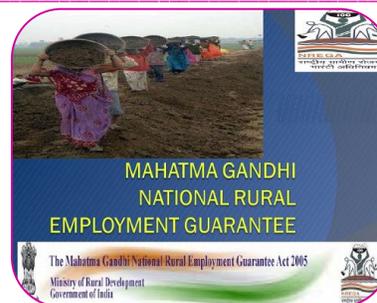




## MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT AND STATUS OF RURAL EMPLOYMENT GENERATION IN INDIA

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### ABSTRACT

*The present paper is an attempt to overview the impact of MANREGA on employment creation in India. To fulfill the objective of the paper secondary data has been used. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) program by the Central Government of India started in September 2005. It provides a legal guarantee of 100 days of employment per year in unskilled works to each rural household. Although providing livelihood security for rural households is main objective of this program, but it has others effects on rural economy likes the creation and maintenance of rural infrastructure, employment generation. The finding of the study reveals that MANREGA play a significant role in employment generation in rural India. It not only provides a security of food but also promote rural development.*

**KEYWORDS :** Rural Economy, MANREGA, Employment, Unskilled Labour

### INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the most inclusive and effectual employment generation program designed by government of India (GOI) for rural development since the independence. In 2005 Indian Government introduced this program and offered a new job opportunity for rural India. According to the Act it is obligation of GOI is to “provide for livelihood security of the households in rural areas of the country by provided at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled work” (source: The National Rural Employment Guarantee Act, 2005, No. 42 of 2005, 5th September, 2005). Definitely it plays an enormous role in generating job for rural people in India. Beside it others purpose behind the foundation of MGNREGA is to decrease the Poverty and eradicate hunger. With this law GOI initiated to secure the fundamental right of villagers to work and to enable them to stable, financial secure and giving guaranteed employment. This law also offers social prosperity.

This law enables a certain job for every poorest household in the rural area with minimum income for all. MGNREGA not only offer the employment opportunity but also works as a tool to eradicate poverty in rural India. MGNREGA increases the purchasing power of rural people in rural India. After begin a part of this program rural people are able to satisfy their minimum livelihood wants. It enhances their socio-economic condition as well as provides a better standard of living of people residing in rural India.

It has been argued that provision of providing job opportunity to the rural people is not only a single objective of the MANREGA but also it has brought multi faceted effect on the rural Indian economy. Unemployment indirectly correlated with poverty; thus job generation with the MANREGA will reduce the number of poor people in rural area. Further, the local saving boosts the capital formation in villages. Besides this it creates positive effects on physical and mental health of people improved. On the other side MANREGA absorb the surplus labour force in other productive activities in this way pressure on agriculture

decreased that increased the agriculture productivity. Thus it was believed that providing security of employment may creates spillover effects on the development of overall economy.

In this setting, this paper presents the impact of MANREGA in job creation in rural economy. The paper discusses an overview of important aspects of MANREGA. It also includes the role of MANREGA in enhancing the socio-economic condition and provides a better standard of living.

### **MANREGA AN OVERVIEW:**

As mention earlier that Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), a Central sponsored wage employment scheme that aim to provide livelihood security to the rural poor. The MGNREGA was implemented in 200 districts, in the first phase, with effect from February 2, 2006 and extended, to additional 113 and 17 districts with effect from April 1st2007 and May 15th2007, respectively. The remaining districts were included under the Act from April 1, 2008. The ministry of rural development has responsibility to implement this scheme throughout the country. Beside this a professional institutional network has been set up to access the steady and sustainable development of the program that enhances the quality of the MGNREGA. It acts as a monitoring assessment and research committee. If we go back in the long history of wage employment program in India MANREGA has one of the most success wage security program that emphasis on the rural development by enhancing the use of natural resources and create assets at village level. It strengthens the livelihood resource base of the rural poor and their decision making through a process of participation of Gram Panchayat. Even though, the primary objective of the Act is to provide wage employment on demand to self-targeted group.

