



PERFORMANCE OF MGNREGA, IN INDIA (SPECIAL REFERENCE OF UTTAR PRADESH)

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Abstract

Rural development generally refers to the process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is regarded as a "silver bullet" to eradicate rural poverty and unemployment, in order to generate demand for productive workforce in the villages. It provides an alternative source of livelihood that will impact on the reduction of migration, limiting child labour, poverty alleviation, and making villages self-sufficient through the creation of productive activities such as building roads, cleaning of water tanks, soil and water conservation work, etc. for which was regarded as the greatest anti-poverty program in the world. In this document, on the basis of the secondary data, an attempt has been made to exhaustively comprehend development effort to reconstruct the rural life and livelihood on the basis of various secondary data.

Key Words: India; Rural Development; Development; Development Projects.

Introduction

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a job guarantee scheme for rural Indians. It was enacted by legislation, 25 August 2005. The scheme provides a legal guarantee for at least 100 days of paid employment in every financial year to adult members of any family willing to do unskilled manual work related to public work wages legal minimum of 120 (US \$ 1.80) per day in 2009. If prices fail to do so the government has to pay the salary to their house. The central government outlay for the scheme was 4000 billion euro (US \$ 61 billion EUR) in the year 2010-15. This act was introduced with the aim of improving the purchasing power of rural populations' semi or unskilled India, apart from the fact that they have fallen below the poverty line. About one third of the established workforce is women. The law was initially called the National Rural Employment Guarantee Act (NREGA) and was renamed with the prefix "Mahatma Gandhi" October 2, 2009, Gandhi's birth anniversary. In the year of 2014, the program has been commonly criticized as being no more effective than other programs decrease discomfort in the country of India.¹ Regardless of his best goals, popular MGNREGA is fraught debate over damaged authorities, lack of funds as a source of resources, poor quality of services designed under this program, and random discomfort dangerous impact on society.

Historical Background of MGNREGA

The Mahatma Gandhi National Rural Employment Law Guarantee (MGNREGA) is a Government of India's flagship program. The law was initially notified in 200 most backward districts of the country namely February 2, 2006 and then spread throughout India in two phases - it was extended to other districts added 130 in 2007-2008 (113 districts were reported with from 1 April 2007 and 17 districts of Uttar Pradesh (UP) have been reported as of 15 May 2007). The remaining districts have been notified under MGNREGA from 1 April 2008. Thus, the MGNREGA covers the entire country with the exception of districts that have an urban population one hundred percent.² The program aims to strengthen the security of the rural poor livelihoods by providing at least 100 days of work guaranteed salary in a year to every household whose adult members volunteer to do unskilled manual work. The law aims to create durable assets and strengthen the resource base of the rural poor livelihoods. The choice of works suggested in the causes of chronic poverty law address such as drought, deforestation, soil erosion, so the job creation process on a sustainable basis.³

Objective of the Study

- The main focus of the present study is to examine the performance of MGNREGA in India. Therefore, the study is based on the following objectives:
- To review the working and functioning on MGNREGA in India.
- To examine the performance of MGNREGA in India and to identify the obstacles in the path of the implementation of the scheme.
- To suggest suitable measures for the effective implementation of the scheme.
- To provide Social protection for the most vulnerable people living in rural India by providing employment opportunities to them.
- To provide Livelihood security for the poor through creation of durable assets, improved water security, soil conservation and higher land productivity.
- To have efficient Drought-proofing and flood management in rural India.



Research Methodology

This study uses mainly secondary data. The sources of the data are published and unpublished sources like books, journals, reports, publications, unpublished doctoral dissertation and concerned web sites etc. For assessing the performance of MGNREGA in Assam, data relating MGNREGA are compiled from the secondary sources and the study covers 2007-08 to 2014-15. Using official data this paper evaluates India's MGNREGA according to criteria: a) average number of days of employment per household; b) percentage of households completing 100 days of employment under MGNREGA; c) percentage of expenditure against total available funds etc.

Uttar Pradesh

Completion of Incomplete Works: Since inception till 31.3.2015, the percentage of works completed is 82.72 %. The State will make efforts for completing all 710563 incomplete works as on 31.3.2015 by 31.5.2016 without fail.

