

Mahatma Gandhi National Rural Employment Guarantee Act

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The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) was enacted on 7 September 2005 as

“An Act 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”.

The objectives of MNREGA are to:

- provide wage employment opportunities;
- create sustainable rural livelihoods through regeneration of the natural resource base, i.e. augmenting productivity and supporting the creation of durable assets; and
- strengthen rural governance through decentralization and processes of transparency and accountability.

Enacted after a successful struggle for an employment guarantee legislation, this Act was a partial victory towards a full-fledged right to employment. The Act became operational in February 2006, starting with 200 districts; another 130 districts were added in 2007-08 and finally the Act was extended to the whole country in April 2008. Thus, NREGA covers the entire country with the exception of districts that have a hundred percent urban population.

It is perhaps the most ambitious anti-poverty scheme launched anywhere in the world. One of its main objectives is a significant reduction in labour migration through the provision of locally available work in rural areas, but in spite of some successes, the programme has not had the wished-for impact.

Evolution of MNREGA:-

The other Wage Employment Programmes (WEP) which was existing before the implementation of MNREGA is:

- National Rural Employment Programme [NREP]: 1980-89
- Rural Landless Employment Guarantee Programme [RLEGP] : 1983-89
- Jawahar Rozgar Yojna [JRY]: 1989-99

- Employment Assurance Scheme [EAS]: 1993-99
- Jawahar Gram Samridhi Yojna [JGSY]: 1999-2002
- Sampoorna Grammen Rozgar Yojna [SGRY]: since September 2001
- National Food For Work Programme [NFFWP]: launched on November 14, 2004

But the challenges that still remained even after the implementation of the above mentioned programmes are:

- Low programme coverage
- More than 50% beneficiaries not from most needy group.
Labour not always from local community
- Payment often less than prescribed wages
- Disparity between wages paid to women and men.
- 16-29 days employment provided to a household
- Quality of assets created not always of requisite standard
- Contractors persisted

India signed the Millennium Declaration in September 2000, which calls for the eradication of extreme poverty and hunger by halving the number of poor people living on less than a dollar a day and those who suffer from hunger. Thus, the Government of India recognized these goals as a legitimate policy commitment. Further, the Common Minimum Program of the United Progressive Alliance government came up with commitments that the state had to improve the situation of the poor. These commitments were recognized by the Planning Commission as a national common minimum program to mobilize resources for their implementation. Further, a citizens' charter was formulated by civil society activists.

The impetus for the NREGA came from two sources. The first comprised of social movements such as the Right to Food that had been agitating for ending hunger by providing employment guarantees to the poor. This demand was supported by various civil society movements such as the Right to Information that incorporated such demands in its wider framework. The second and more direct influence came from the three-decade-long track record of the Employment Guarantee Scheme (EGS) in Maharashtra.

The Comptroller and Auditor General (CAG) of India, in its performance audit of the implementation of MNREGA, have found "significant deficiencies" in the implementation of the Act. The plan was launched in February 2006 in 200 districts and eventually extended to cover 593 districts. 44,940,870 rural households were provided jobs under MNREGA during 2008–09, with a national

average of 48 working days per household, about half the target of 100 working days. In recent times, NREGA workers have faced delays in payment of wages, some of which have been pending for months. In July 2012, the government admitted that the programme is plagued with corruption and it needs to be dealt with meaningfully.

The MGNREGA aims to achieve twin objectives of rural development and employment. The act stipulates that work must be targeted toward a set of specific rural development activities, such as water conservation and harvesting, afforestation, rural connectivity, flood control and protection such as construction and repair of embankments, etc. Digging of new tanks/ponds, percolation tanks and construction of small check dams are also given importance. Work includes land leveling, tree plantation, etc. First a proposal is given by the panchayat to the block office and then the office decides whether the work should be sanctioned.

IMPACT OF MNREGA:-

The MNREGA has opened up a unique legal space for the poor, with a consequent, legally mandated obligation of the administration to deliver. In fact, implementation rests on the simple philosophy that ordinary people will go to great lengths to procure their entitlements, given the space to do so. The NREGA sought to create real opportunities and legal spaces, with the belief that people will begin to push to overcome bureaucratic and political resistance.

