

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME: AN ANALYSIS OF ITS PERFORMANCE IN INDIA AND STATES

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ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Scheme is a “rights-based, universal workfare programme”. This scheme is found unique, exclusive, and exemplary in developing countries by various researchers and policymakers. The study uses descriptive and tabular analysis for a thorough and comparative examination of the scheme. The study found MGNREGS more effective than other schemes of wage employment and livelihoods promotion. The study represents the contribution of the scheme in one and half decades to the rural livelihood and wellbeing of the country with the help of secondary data. The physical and financial performance of the scheme is described in the paper to have a comprehensive idea of the same. Similarly, regional level data is also mentioned in the study to find out the state-level performance. Under the flagship scheme, 15.1 crore job cards were issued till May 2021; out of which 9.13 crore job cards are active, and out of 29.21 registered workers, 14.06 workers are active. Since inception, 3493 crore person days have been created and cumulative expenditure for this is Rs.706372 crores. Out of the selected states, only six states, Andhra Pradesh, Chhattisgarh, Kerala, Madhya Pradesh, Rajasthan, and West Bengal performed well in the average person-days creation than the national average during the last four years. To reduce regional disparities and to thrive for its potential benefits, the study suggests some policy lessons viz; the reinvention of the scheme with more works providing greater scope for skill development and making the scheme more attractive through convergence planning with other rural development schemes, micro and macro-level interactions for better planning and to bring a progressive shift in the profile of rural labour force, to reduce regional disparities and bring intra-village equality, etc.

Keywords: *Employment Guarantee, Wellbeing, Regional, Effectiveness.*

Introduction

The conception and popularity of the term “Development” after the 1950s has successfully set a narrative ‘Growth with Justice’. For densely populated countries, especially in India desire for development makes livelihood security mandatory. A livelihood consists of the capabilities, assets in form of stores, resources, claims and access, opportunities and activities required for a means of living. A livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for next generations (Chambers and Conway, 1992; cited by Narang, B., 2014). Not only livelihood but sustained livelihood is required for alleviating poverty, reducing inequality, for human development environmental management. After COVID-19, its adverse impact on the Indian Economy and millions of Indian workers this perspective has regained importance.

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Under the “directive principles of state policy”, in the Indian constitution, Article 39 urges the state to ensure that “the citizens, men and women equally, have the right to an adequate means to livelihood” and that “there is equal pay for equal work for both men and women. Further, Article 41 stresses that “the state, shall within the limits of its economic capacity and development, make effective provision for securing the right to work...”

In pursuance of these articles and to reduce poverty and hunger, the government of India initiated policy directives in the form National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Jawahar Rozgar Yojana (JRY), Million Wells Scheme (MWS), Employment Assurance Scheme (EAS), Jawahar Gram Samridhi Yojana (JGSY), Sampoorna Grameen Rozgar Yojana (SGRY) and National Food for Work Programme (NWFP). The government attempted to improve every successive programme upon the earlier one. After these programmes and schemes and spending thousands of crores rupees, there is no decrease in demand of such programmes, rather it has increased tremendously due to unequal access to and ownership of means of production, exploitation of poor and vulnerable by dominating class, dependence on agriculture, low and variable productivity of land, poor resource base, inadequate employment opportunity, low wage rates, food insecurity, illiteracy, increased environmental degradation, poor health conditions, lack of awareness about various social security schemes, less effective trickle-down approach, rural economy lagging in the development process, corruption, misappropriations in public expenditure in public welfare schemes, bureaucratic and political apathy, dependence on government subsidies and transfer payments and many more.

In India, rural landless and poor labour constitutes a major segment of the unorganized workforce. These people rely only on their labour and sell it to earn their living in the farm and non-farm sector. Due to seasonality, lack of employment opportunities in the agriculture sector, low wage rates; these people resort to temporary or permanent migration to survive, maintain and raise their standard of living. In present times diversification in employment strategy is a growing phenomenon. Public works programmes are supposed to provide supplementary employment days to rural workers and have theoretical and empirical support as an important instrument in poverty reduction (Dreze & Sen 1989; Ravallion 1991; Sen 1995).

After realizing the need for public works programmes to generate employment and livelihood opportunities and to achieve UNDP Millennium Development Goals (2000); NREGA was introduced as a legitimate policy commitment by the Parliament of India in 2005. NREG Act 2005, is exclusive in terms of right based and demand-driven nature along with various entitlements to poor, vulnerable and marginalized groups. NREGS aims to provide a social safety net to the socially disadvantaged groups of SCs and STs when the alternative employment is inadequate or unavailable (Operational Guidelines, Gol, 2008). The act provides dignity to workers of rural India and freedom to choose their work with equality in opportunity. Livelihood related interventions by local governments in a participatory manner with residents for infrastructure and ecological improvements in their locality or village have tremendous potential to bring a change in the rural edifice of the country. The scheme was an attempt to escort socio-economical, infrastructural and environmental changes in rural India. MGNREGS adopts decentralization as this system facilitate the participation of people, especially from marginalized sections in the governance by bringing them closer to the government (Manjula, 2017). Various research studies support the fact macro-level policies are not conducive to solving local/regional problems and result in policy failure. The gap between micro-level action and macro-level policy decisions disables the access of rural poor to assets for livelihood improvement (Narang, 2014).