### **THE MAIN PROVISION OF ACT:**

1. Employment should be provided within 15 days of applying for job.
2. If employment not provided within the given period (15 days) daily unemployment cash should be paid.
3. Employment should be within 5 Km radius.
4. At least one –third of beneficiaries should be women.
5. Gram Panchayat should take the charge of 50% work.
6. Transparency and accountability should be ensured through Social Audit.

### **THE ACT HAS FOLLOWING FEATURES TOO:**

Enhance livelihood security of the rural poor by generating wage employment opportunities in works that develop the infrastructure base of that particular locality.

- ❖ promote to use the natural resource base of the area concerned.
- ❖ Create productive rural infrastructure.
- ❖ Stimulate local economy through providing minimum wage employment.
- ❖ Ensuring the women participation in development.

### **LITERATURE REVIEW:**

Dreeze and Lal (2007) described in his study on NREGS in Rajasthan in terms of employment generation per rural household. They revealed that during 2006-07 the average rural households in six “NREGA Districts” of Rajasthan got work for 77 days. They further stated that the main gainers of the programme were belonging to disadvantage section of society. They found that the share of women in NREGA employment in Rajasthan was estimated about two third.

Ghosh (2008) found out that MGNREGA is a very cost-effective way to increase the employment directly or indirectly that play an important role in reviving the rural economy, providing basic consumption stability to rural poor people and improving the bargaining power of rural workers.

Dutta, (2009) carried out a study of MGNREGA in Dangs (Gujarat) and Jalpaiguri (West Bengal) districts and stated that due to MANREGA the mobility and interactions of community has been that further

improve the rural connectivity works. It checked the Migrations because now rural workers are provided employment in their own village.

Watershed Organization Trust (WOTR) 2010 organized a report on MANREGA process and procedures in Maharashtra in 2010 evaluated the processes and procedures of MGNREGA as well as Maharashtra Employment Guarantee Scheme. The report revealed that the availability of employment during lean period increased. Report also described that because of MANREGA an increased in water level in well & land under cultivation.

Bagchi, (2011) in a book entitled "Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) As Right to Employment" assessed its impact and effectiveness. He stated that the primary objective of the act is to provide augment wage employment to the rural people. He identified that the program is giving limited success of the programme in different parts of India. So there is need to do something for better implementation of the programme.

Kajale and Shroff (2011) assessed the impact of MGNREGA on employment generation, wage differentials, rural to urban migration, asset creation, determinants of participation and implementation in five districts of Maharashtra. Their studies Based stated that the state has not given satisfactory performance in employment generation and assets creation but it did well in respect of food security, reducing poverty and out-migration.

Keshlata (2014) stated that MGNREGA programme has benefited tribal households by providing employment.

### OBJECTIVES OF THE STUDY

The objective of the present paper is to take a comprehensive study on the MGNREGA on job creation in rural India. To, achieve this objective an in-depth analysis done on the need of the MGNREGA, advantage and applicability of MGNREGA. Paper also highlighted the present status of MGNREGA in rural areas of India.

### DATA AND METHODOLOGY:

Secondary data have been gathered from different books, research papers, reports, journals, news papers and online data base. The paper is based on descriptive arguments related to MGNREGA activities in rural India.

**Table 1: Performance of MANREGA in Employment Creation:**

Year	Employment Generated( In Number)	Growth of Employment Generation( in Percent)
2006-07	20983491.00	-
2007-08	3388122.00	61.50
2008-09	45112792.00	33.12
2009-10	52585999.00	16.57
2010-11	54947068.00	4.49
2011-12	50424472.00	-8.23
2012-13	49887678.00	-1.06
2013-14	47806605.00	-4.17s

Source: www.indiastat.com; www.nrega.nic.in; Ministry of Rural Development, G.O.I. Annual Report 2012-13.

The table 1 portrays the overall performance of the growth of employment generation is declining movement in fund utilization but later in 2011-12 it started to show negative growth. This can be seen in the section of growth in employment generation of the above table. Government officials state the drop in funds utilization down from 76.57 percent in 2009-10 to 74.57 percent in 2010-11, may be due to the lower demand for work. The potential of employment generation through MANREGA could not achieve because of loophole like the administrative set up is not developing as it should.