Apart from corruption the bureaucratic chronic inefficiency, unwillingness and incapacities of system have raised doubts whether MNREGA would be able to deliver anything meaningful to the poor. However, MNREGA stands apart from employment and poverty alleviation programs in significant ways. It is the first national program of consequence which has woven transparency and accountability norms into the mundane fabric of daily interaction of people with government. The rural worker might often be the victim but in many cases scams have been exposed by the workers themselves. Thus, the MNREGA gives a further opportunity to realize the Constitutional sovereignty, the power of the people.

Transparency and accountability to the poorest and the weakest, is in fact the biggest potential contribution of the MNREGA to the entire governance system. The MNREGA is an outstanding example of how the RTI Act can be woven into the fabric of the delivery system and the whole legal and governance paradigm. The entire expenditure on works and workers — 94 per cent of the total amount — is required to be put on the website of the MNREGA, with every transaction revealed in detail. This can easily be increased to 100 percent.

Unemployment allowance to the poor is something unheard of in the history of India, but MNREGA made this happen. MNREGA has the provision of unemployment allowance if the work is not provided within 15 days. The MNREGA has already recorded payments of unemployment allowance to large numbers of workers in chronically poorly-administered areas. It has happened when workers groups have got organized.

The wage rate, the measurement system, and the timely payment of wages have all become part of the entitlement package. Thanks to MNREGA, minimum wages have, for the first time, become a real factor in determining the lower limit for market wages. There are many ongoing struggles for the payment of minimum wages; the MNREGA shows the path! Wage payments through MNREGA have initiated the biggest “financial inclusion” drive, with the requirement that all wage payments be made through banks and post offices.

MNREGA has done a remarkable job of including the poor in the financial system of the country. Of the millions of new bank accounts opened in the rural areas with zero balance requirements, 80-90 percent is those included in the financial network for the first time. This is a remarkable achievement although financial inclusion was not a stated objective of the program.

In terms of participation of the marginalized sections in the number of workdays created, more than 50% of total person days of employment generated have gone to SC and ST households. Similarly, as against the stated objective of one-third of women's participation in total person days generated, the actual numbers have been close to 50%. An expected spill over has also been the rise in wages in almost all states since the initiation of the program. While there are other factors contributing to this rise, the role of MNREGA can't be ignored.

CRITICISMS:-

Effectiveness: MNREGA has been argued to be no more effective than other poverty reduction programs in India. The program is beset with controversy about corrupt officials, deficit financing as the source of funds for the program, poor implementation, and unintended destructive effect on poverty. A 2008 report claimed the state of Rajasthan as an exception wherein the rural population was well informed of their rights and about half of the population had gained an income from the entitlement program. However, a 2011 *Wall Street Journal* report claims that the program has been a failure. Even in Rajasthan, despite years of spending and the creation of government mandated unskilled

rural work, no major roads have been built, no new homes, schools or hospitals or any infrastructure to speak of has resulted from the MNREGA.

Corruption: At the national level, a key criticism is MNREGA-related corruption. Workers hired under the MNREGA program say they are frequently not paid in full or forced to pay bribes to get jobs and aren't learning any new skills that could improve their long-term prospects and break the cycle of poverty. There are claims of fictitious labourers, the dead being paid, and job cards used by corrupt officials causing so-called 'leakage' in program spending.

Human Rights: Many social activists and whistle blowers (such as Lalit Mehta) exposing MNREGA-related corruption using RTI have been attacked or killed.

Quality: Another criticism is the poor quality of work products from MNREGA public works schemes. 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 program are of very poor quality and wash away with any significant rains. Villagers simply dig new irrigation pits every time one is washed away in the monsoons. The completed works do not add to the desperately needed rural infrastructure.

Sustainability: The MNREGA programme spent US\$9 billion in the 2011 fiscal year according to official data. Economists have raised some concerns about the sustainability of this subsidy scheme – India's fiscal deficit is expected to reach 5.6 percent of GDP this year, compared with 5.1 percent last year. The MNREGA program has been found to distort labour markets and has helped — along with fuel and fertilizer subsidies — to balloon India's federal fiscal deficit.

Stunting of Skills: Yet another criticism is the unintended effect of MGNREGA in stunting of skills. A review published by India in September 2011 conceded the lack of skilled technicians at almost every site under MNREGA program, along with rules banning the use of machinery or contractors (labour is usually by shovel). Such bureaucratic regulations mean that the labourers learn no new skill. Also, the ponds, roads, drains, dams and other assets built with manual labour are often of wretched quality. The idea behind MNREGA program is to create as many jobs as possible for unskilled workers. In practice, say critics, it means no one learns new skills, only basic projects get completed and the poor stay poor — dependent on government checks.

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