MGNREGA: Ensures Guaranteed Wage Employment in Rural Area

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Abstract
The Mahatma Gandhi Nation Rural Employment Guarantee Scheme (MGNREGS) is perhaps the world largest right to work model being implemented in India. The most distinctive feature of MGNREGA from the earlier rural public works programme is that it has provided a legal entitlement to work on demand. But unfortunately MGNREGA is not meeting demand for wage employment in rural areas it may be because poor transparency and accountability and lack of capacity on the part of Panchayats. Lack of awareness among villagers about the provisions of the Act and not using proper strategy for awareness building is another factor which is responsible for lacuna due to which proper implementation of MGNREGS is remain challenge in rural areas. There are still lots of problems in the implementation of MGNREGA. Still, it has not reached the poor and needy due to lack of interest of the implementing agencies especially local self-governance in rural area. MGNREGS needs more creative innovative and time bound efforts from the local governance institutions to meet the demand for wage employment in rural area. Gram Sabha and Social audit can play crucial role to implement these scheme.

The present paper is based of secondary source of literature, discusses about whether MGNREGA really meeting demands of wage employment at village level and suggests mechanism for effective implementation of MGNREGA.

Keywords: MGNREGS, Demand, Wage employment, Rural area, Local self governance, Gram Sabha

Introduction
Poverty alleviation has been one of the objectives of the employment generation programmes in India since independence. To achieve this aim various wage -employment programmes have been initiated by the Government of India during various plans. However, these programmes could not make adequate impression on unemployment in the countryside because the problems of seasonality in employment and underemployment / under employment remained unsolved.

Indian parliament enacted National Rural Employment Guarantee Act (NREGA) in September 2005. The main aim of this legislation is to provide 100 days guarantee wage employability to rural people on demand whose are willing to do manual work under the MGNREGS. MGNREGS has been covered around 200 districts at its initial phase in the year 2006-2007. In the financial year 2007-2008 scheme has been extended into the 130 districts of the nation. At present MGNREGS are existing almost 600 districts of the country. MGNREGS is one of the largest development and welfare programme in the country especially for Rural India. Its ensures guarantee of work and minimize the migration from rural to urban. MGNREGS is the people centric livelihood programme where local people have right to demand work to local governance within the stipulated time farm which can be improved livelihood situation of the rural people. MGNREGA ensures gender mainstreaming in which 50 % women’s can be a part of this wage employment in their respective rural area without discrimination of gender and caste.
MGNREGA is not only creating livelihood for rural community but also gives the boost to rural economy by straightening local resources which leads to village development. Natural resource management, water harvesting, water shed development, social forestry, infrastructure creation, housing etc. works can be undertaken through the MGNREGA in respective rural area to lead comprehensive development of the rural areas.

MGNREGA has not only created employment opportunities in rural areas but also created durable assets which in turn further improved resource base for livelihoods of rural people.

**Methodology**

The present paper is based on secondary data. The source of data are published and unpublished sources like books, journals, magazines, articles, newspapers, reports, etc. The study also is based on World Wide Web.