Expediting Aadhaar Seeding Process: As of now, there are 95.75 lakh active workers, out of which 35.83 lakh (37%) have been seeded in MIS. Against the Aadhaar numbers seeded in MIS, 1.83 lakh have been converted to Aadhaar Based Payment. The consent of the beneficiaries will be sought before seeding.

Training of Barefoot Technicians: The State will nominate 07 BFT trainers in the first week of April, 2016 for the BFT training to be held at NIRD&PR, Hyderabad. On completion of the training, State will in the first phase, identify and train 200 BFTs in two batches and this may be further extended in FY 2016-17.⁴

Skilling the Unskilled MGNREGA Workers: The State needs to implement Project LIFEMGNREGA, in a mission mode to achieve the targets finalized in consultation with the States and duly communicated to them. The target/ spill over of FY 15-16 will be added to target of FY 16-17 as proposed by the State in Labour Budget meeting. The combined target is as under:

Skilling for Wages			Skilling for Self Employment			Livelihood Up gradation			Total		
FY 15-16	FY 16-17	Sub Total	FY 15-16	FY 16-17	Sub Total	FY 15-16	FY 16-17	Sub Total	FY 15-16	FY 16-17	Grand Total
7525	213	7738	5952	2291	8243	693	0	693	14170	2504	16614

Performance in FY 2015-16 till 28th Mar, 2016 Physical and Financial

Households provided employment (In Lakhs)	50.95
Person days Generated (In Lakhs)	1656.04
Women participation rate (%)	29%
Average person days per HH	33
HHs completed 100 days of employment (In Lakhs)	1.53
Total Expenditure (Rs. In Cr)	2906.91
Wage Expenditure (Rs. In Cr) so far	2288.89 (79%)

Current Status of MGNREGA

In current financial year 2011-16, (upto December, 2015) 3.77 Crore households were provided employment and 120.88 Crore person-days of employment were generated. The enhanced wage earnings have led to a strengthening of the livelihood resource base of the rural poor in India; 72 percent of funds utilized were in the form of wages paid to the workers. Self-targeting in nature, the programme has high work participation for marginalized groups like SC/STs (40%) and Women (49%) in 2011-12 (upto December, 2015). Total works undertaken were 62.72 lakh in the same period, of which 53 percent relates to Water Conservation, 12 percent for the provision of Irrigation facility to lands owned by SC/ST/BPL/S&M Farmers and IAY beneficiaries, 22 percent for Rural Connectivity, 9 percent for Land Development, 4 percent for Any other activity approved by MoRD and 0.37 percent for Bharat Nirman Rajiv Gandhi Seva Kendra.⁵ Women participation in current financial year upto December, 2011 was 49% and the participation of SC & ST in current financial year upto December.



Funding Pattern of MGNREGA

The government of India has established a fund called the National Employment Guarantee Fund, from which grants are released directly to Districts. Revolving funds are to be set up under REGS at the District, Block and Gram Panchayat levels, with separate bank accounts being opened for such funds at each level. Each Rural Employment Guarantee Scheme is required to have the minimum features specified in Schedule 1 and Schedule 2 of the Act. Section 4 of the Act also provides that until such a Scheme is notified by the State Government, the Annual or Perspective Plan of the SampoornaGrameenRozgarYojana (SGRY) or National Food for Work Programme (NFFWP), whichever is in force is that area, shall be deemed to be the action plan for the Scheme for the purposes of the Act. These guidelines have been formulated to facilitate the design and implementation of Rural Employment Guarantee Schemes. They should be interpreted as a broad operational framework, around which further provisions may be built, taking into account the State's economic, social and institutional context. The Act is a Centrally Sponsored Scheme on a cost sharing basis by the Central and the States Governments as follows:⁶

1. Central Government to pay for;
2. Wage costs, 75% of material costs, and some administrative costs. State governments to pay for;
3. 25% of material costs, other administrative costs and unemployment allowance.

The above table shows the total fund availability during the year 2006-07 was Rs.341.31 crore and exceptionally high during the year 2009-10 it is Rs.3407.30 crore and in the year 2014-15 it is 1590.40 crores. Similarly the utilization of fund has increased from 248.30 crore in 2006-07 to 2569 crores in 2009-10. This is mainly due to the implementation of the scheme in all district of the state since 2008-09. However the total utilization has come down to Rs.1222.78 in 2014-15.

