeev Gandhi Seva Kendra	--	--	--	--	0.17 [0.3 %]	0.26 [0.4 %]	0.29 [0.3 %]	0.33 [0.24 %]
Other works included Coastal Areas, Rural Drinking Water, Fisheries, Rural Sanitation, Anganwadi and Play ground								38.98 [28.12 %]

HH: Household OB: Opening Balance

Source: www.nrega.nic.in as on May, 2014.

It is evident from the above discussion that millions of rural people/youths have been benefitted under MGNREGS by getting employment in the rural areas. Few important points as observed from the above table are:

- a) Number of job card holders has been increasing over a period of time.
- b) After 2009-10, households provided Employment and person-days of employment have been scaling down. Prima facie it may be scaling down of allocation of budget, however actual reason may be ascertained only by carrying out research study.
- c) Except 2009-10, person-days of each household never crossed 50.

- d) Rural connectivity and water-related works were given importance than that of other works such as Rural Drinking Water, Fisheries, Rural Sanitation, *Anganwadi* and Play ground, development of coastal areas etc.

By focusing on the recent data pertaining to MGNREGS for the period from 2013-14 to 2016-17 (continuing) analysis has been made here. However, as 2016-17 is yet to complete so in this article an attempt has been made to analyze data based on four years *i.e.* from 2012-13 to 2015-16. Interestingly, if we look into the data on expenditure on wages, it is observed fluctuating trend as in 2012-13, it was around Rs. 27,153.5 Crore scaled down to Rs.26,491.2 Crore in 13-14, further tumbled to Rs. 24,187.2 Crore (14-15), and shot up to Rs. 30,843.5 Crore in 2015-16. Against the backdrop the expenditure on materials and skilled wages in these years was Rs. 10,429.9

Crore, Rs. 9,693.7 Crore, Rs, 9,421.1 Crore, Rs. 10,719.5 Crore, in 12-13, 13-14, 14-15 and 15-16 respectively . It is pertinent to mention that wages on unskilled labour were always more than the expenditure on materials and skilled wages which is the ethos on MGNREGS. In conformity with the expenditure, person-days generated during the four years period also have ups and downs trend as during 2012-13, around 230.5 crore person-days were created against 220.4 crore person-days in 2013-14. In 2014-15, only 166.2 crore person-days were generated which was at the low level among the four years (2012-13 to 2015-16) albeit, approved labour budget was also less in 2014-15 in comparison to other years. While looking at the data on sharing of man-days out of total man-days generated for SC and ST, it is observed that during these four years period starting from 2012-13 to 2015-16, total share of SC in total man-days generated was between 22.22 and 22.81 percent indicating it hovered around 22 percent. On the other hand, ST's share was in

between 17.8 and 16.9 percent indicating share of SC and ST was around 40 percent of total man-days generated in each year from 2012-13 to 2015-16.

A study findings at a Village Panchayat in Kerala:

To get an idea about the impact of MGNREGS a study was carried out at *Kottur* gram panchayat of Balussery development block in Kozhikode district of Kerala in 2011-12. The major findings of the study along with suggestions are presented below.

- All the MGNREGS workers were between the age of 25 and 75 years, however, majority of the workers were below forty years of age indicating more youths are interested in MGNREGS work. Also female workers participation was high little more than 50 percent.
- The study revealed 86 percent respondents were Hindus and 94 percent workers were literate.
- 68 percent workers were in BPL category.

- Vigilance and monitoring committee members were in the age of 31 to 60 and all were literate
- No one completed 100 days of work.
- 129 grievances were submitted to the Panchayat and out of that one only resolved
- Complaints were made about delayed payment and unemployment allowances.
- Panchayat had grievances redressal mechanism but not functioning effectively.
- 98 percent workers were aware of the right to work in 100 days.
- 80 percent workers were unaware about right to transparency.
- 52 percent respondents were aware of right to demand for unemployment allowances if work is not given in 15 days of application.
- Altogether 43 percent respondents were unaware that

job would be provided to everyone who applied for job.

- Gram Saba failed to find seasonal works.

In view of the above few suggestions are extended:

- Appointing full-time professionals for implementing the MGNREGA at Panchayat and block level is vitally necessary for the successful implementation of MGNREGS.
- Provisions should be made to appoint full-time employment guarantee assistants at the Panchayat level to make the rural people aware of the benefits of the Scheme and induce them to take advantage of the Scheme.
- Need to undertake a massive awareness generation about MGNREGA.
- Must provide awareness classes to *Kudumbasree* members also.

- Frequent evaluation of work performance of Panchayat functionaries is necessary.
- Awards and accreditations will raise the commitment of MGNREGA staff at Panchayat level.
- There is a need for more staff on the basis of population.
- Concerted efforts should be made to reduce the time-gap between work done and payment received by rural laborers.
- Proper shelf of projects should be prepared in advance accordance to the registration of the people.
- Community participation through PRA is also suggested for effective implementation of MGNREGS.

Conclusion: The authors have observed that MGNREGS has brought new hope of life for crores of rural

workers across India as there are 13.34 crore job card holders spread over to 2,62,245 number of Gram Panchayats, 6,858 blocks of 661 districts in the country as on 31st March 2016 with total available fund hovering around Rs.40,000 crore annually during the last four years' average. Our study findings also reveal that old persons of more than 80 years age worked in MGNREGS and educated youths also worked in the Scheme. *Jai ho, MGNREGA/MGNREGS.*

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