**Table 1: Overview of Employment Programmes in Rural India**

| Year     | Name of the Program                        | Brief Description of the Programe                                                                 |
|----------|-------------------------------------------|---------------------------------------------------------------------------------------------------|
| 1960-1961| Rural Manpower Programme (RMP)             | The programme was set up for better utilisation of the unemployed and under-employed rural manpower, comprehensive works programme was proposed |
| 1971-1972| Crash Scheme for Rural Employment (CSRE)   | The objective of the scheme was to do rural employment. It is intended to provide employment to persons belonging to family where no adult is employed or which suffer from inadequate employment |
| 1972     | Drought Prone Area Programme (DPAP)       | Purpose of this programme was to assess the effects of drought prone on livelihood, natural resources and human resources in rural area and provide necessary support to overcome the situation. |
| 1974-1975| Small Farmers Development Agency (SFDA)    | The programme was set up to investigate and identify the problems of small farmers, and ensure technical and financial assistance to small farmers |
| 1973-1974| Marginal Farmers & Agricultural Labour Scheme (MFALS) | The Programme was aimed for technical and financial assistance to marginal and small farmers and agricultural labour in maximum productive use of their small holding and skills by undertaking animal husbandry, horticulture, etc. |
| 1977-1978| Food for Work Programme (FWP)              | The programme was set up to Providing food grains to labour for the works of development           |
| 1980     | National Rural Employment Programme (NREP) | The programme was set up to provide profitable employment opportunities to the rural poor. It was expected to increase man days per annum, create durable community assets, and improve nutritional status and living standards of the poor. |
| 1983     | Rural Landless Employment Guarantee Programme (RLEGP) | The Programme was aimed for providing employment to landless farmers and labourers |
| 1993-1994| Jawahar Rozgar Yojana (JRY)               | The programmes aimed to provide employment to rural unemployed.                                    |
| 1993     | Employment Guarantee Scheme               | The objective of the programme was to provide employment of at least 100 days in a year in each village |
| 1999-2000| Rural infrastructure programme (RIP)       | The programme was set up for making actions in rural infrastructure. It was proposed in the areas of irrigation, rural housing, rural water supply, rural electrification and rural telecommunication connectivity |
| 2001-2002| Sampoorna Gramene Rozgar Yojana (SGRY)    | It was a rural development programme that aimed to provide employment and food security to rural poor who lived below the poverty line. |
2004 National Food for Work (NFWP) It was a rural employment programme to intensify the generation of supplementary wage employment. The programme was open to all rural poor who are prepared to do manual, unskilled labour.

1977 Maharashtra Employment Guarantee Scheme (MEGS) It was a wage employment programme, implemented by Maharashtra State Governments with Central assistance for enhancing livelihood of manual labour.

1977 Maharashtra Employment Guarantee Act (MEGA) It was a wage employment act which was self-targeting, implemented by Maharashtra State Governments with Central assistance to provide wage employment to those who demanded it.

2006 MGNREGA The MGNREGA is a legal guarantee that people can use to secure their entitlement of wage employment.

**Key Features of the MGNREGA**

MGNREGA is one of the largest guaranteed wage employment legislation which ensures livelihood security to its rural people by providing fixed work on demand by the local people. It has some important features which give transparency and accountability in implementing MGNREGA in rural India.

| Features                  | Description                                                                 | Responsibility                                                                 |
|---------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Registration of Beneficiaries | Any adult member who is willing to do work in rural area can enroll in manual work under MGNREGA. | It is the responsibility of local gram panchayat to inform the people about provisions of MGNREGA to register a large number of people especially those who are economically unsound. |
| MGNREGA Job Card           | After registration for work under MGNREGA Beneficiaries will get a Job Card. Job Cards are supposed update from time to time whenever work is carried out by the respective card holder. | Job Card should be issued by Local Gram Panchayat within the stipulated time after registration. |
| Right to Demand Work       | Registered beneficiaries have the right to demand work in their local area within 5 k.m. | It is responsibility to the Local Gram Panchayat with consultation to Block office guarantee of giving wage employment as per demand in stipulated time. |
| Unemployment Allowance     | If wage employment is not given to beneficiaries as per demand in stipulated time (15 days) then beneficiaries are eligible to get unemployment allowance as per rule. | It is the responsibility of panchayat and its personnel to ensure the job guarantee or unemployment allowance. |
| Work Site                  | Unskilled work should be provided within 5 k.m. of the village and if it is more than 5 k.m. then additional travel allowance has to be given to beneficiaries as per rule. | It is the duty of Gram Rojgar Sevak and Panchayat Secretary to provide work in 5k.m. radius of village. |
| Gender Main Streaming      | Priority has to be given to women belonging from diverse backgrounds. 1/3 women reservation is mandatory under the MGNREGA. | Local panchayats have to maintain gender balance by giving equal chances to men and women while assigning the work. |
| Prohibition of Contractor and Machinery | Beneficiaries should have benefited directly under the MGNREGA and involvement of external contractors and machineries at work site is strictly prohibited | It is the responsibility of the local authority to avoid contractors and machines in completing work. |
Planning of Work
Each financial year the decision has to be taken about what kinds of work to be undertaken and finalising the sites of work as per the provision of act.