Financial Performance of MGNREGA from 2006-07 to 2014-15

Year	Total funds available (in crores)	Total expenditure (in crores)	Percentage of utilization of funds
2006-07	341.31	248.30	73
2007-08	436.72	236.51	54
2008-09	727.33	373.61	51
2009-10	3407.30	2569.20	75
2010-11	2587.90	2116.29	82
2011-12	1957.01	1528.25	78
2012-13	1788.76	1456.86	81
2013-14	2192.94	2097.70	95
2014-15	1590.40	1222.78	77

Source: Rural Development and Panchayat Raj annual report

Progress	FY 2016- 2017	FY 2015- 2016	FY 2014- 2015	FY 2013- 2014	FY 2012- 2013
Person days Generated so far[In Cr]	49.4884	104.1837	71.28	94.9	97.99
SC person days % as of total person days	17.42	18.61	18.51	19.12	18.36
ST person days % as of total person days	26.25	26.68	25.97	25.85	26.17
Women Person days out of Total (%)	50.81	49.71	49	47.08	45.97
Average days of employment provided per Household	31.45	48.3	39.45	45.13	44.57
Total No of HHs completed 100 Days of Wage Employment	2,13,123	21,27,959	10,51,480	18,99,064	19,84,601
Total Households Worked[In Cr]	1.5734	2.157	1.81	2.1	2.2
Total Individuals Worked[In Cr]	2.4364	3.4087	2.86	3.4	3.71
Differently abled persons worked	1,39,899	1,93,407	1,64,805	1,85,849	1,75,775

Salient Features of MGNREGA

Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat. The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost. The Job Card should be issued within 15 days of application. A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be fifteen. The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates time. Employment will be given within 15 days of application for work, if it



is not then daily unemployment allowance as per the Act, has to be paid. Liability of payment of unemployment allowance is of the States. Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses. Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notifies a wage rate which will not be less than Rs. 60/ per day.⁷ Equal wages will be provided to both men and women. Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case. Panchayat Raj Institutions (PRIs) have a principal role in planning and implementation. At least one-third beneficiaries shall be women who have registered and requested work under the scheme.

Wage Related

Section 6(1) of MGNREGA states that notwithstanding anything contained in the Minimum Wages Act 1948, the central Government may by notification specify the wage rate for the purposes of the Act, Provided that different rates of wages may be specified for different areas. Provided further that the wage rate specified from time to time under any such notification shall not be at a rate less than sixty rupees per day. Section 6 (2) states that until such time as a wage rate is fixed by the central Government in respect of any area in a State, the minimum wage fixed by the State Government under section 3 of the Minimum Wages Act, 1948 for agricultural labourers shall be considered as the wage rate applicable to that area. In exercise of powers under Section 6(1) of the Act, Ministry of Rural Development notified wage rate on 01.01.2009 adopting the minimum wage rate for agricultural labour of the States as on 1.12.2008. In pursuance to announcement by Hon'ble Finance Minister in his budget speech-2009 to provide a real wage of Rs. 100/- a day as an entitlement under the Mahatma Gandhi National Rural Employment Guarantee Act, on the request of this Ministry, the Ministry of Statistics & Programme Implementation constituted a committee under the Chairmanship of Dr. PronabSen, Principal Adviser, Planning Commission to develop a mechanism to evolve a framework to create a separate index for updating of MGNREGA wages. The Committee has representatives from Ministry of Rural Development as Members along with representation from other Ministries & Departments. The report of the Committee is awaited. It has been decided that till such time that a satisfactory index is proposed by Dr. Sen Committee and accepted by the Government, the Government could index the wages with the Consumer Price Index for Agriculture labourers (CPIAL). In pursuance of this, the Ministry issued a notification dated 14th January, 2011 revising wage rates under Section 6(1) of the MGNREG Act with indexation to CPIAL.⁸ The revised wage rates were made applicable i.e. 01.01.2011. The wage rates have been further revised in 2012 vide notification dated 23.3.2012 effective from 1st April, 2012. For arriving at latest revised rates, the percentage increase in the CPIAL for November, 2010 to December 2011 has been applied to MGNREGA wage rate as on 1st January; 2012. It has also been decided to increase the wage rate annually.