The scheme is different from erstwhile public works programmes in terms of objectives, origin, design and combines various development objectives which imparts an exclusive distinction to it (CSE, 2008). The scheme drastically changed the way of reaching the government to the person in need. MGNREGS was designed to achieve short term as well as long term objectives. Short term objective is to reduce employment distress in lean agriculture season, smoothening consumption throughout the year, adopt a pro-poor growth model using surplus labour to strategically reduce temporary and permanent migration. Whereas long-term objectives are many; attainment of inclusive growth, narrowing the chasm of inequality, empowerment of marginalized section in rural India, gender-equitable social structure, creation of durable and quality assets, ecological assets, improvement and maintenance of the local environment, infrastructure development, regeneration wasteland sands, enlivening of Panchayati Raj Institutions (PRIs), generate multiplier effects and many more. Because of these objectives, the scheme is a modern tool and key instrument of general development through meaningful interventions by PRIs. The scheme allows 260 community works and various individual category works and keeps on allowing

other works to make this scheme more useful and comprehensive. Some of the allowed works are soil conservation, reclamation of unfertile lands, improving soil fertility, land development, construction and maintenance of roads, maintaining govt. buildings, water conservation, water percolation and groundwater recharge, cleaning and restoration of water bodies, a forestation, watershed development projects, improving irrigation facilities, flood control, sanitation works, agriculture and livestock-related works etc.

Research Methodology

The study has attempted to analyse the performance of the scheme in the country and states as well. The study used secondary data taken from the official website of MGNREGS, NSSO various research studies etc. A tabular form of secondary data representation was used. Techniques of average and percentages were used for data analysis.

MGNREGS-Performance from 2006-07 to 2020-2021

India is an emerging developing country. Inclusive growth is a crucial requirement to attain development objectives. To attain this humanitarian objective National Rural Employment Guarantee Scheme was notified in the country in a phased manner and two earlier schemes named Smpoorna Grameen Rozgar Yojana (SGRY) and National Food for Work Programm (NWFP) were subsumed in NREGS. In the first phase (Feb. 2006) the scheme was notified in 200 districts and in the second phase May 2007) the scheme was notified in additional 130 districts. In April 2008, the scheme was notified in the remaining districts of the country. In the year 2009, the scheme was renamed MGNREGA. Presently the scheme has 714 districts, 7,144 blocks and 2,69,117 gram-panchayats under its coverage. Under the flagship scheme 15,.1 crore job cards were made till May 2021; out of which 9.13 crore job cards are active and out of 29.21 registered workers, 14.06 workers are active. Since inception, 3493 crore person days have been created and cumulative expenditure for this is Rs.706372 crores. The physical and financial performance of the scheme can be better understood with the help of the following tables.

Table 1: Physical Progress under MGNREGS

Indicator	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
No of HH demanded emp. (in crore)	2.14	3.42	4.55	5.28	5.57	4.83	4.78	4.88	4.64	5.34	5.69	5.73	5.87	6.16	8.55
No of HH provided employment (in crore)	2.11	3.39	4.51	5.25	5.49	4.78	4.60	4.51	4.13	4.81	5.11	5.11	5.26	5.48	7.55
No of HH availed 100 days of employment (in lakhs)	21	36	65	70	55	36	44	44	24	48	39	29	52	41	72
HH completed 100 days employment (%)	10.22	10.62	14.45	13.48	10.12	7.56	9.75	9.74	6.02	10.07	7.78	5.77	9.98	7.40	9.53
Average person-days per HH	42.82	42.40	47.95	53.99	46.79	42.11	46.2	45.97	40.17	48.85	46.03	45.69	50.88	48.4	51.52
Employment Generated (Person days in crore)															
Total	90	143	216	283	257	201	230	220	166	235	235	233	267	265	389
SCs	22	39	63	86	78	43	50	48	37	52	50	50	56	53	77
% of SC participation	25.36	27.43	29.29	30.48	30.63	21.78	22.22	22.81	22.40	22.29	21.27	21.56	20.77	20.38	19.78
STs	32	42	55	58	53	36	41	37	28	41	41	39	45	48	70
% of ST participation	36.45	29.27	25.43	20.71	20.85	18.02	17.79	17.52	16.97	17.79	17.60	17.49	17.42	18.51	17.91
Women	36	61	103	136	122	95	117	114	91	129	132	124	145	143	206
% of Women Participation	40.19	42.49	47.88	48.1	47.73	47.57	51.3	52.82	54.88	55.26	56.12	53.53	54.59	54.78	53.18
Others	34	62	97	138	124	121	139	135	100	140	144	144	166	164	242

Source: Data from 2006-07 to 2011-12 was taken from DMU Reports on 23/03/2017 and from 2012-13 to 2020-21 was taken from MIS Reports on nrega.nic.in on 17/05/21.