Gram Sabha has the right to take discussion on finalising the work site and nature of work and has to approve it by the gram panchayat.

Statutory Services
It is mandatory to provide Crèches, drinking water, sheds and first aid facilities to all workers under MGNREGA.

Each gram Rojgar Sevak should ensure to monitor work sites and provide required facilities which are mandatory under MGNREGA.

Work under MGNREGA
Nearly 263 types of work can be done to ensure livelihood security through wage employment programmes in rural India. There are four types of work categories given under schedule 1 of MGNREGA.

Table 3: Works and Implementation under MGNREGA

| Work Category as per Schedule I | Work Permitted as per Schedule I |
|--------------------------------|----------------------------------|
| Category I - Public Works under Natural Resource Management | • Water conservation, harvesting and water shed management. Irrigation work, Management of water channel and drains. • Development and Renovation of tradition water bodies. • Tree plantation on public places and road sides • Common land development of rural area. |
| Category II - Individual Asset Development of weaker sections | • Development of irrigation including well, ponds, and water harvesting etc.. • Enhancement of productivity of land • Enhancement of livelihood security through forestry and horticulture. • Building houses under Awaas Yojana • Livestock development • Promotion and development of fisheries farm etc.. |
| Category III - Common Infrastructure | • Promotion of agricultural productivity by creating infrastructure facility. • Work shed for livelihood activities of Self-Help Group. |
| Category IV - Rural Infrastructure | • Sanitation work, household toilet, school toilet, Anganwadi toilet, solid and liquid waste management. • Rural road connectivity • Construction of rural infrastructure including panchayat building, school, Anganwadi, health center etc.. • Development of food storage facility under food security act • Works related to disaster preparedness |

Gram Panchayat, Gram Sabha and MGNREGA
As per the section 6 of section 14 of the MGNREGA says that district programme coordinators have to prepare a labour budget plan in the month of December every year for the next financial year containing needed base work at local level and engagement of workers in works under the scheme in respective area.

Gram Sabha is a core part in the planning process of MGNREGA work & labour budget for respective local areas. Gram Sabha has many rights and responsibilities under MGNREGA which includes,

• As per the needs and available resources in the area, Gram Sabha regulates the work priority and democratically discusses it in Gram Sabha and determines work to be done under the MGNREGA.
• Monitor and Supervise of on-going and accomplishment work within the village under the Gram Panchayat.
• Keep track of work through social auditing for its better implementation and making accountable to implementing agencies in respective gram panchayat areas.
Gram Panchayat is one of the local units of development called as a development centre of rural areas. In the context of livelihood schemes like MGNREGS Local Self Governance plays a very crucial role in implement schemes in an effective manner. The responsibilities of Gram Panchayat in MGNREGA are:

- Registration of adult members who are eligible to manual work under MGNREGA
- Make registration records of all beneficiaries and accordingly issue job cards after scrutiny applications.
- As per the rule allocation work within stipulated time.
- Management of all work related to MGNREGA including its standard, record keeping, and assessment of demanded work and determine the work site as per the needs and requirements.
- Account management is one of the core function of gram panchayat should have perform in transparent manner.
- Education and awareness generation among the local people about MGNREGA
- Proper supervision and effective implementation of schemes in which maximum beneficiaries will get benefits at village level.