Scope of the Act

The MGNREGA has given rise to the largest employment programme in human history and is unlike any other wage employment programme in its scale, architecture and thrust. Its bottom-up, people centred, demand-driven, self-selecting, and rights-based design is distinct and unprecedented. The MGNREGA provides a legal guarantee for wage employment. It is a demand-driven programme where provision of work is triggered by the demand for work by wage-seekers. There are legal provisions for allowances and compensation both in cases of failure to provide work on demand and delays in payment of wages for work undertaken. The MGNREGA overcomes problems of targeting through its self-targeting mechanism of beneficiary selection, that is, a large percentage of poorest of the poor and marginalized seek employment under the Scheme.⁹ The Act incentivises States to provide employment, as 100 per cent of the unskilled labour cost and 75% of the material cost of the programme is borne by the Centre. Unlike the earlier wage employment programmes that were allocation-based, MGNREGA is demand driven and resource transfer from Centre to States is based on the demand for employment in each State. This provides an additional incentive for States to leverage the Act to meet the employment needs of the poor. There is also a concomitant disincentive for failing to provide work on time, as the States then bear the cost of the unemployment allowance. Gram Panchayats are to implement at least 50 per cent of the works in terms of cost. This order of devolution of financial resources to GPs is unprecedented. Plans and decisions regarding the nature and choice of works to be undertaken, the order in which each work is to be triggered, site selection etc. are all to be made in open assemblies of the Gram Sabha and ratified by the Gram Panchayat. Works that are inserted at Intermediate Panchayat and District Panchayat level have to be approved and assigned a priority by the GS before administrative approval can be given. The GS may accept, amend or reject them. These decisions cannot be overturned by higher authorities, except to the extent of ensuring conformity with the provisions of the Act and its Operational Guidelines. This bottom-up, people-centred, demand-driven architecture also means that a great share of the responsibility for the success of the MGNREGA lies with wage-seekers, Gram Sabha and Gram Panchayat. MGNREGA also marks a break from the relief programmes of the past towards an integrated natural resource management and livelihoods generation perspective. Social audit is a new feature that is an integral part of MGNREGA. Potentially, this creates unprecedented accountability of performance, especially towards immediate stakeholders. An Annual Report prepared by the Central Employment Guarantee Council, on the outcomes of MGNREGA is required to be presented



annually by the Central Government to Parliament. Likewise, the annual reports prepared by State Employment Guarantee Councils are to be presented to State Legislatures by the State Governments, facilitating oversight by elected representatives.¹⁰ The radically new character of the programme, requires innovative approaches for effective implementation. This will ensure that the novel elements of the MGNREGA are realised appropriately on the ground; at the cutting-edge level of its implementation. These Operational Guidelines have been issued to facilitate this compliance.

Conclusion

India's MGNREGA is the only Act which gives its rural people such a right and that too in the era of Liberalization, Privatization and Globalization. It has a vital role to play because of its humane approach. It serves as an effective safety net for the unemployed especially during famine and drought. It has enabled them with sufficient purchasing power and they are able to at least to supports their basic necessity i.e. food. The Act has confined the rural poor to their areas and stopped migration to the cities. It is not only giving rural livelihoods but also involving them in other non-agricultural work. This has helped in handling disguised workers. Employment in other non-agricultural work will also improve the rural infrastructure i.e. rural asset building. It will ultimately lead to sustainable development. The National Rural Employment Guarantee Act, 2005 is landmark legislation in Indian history of social security legislation after independence. Enacted after a successful struggle for employment guarantee legislation, it is a partial victory towards a full-fledged right to employment in any developing country context. The essential feature of this legislation which separates it from any other public service provisioning scheme is its enactment through the parliament of India. This legislation has been bringing about a silent revolution in rural areas of the country. MGNREGA Act for the first time brings the role of the state as provider of livelihood within the reach of the participants/beneficiaries themselves. By design it is different from any employment generation scheme that has been previously implemented. It requires different approach towards employment generation schemes and towards overall involvement of the State in providing the right to employment to its masses.

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