**Figure 1: Job Card Holder in MANREGA(in Percent)**

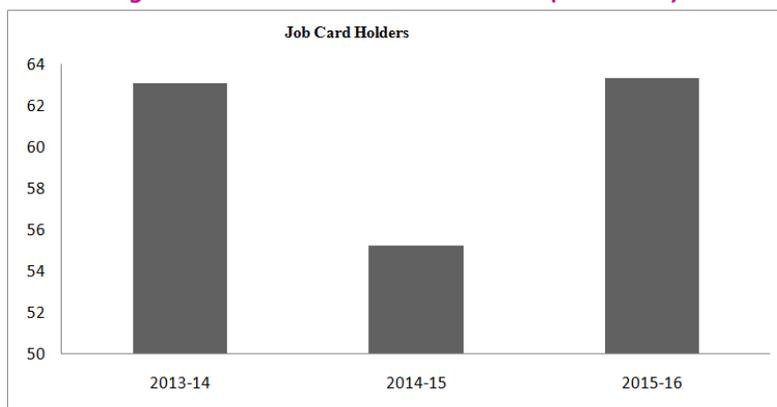


Table 2 presents year-wise data of financial progress under MGNREGA program. Table analysis the financial progress through the total expenditure, percentage utilization of that expenditure, wage liability and cost per day per person in an average. As per the table analysis we can say that per day there is an increase in per person average cost from year 2013-14 to the year 2016-17 but in the year 2017-18, this amount decreases as compared to other previous years that show the per head cost of job creation decreased.

**Table 2: Financial Progress under MANREGA**

FINANCIAL PROGRESS	2017-18	2016-17	2015-16	2014-15	2013-14
TOTAL Exp( In Cr)	25,063.89	57,924.97	44,002.59	36,025.04	38,552.62
Percentage Utilization (%)	78.95%	102.02%	101.43%	95.84%	91.56%
Liability (Wages) (In Cr)	1,285.33	1,465.61	340.44	473.37	470.88
Average Cost Per Day Per Person (In Rs)	197.54	226.98	202.46	206.13	183.47

Source: Ministry of Rural Development, Government of India <http://www.nrega.nic.in/netnrega/home.aspx>

**CONCLUSION & DISCUSSION:**

Since independence MGNREGA is the largest rural employment generation program in India. This program not only secures 100 days job but also provide minimum earnings for every adult of every household at the same time. It satisfies some other aspects e.g. environment protection, social protection and rural infrastructure development, promoting women empowerment gender equality, asset creation and mitigation of the migration problem. Thus MANREGA is acts as a significant tool not only for job creation but over all rural development of India. Participants of MGNREGA have been insured for employment that relieved from poverty and hunger and strengthens the rural livelihood security.

However, MGNREGA has faced many pitfalls. There is no doubt that through this program job has been created but the allotment of work is not found satisfactory. The causes behind this found that on record there are huge gap in ratio card holders and work allotment. MGNREGA play an important role in enhancing the development of rural economy. MGNREGA change the wage structure, accessibility of work at nearest work place, stopped huge amount of relocations, in rural India. Fixed wage allotment under MGNREGA developed a reasonable in wage structure in private sector worked by the rural population.

In spite of some loopholes in implementation of the act, MGNREGA is acts as an alleviator for poor rural development. The foremost contribution is that it is assuring 100days job guarantee. Apart from it providing equal participation opportunity to rural poor female promotes the gender equality in the workplace. MGNREGA not only decreased the unemployment but also develops rural development.

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**Annexure 1: Status of MANREGA**

1.	Total No of District	<b>685</b>
2.	Total No. of Block	<b>6883</b>
3.	Total No. of GPs	<b>2,62,402</b>

Source: www.manrega.nic.in

**Annexure 2: Status of Job Card MANREGA**

S.No	Job Card	In Cr
1.	Total no of job card issued	<b>12.58</b>
2.	Total no of workers	<b>24.8</b>
3.	Total no of active Job card	<b>6.99</b>
4.	Total No of Active worker	<b>10.78</b>
4.1	SC workers against active workers (in %)	<b>20.03</b>
4.2	ST worker against active workers (in %)	<b>16.41</b>

Source: www.manrega.nic.in

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