Unemployment and Rural Area

Basically, where labour time is not fully utilized is known as disguised unemployment. In agro-economic and rural based India 71% population depends on agriculture and only 15% contribute to the country’s GDP. It also reflects the huge number of people involved in agriculture activity but production is not proportionate to wage involved. Basically in a country like India where livelihood maintenance is really challenging and population is increasing rapidly, it leads to a high number of people dependent on a low size of land for agriculture production. To overcome the various problems and stimulate the positive employment programs wage is the key variable that balances employment unemployment in rural India.

Hence in view of evolving a mechanism to supplement existing livelihood sources in rural areas was recognized early in development planning in India. The Government has implemented wage employment programmes that offered wage employment on public works on minimum wages.

### Table 4: Total workers employed under MGNREGS 2017-2018 and 2019-2020

| State Name                  | Total workers employed in age Group 18-30 Years |
|----------------------------|-----------------------------------------------|
|                            | 2017-2018  | 2019-2020  |
| Andaman and Nicobar        | 361        | -          |
| Dadra & Nagar Haveli       | 0          | -          |
| Daman & Diu                | 0          | -          |
| Lakshadweep                | 0          | -          |
| Nagaland                   | 38396      | 31439      |
| Andhra Pradesh             | 348137     | 346028     |
| Arunachal Pradesh          | 18801      | 29766      |
| Assam                      | 383119     | 282086     |
| Bihar                      | 321964     | 474260     |
| Chhattisgarh               | 342989     | 366539     |
| Goa                        | 55         | 17         |
| Gujarat                    | 170933     | 192719     |
| Haryana                    | 43230      | 39220      |
| Himachal Pradesh           | 45494      | 47097      |
| Jammu and Kashmir          | 122190     | 76479      |
| Jharkhand                  | 267066     | 295297     |
| Karnataka                  | 441552     | 426938     |
| Kerala                     | 24690      | 29089      |
| Madhya Pradesh             | 537016     | 678025     |
| Maharashtra                | 213385     | 189761     |
| Manipur                    | 34639      | 44977      |
| Meghalaya                  | 89157      | 115837     |
| Mizoram                    | 13041      | 15559      |
| Odisha                     | 199412     | 217358     |
| Puducherry                 | 1454       | 1393       |
| Punjab                     | 61758      | 71856      |
| Rajasthan                  | 703196     | 958706     |
| Sikkim                     | 5507       | 4181       |
| Tamil Nadu                 | 225898     | 203620     |
| Tripura                    | 48501      | 43293      |
| Uttar Pradesh              | 487899     | 587088     |
| Uttarakhand                | 45363      | 41335      |
| West Bengal                | 442892     | 361365     |
| **Total**                  | **5678095**| **6171328**|

**Source:** Official Data Portal of MGNREGA
Above table depicts that compared to 2017-2018 work demand under MGNREGA among the youth has increased in 2019-2020 i.e. 5678095 to 6171328 youth were employed under MGNREGA in different states across India. Out of 33 states if we compared 2017 to 2020, its shows that youth employability ratio has been increased in 2019-2020 compared to 2017-208 in the state of Andra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Kerala, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Odisha, Punjab, Rajasthan and Uttar Pradesh.

**MGNREGS during Pandemic**

Due to pandemic and nationwide lockdown many people are-migrated in their local towns. Most of the people lose their livelihood sources and income. Because of MGNREGA those who have lost their employment, especially daily workers absorbed in various works under MGNREGA in their local areas. Government issued almost 86, 81,928 fresh MGNREGS Jobs Cards in the 2020-2021 financial years. This number was quite high compared to the previous financial year. There were 64, 95,823 Job cards issued in 2019-2020.

