

## MGNREGA: SOCIO - ECONOMIC IMPACT

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### ABSTRACT

*MGNREGA is one of the flagship schemes of the central Government towards poverty, alleviations, employment generation and inclusive development. It aims at enhancing livelihood Security to the household in rural areas of the Country. The MGNREGA Provides wage Employment while also focusing on strengthening natural resource management through works that address causes of chronic Poverty like drought, Sustainable development. Improved Economic outcomes, especially in watershed activities and reduction in distress migration are its other achievements. This scheme was promoted by Man Mohan Singh Govt., now continued in NDA under Narendra Modi. Budget 2017 allocated Rs. 48,000 Crore. Rural Development has different aspects covering long term and short term aspects.*

**KEYWORDS:** MGNREGA, Peasant, Employment, Wage Campaign, Poverty, Alleviations.

### Introduction

The National Rural Employment Guarantee Act (NAREGA) came into force on February 2, 2006. During 2009-10, its nomenclature was changed by amending the act and it was renamed after the name of Mahatma Gandhi. The amended act is known as "Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). This programme is implemented by the Ministry of Rural Development and is dedicated to providing relief to the lowest rung of the society in rural areas who are poor, unorganized and deprived of even the basic amenities of life and do not get perennial job opportunities. This act aims at ensuring livelihood security to households in rural areas of the country by providing at least 100 days of guaranteed wages payment in each financial year to every household whose adult members are willing to do unskilled manual work, with the stipulation of one-third participation of women. The average wages paid under the MGNREGA has been raised from Rs.65 in 2006-07 to Rs.207 in 2018-19. Wages under MGNREGA are indexed to the consumer price index for agriculture labour. Upward revision of wages under the MGNREGA has increased the bargaining power of agriculture; through it may not be good news for peasants.

Recently some major initiatives have been enforced under the MGNREGA viz.

- The basket of permissible activities has been expanded to make it more meaningful.
- Electronic Fund Management system in all states has been initiated in a phased manner to reduce delay in payment of wages.
- Additional employment over and above 100 days per household in notified drought-affected talukas/blocks is now permissible.
- Provision has been made for seeding in Aadhar into the MGNREGA workers records to prevent leakage.
- Convergence of the MGNREGA with the total sanitation campaign has been undertaken.

### Objective of the Article

The objective of this Article is to examine the Socio-Economic implications of MGNREGA. This Article contemplates to evaluate the salubrious and deleterious impact of this programme on the society and economy of the country and also to highlight the prospectus and the challenges which would decide the fate of this programme meant for guaranteeing at least 100 days of employment in a year to unskilled manual Laborers of rural India.

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### Research Methodology

The data collected for the study includes Secondary data. The various Sources used to collect Secondary data reports of MGNREGA are research Papers, Journals and the website of MGNREGA.

### Performance of the Scheme

The scheme under MGNREGA was initially introduced in 200 most backward districts of the country during 2006-07. It was the 1<sup>st</sup> phase. In the 2<sup>nd</sup> phase this scheme was extended to additional 130 districts during 2007-08 and in the 3<sup>rd</sup> phase commencing from 1<sup>st</sup> April, 2008, the remaining 274 districts were covered under this scheme. The whole country was to be brought under its purview within 5 years. But in view of widespread strong demand, the process was completed two years earlier. The primary objective of the scheme is to augment was employment with emphasis on labour intensive works without contractors and machinery. The act mandates 33% participation of women. There is a provision of time bound wages payments within 15 days. However, this is not being followed owing to ulterior motives of fund handlers.

### Ministry of Rural Development Notification New Delhi, the 26<sup>th</sup> March, 2019

In Exercise of the powers Conferred by Sub-Section(I) of Section 6 of The MGNREGA 2005 (42 of 2005), the Central Government hereby makes the following further amendment, in the notification of the GOI in the ministry of Rural Development number S.O. 463(E), dated the 26<sup>th</sup> Feb,2013.

In the said notification for the given Schedule shall come into force on the 1<sup>st</sup> day of April, 2009.

### Schedule

#### State Wise Wage Rate for Unskilled Manual Workers

(Rupee per day)

S. No. (1)	Name of State/Union Territory (2)	Wage Rate in Rupees per Day (3)
1.	Andhra Pradesh	211.00
2.	Arunachal Pradesh	192.00
3.	Assam	193.00
4.	Bihar	171.00
5.	Chhattisgarh	176.00
6.	Goa	254.00
7.	Gujarat	199.00
8.	Haryana	176.00
9.	Himachal Pradesh	Non scheduled Areas- 185.00 Scheduled Area-231.
10.	Jammu and Kashmir	189.00
11.	Jharkhand	171.00
12.	Karnataka	249.00
13.	Kerala	271.00
14.	Madhya Pradesh	176.00
15.	Maharashtra	206.00
16.	Manipur	219.00
17.	Meghalaya	187.00
18.	Mizoram	211.00
19.	Nagaland	192.00
20.	Odisha	188.00
21.	Punjab	241.00
22.	Rajasthan	199.00
23.	Sikkim	192.00
24.	Tamil Nadu	229.00
25.	Telangana	211.00
26.	Tripura	192.00
27.	Uttarpradesh	182.00
28.	Uttarakhand	182.00

29.	West Bengal	191.00
30.	Andaman and Nicobar	Andaman District 250.00 Nicobar 264.00
31.	Dadra & Nagar Haveli	224.00
32.	Daman & Diu	202.00
33.	Lakshadweep	248.00
34.	Puducherry	229.00

Under the Mahatma Gandhi Rural Employment Guarantee scheme (MGNREGS), the maximum employment during 2009-10 was provided in Rajasthan followed by Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Tamilnadu and Bihar. In terms of share in person days under the MGNREGS, the share of SCs was highest in Punjab, followed by Tamilnadu, Uttar Pradesh, Haryana and Bihar, while the share of STs was highest in Madhya Pradesh followed by Jharkhand, Gujarat and Chhattisgarh.