**Table 5: Employability under MGNREGS during 2019-2020 and 2020-2021**

| Month   | 2019-2020     | 2020-2021     |
|---------|---------------|---------------|
| April   | 273940403     | 141308625     |
| May     | 369515900     | 568693697     |
| June    | 321428565     | 640708960     |
| July    | 194174791     | 391630385     |
| August  | 153052702     | 238976142     |

In the above table it clearly shows that form may onwards employability rate of MGNREGA has been increased rapidly compared to financial year 2019-2020. If we the employment under the scheme was 369515900 in the month of May of 2019 but in 2020 May it has reached up to 568693697 and continued up to 238976142 in the month of August 2020.

The nationwide lockdown due to pandemic forced unorganized workers back to their local towns, hence it became high demand of work under this scheme across the nation. It’s shows rapid growth of employment under the scheme right from the month of May to August 2020.

**Budgetary Allocation for MGNREGA**

The Finance ministry of India in the view of the current pandemic allocated Rs. 73,000 crore budgets for the MGNREGA in financial year 2021-2022 which is quite high budgetary allocation compared to Rs. 61,500 crore in 2020-2021. Government also revised the wage rate under the MGNREGA in the month of March 2020.

**Table 6: State Wise Wage Rate of Workers under MGNREGS**

| State/UT                  | Wage Per Day in Rs. |
|---------------------------|---------------------|
| Andaman and Nicobar       |                     |
| Andaman District          | 267.00              |
| Nicobar District          | 282.00              |
| Dadra & Nagar Haveli      | 258.00              |
| Daman & Diu               | 227.00              |
| Lakshadweep               | 266.00              |
| Nagaland                  | 205.00              |
| Andhra Pradesh            | 237.00              |
| Arunachal Pradesh         | 205.00              |
| Assam                     | 213.00              |
| Bihar                     | 194.00              |
| Chhattisgarh              | 190.00              |
| Goa                       | 280.00              |
| Gujarat                   | 224.00              |
| Haryana                   | 309.00              |
| Himachal Pradesh          |                     |
| Non Scheduled Area        | 198.00              |
| Scheduled Area            | 248.00              |
| Jammu and Kashmir         | 204.00              |
| Ladakh                    | 204.00              |
| Jharkhand                 | 194.00              |
| Karnataka                 | 275.00              |
| Kerala                    | 291.00              |
| Madhya Pradesh            | 190.00              |
| Maharashtra               | 238.00              |
Above table and figure depicts wage rates under MGNREGA across the country. It is observed that Haryana state is the leading state that pays Rs.309.00 wage which is higher than other states followed by Kerala Rs.291.00 and Goa Rs.280.00 respectively.

Table 7: State Wise Wage Expenditure under MGNREGA (from April 2020-August 2020, Rs. in Lakh)

| State/UT               | Total Wage Released |
|------------------------|---------------------|
| Andaman and Nicobar    | 348.89              |
| Nagaland               | 32758.62            |
| Andhra Pradesh         | 701966.37           |
| Arunachal Pradesh      | 19746.12            |
| Assam                  | 105698.58           |
| Bihar                  | 399250.6            |
| Chhattisgarh           | 243828.05           |
| Goa                    | 91.34               |
| Gujarat                | 96885.14            |
| Haryana                | 32021.93            |
| Himachal Pradesh       | 52293.32            |
| Jammu And Kashmir      | 44111.04            |
| Jharkhand              | 167695.95           |
| Karnataka              | 324829.67           |
| Kerala                 | 177978.55           |
| Madhya Pradesh         | 420734.17           |
| Maharashtra            | 96443.35            |
| Manipur                | 73756.92            |
| Meghalaya              | 66294.54            |
| Mizoram                | 32062.87            |
| Odisha                 | 32758.62            |
| Puducherry             | 1829.28             |
| Punjab                 | 57043.88            |
| Rajasthan              | 484800.84           |
| Sikkim                 | 4686.15             |
| Tamil Nadu             | 367223.42           |
| Telangana              | 235662.88           |
| Tripura                | 61855.85            |
| Uttar Pradesh          | 634961.48           |
| Uttarakhand            | 43138.69            |
| West Bengal            | 618691.23           |

Source: Ministry of Rural Development

Figure indicates that during pandemic form April to August 2020 Andhra Pradesh has spent Rs. 701966.37 for MGNREGA followed by Uttar Pradesh and West Bengal Rs. 634961.48 and Rs. 618691.23 respectively. Majority of the beneficiaries were engaged in works under MGNREGA in Andhra Pradesh, Uttar Pradesh and West Bengal.