The share woman was highest in Kerala, followed by Tamilnadu, Rajasthan and Andhra Pradesh. Thus this programme accounts for high works participation of marginalized groups of society, namely SC and woman. Nearly 90% fund is provided by the Central Government for MGNREGA. State Employment Guarantee Fund is established under section 21(I) of the NREGA. The State fund gives greater flexibility to the State in Fund Management for implementation of MGNREGA. State fund have been created in 11 States Viz Rajasthan, Andhra Pradesh, Uttar Pradesh, Tamil Nadu, Punjab and Gujarat.

The Central Fund for the MGNREGA is released directly to State Fund Account of the respective State Permission has been given for the use of 6% of the Budget for administrative Expenses by the State. The Central Govt. has recommended recruitment of one Gram Rozgar sevak sahayak in every panchayat, one Technical Assistant for Every five Gram panchayats, at least one Computer Assistant per Block and one Fulltime dedicated programme officer in every Block. The labour Budget ensures Smooth Flow of Fund on rational basis to the districts for implementation of the MGNREGA.

Transparency, accountability and social audits have been emphasized to ensure fair deal and word off malpractices. An ombudsman has been instituted in each district for effective grievance redressal. A scheme of monitoring by eminent Citizens has also been introduced, whereby 61 eminent Citizens have been engaged so far and each one of them has been given one district to provide first-hand feed-back on the implementation of the MGNREGA. The Central Govt. has suggested the States to make wage payment through Bank and Post-office Accounts of wage-Earners.

### **Social Dimension**

It has been rightly asserted that 'poverty' anywhere is a threat to prosperity everywhere India is home to the largest number of the words poor. The UN millennium Development Goal Report 2005 had optimistically predicted that the number of the Poor in India will come down from 51% in 1990 to 22% in 2015. The prediction is unlikely to come true. In 2019, only 46 million people out of 1.3 billion people live below poverty with facing number of problems related to Employment, agriculture, livelihood security, infrastructure likewise list goes on to halt these problems of rural population was the big challengeable job for the government. In association with that the government made an attempt to arrest this problem with effective wage employment programmes.

Our present study made an attempt to study the role of MGNREGA in ensuring the social security with giving them minimum 100 days of employment to rural unskilled Labour. According to a research of the oxford poverty and Human Development initiative, 645 million people are below poverty line in India, out of them, 421 million live in Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Rajasthan, West Bengal and Odisha. The World Bank drawn dividing line, according to which, those earning less than 1.25 dollars per day are poverty line less than rs.61 per day they are below poverty line. This rampant poverty tells the tale of much trumpeted poverty eradication programmes of the Government of India. Inequalities of wealth and income are galore in Indian Society. If the suffering of this large section of socially are not alleviated or at least assuaged by catering to their minimum basic needs the society may be turmoil and peace and prosperity may be endangered. The need of the hour is to provide financial and technical assistance to the poor to their self dependence. They must be encouraged to set up their own micro enterprises and industries. If they are provided free food and free dwelling why should they be serious about hard works in fields and factories?

### **Economic Dimension**

Financial Inclusion can be a key to empowerment of poor, underprivileged and low skilled rural households. Access to affordable, financial services, especially credit and insurance, enlarges livelihood opportunities through adoption of different economic activities financial inclusion, with a focus on rural areas, has been one RBI's main priorities since 2005. The RBI's plan includes provision of banking services to habitations with a population of 2000 and above. As the MGNREGA has mandated payment through formal financial institution.

Announcing the highest-ever allocation to MGNREGA in his 2015-16 Budget speech. Finance Minister Arun Jaitely gave Rs. 34,699 crore to the scheme, nearly 12 percent hike over the previous fiscal. The allocation was further increased in Budget 2016-17 Rs. 38,500 crore has been allocated. In the next fiscal year 2017-18 the allocation went up to Rs. 55,000 crore. Implementation of MGNREGA scheme has seen major changes in the last few years. High budget allocations to meet the objectives of the Act and strengthening of monitoring system have been ensured

### **Conclusion**

MGNREGA, 2005 is landmark legislation in Indian history of social security legislation after independence. It has proved to be an ill conceived scheme and this scheme should be scrapped. Funds allocated or to be allocated under this head should be used for Financing Schemes of self-employment for the poor. It is not possible to plug the loopholes of this scheme in spite of mind-boggling meticulous exercises. There cannot be any corruption-free administrative apparatus to implement and monitor this scheme honestly. MGNREGS funds may be made available to such trained persons for self-employment. The training network may be spread all over the country with qualitative training programmes. Self-employment schemes may cover very wide range of bread winning activities like dairy, nursery, commercial vehicles for carriage and transportation, weaving, tailoring, small shops, micro industries with low cost machines, so on and so forth pursuing the MGNREGA further will prove counter-productive and self-defeating.

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