Issues Related to MGNREGS

Insufficient rate of Wages: Wage rate under MGNREGA is very low therefore people show lack of interest in working under the scheme. Many states’ wage rates are less compared to the actual state minimum wages. Government should have increased the budgetary allocation for MGNREGA and detriment decent wage structure which can lead to effective results of MGNREGA and relay the livelihood security to vulnerable people in rural areas.
**Inadequate Budgetary Allocation and Non Utilising Budget**: Adequate budget has to be allocated to sustain MGNREGA to ensure proper livelihood security through wage employment in rural areas. And also the allocated budget has to be utilised properly to get benefits of its beneficiaries.

**Irregularity in MGNREGA Payments**: Payment delay is one of the concern issues in MGNREGA. Local authorities with proper coordination with block and district level authority need to keep track of completion of work and should have done payment on regular basis to its beneficiaries. But somehow payment under the scheme has not been done regularly as per the provisions of legislation.

**Lack of Intervention of Local Governance**: Gram Panchayat is a key implementing agency of the scheme. But due to lack of will power among the personnel in implementing, monitoring and transparency remained a challenge.

**Way Forward**

- MGNREGA can be an effective social security net to the poor in India if it is strengthened and its implementation is effective with effective governance like Right to Information Act.
- The works being undertaken under this scheme can make a significant contribution to increase in the agricultural production in the country.
- In such works, food grain storage at village/Panchayat level should also be prioritized with the help of public distribution department of the state government.
- As the Central Government is now giving more emphasis on infrastructure creation, agro-food processing should also get priority. Such measures will create more man days to work for the people in rural areas.
- As much agriculture related works have been included in the list of this scheme, Central Government should also rope in vast network of Krishi Vighyan Kendras in the country in effective implementation of this scheme.
- Further, there is need for convergence of major programmes of poverty alleviation like National Food Security Act so that the effect on an individual family can be measured.
- If we target every poor family continuously with umbrella of programmes like MGNREGA, National Food Security Act, Sarva Shiksha Abhiyan, Indira Awas Yojana and other programmes aimed at malnutrition of children and women, the poor will certainly come out from the curse of poverty and will prove more useful resource in the development of this country.

**Conclusion**

MGNREGS has not only created employment opportunities in rural areas but also created durable assets which in turn further improved resource base for livelihoods of rural people. Besides, MGNREGS has also strengthened rural local governments as these are principal authorities to implement this scheme.

The rural youth are in terrible need of appropriate and satisfying jobs within the villages. The sustainable solution lies in increasing the productivity of agricultural sector by accelerating public and private sector in infrastructure technology and skills. A well-diversified agricultural growth will enhance employment opportunities. The outcome of wage employment and self-employment programmes has been disappointing, and certainly does not commensurate with the huge investment that has gone in these programmes. The programmes need to be made cost-effective by involving people themselves through Panchayati Raj Institutions and Gram Sabha so that viable and worthwhile projects are taken up under MGNREGS.

The MGNREGS mission is only partly being achieved as its supply driven determinants are deeply entrenched in governance deficits. What is needed is a governance paradigm shift in MGNREGA. This call for massive strengthening PRIs and its sub systems.
like Self Help Groups, Gram Sabhas, Banking Correspondence Model and also by deploying larger numbers of Rozgar Sahayak’s, technical staff per Gram Panchayat with better remuneration to achieve financial inclusion and to ensure sustainable livelihoods in rural India.

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