Table 1 reveals that the scheme in its inception year employed more than two crore households (HHs) and after one-and-a-half-decade total beneficiary HHs has increased to more than seven and a half crores. The scheme is demand driven by nature but one fact that needs to be considered is that there has always been a gap between the number of HHs demanded employment and the number of HHs provided employment. Till 2011-12 the gap between two indicators was not worrisome but after that, the gap has increased significantly and in the year of pandemic crisis, the gap was one crore, which shows that in 2020-21 many workers of the unorganised sector have reversed migrated to their villages and due to lockdown, this year became a year of the employment crisis. The national flagship scheme helped a considerable number of HHs but was unable to employ one crore HHs. This scheme employs 100 days to HH, whose adults are willing and demanding for manual work; but again, due to implementation shortcomings only in six FYs, more than 10 per cent HHs were provided hundred employment days. In the year 2017-18 only 5.77 per cent HHs were provided 100 employment days, which is the minimum to date. Average person-days per HH range between 40.17 to 53.99. In the crisis year, 7.55 crore HHs were provided 51.52 average person-days of employment. This shows that to a huge population this scheme provided livelihood support and helped them in sustaining their quality of life. This aspect of the scheme makes this scheme more humanitarian. In the year 2006-07, 90 crore person days were created and in fifteen years, there is more than four times growth in person-days per annum. In the year 2020-21, 124 crore person days, additional to previous year person-days were created; which seems a leap forward. The scheme is also considered self-targeting as a preference should be given to SCs, STs, women and other vulnerable sections of society as per provisions. Share of SCs participation increased in first five years of the scheme and the sixth year there was steep fall in the same. Since then, it became stagnant with +/- 1 percentage. Likewise, ST participation has reduced more than a half in percentage i.e., from around 36 per cent to 18 per cent. This may be due to various reasons submitted by different research papers, viz. local political impact, bias in providing employment, increased interest in the scheme, of other backward and general castes. This scheme has been an instrument of women empowerment as they share more than half person-days with the men labour force. The scheme has provided a dignified employment opportunity in their local areas to women workers. Now their share in total family income has increased and this helps them in taking some important decisions in the households. This fact seems more fascinating in the times when women share in employment opportunities is decreasing and many have withdrawn themselves from the labour market due to more care work in their homes due to pandemics. Physical progress of the scheme reveals that the scheme is growing in importance undoubtedly but there is much more potential in the scheme that need to be explored and realized.

Table 2: Financial Progress under MGNREGS (Rs. in crore)

Year	Central Release	Total Funds Available	Total Expenditure	Percentage of Expenditure Against Total Available Funds	Expenditure on Wages	Percentage of Expenditure on Wages	Expenditure on Material	Percentage of Expenditure on Material	Administrative Expenditure	Percentage of Administrative Expenditure
2006-07	8263	12073	8823	71.24	5842	65.41	2758	32.07	222	2.52
2007-08	12448	19342	15866	79.43	10743	66.76	4621	30.08	501	3.16
2008-09	29945	37290	27250	73.08	18200	65.72	8101	30.8	949	3.48
2009-10	33506	49507	37909	76.57	25578	66.48	11084	30.23	1246	3.29
2010-11	35242	52807	39377	74.57	25686	63.79	11891	31.64	1799	4.57
2011-12	29184	43265	37637	86.99	24864	64.45	10771	30.23	2002	5.32
2012-13	29908	46463	39778	85.61	27153	66.73	10429	27.75	2194	5.52
2013-14	32746	42103	38552	91.56	26491	67.07	9693	26.79	2367	6.14
2014-15	32139	37588	36025	95.84	24187	57.26	9421	38.03	2416	4.71
2015-16	35974	43380	44002	101.43	30890	68.82	10748	25.81	2363	5.37
2016-17	47411	57386	58062	101.18	40750	68.88	14428	26.15	2883	4.97
2017-18	55659	64985	63649	97.94	43128	66.64	18100	29.56	2420	3.8
2018-19	62125	69228	69618	100.56	47172	66.51	19465	29.21	2980	4.28
2019-20	71020	75510	68265	90.41	48847	70.37	16192	24.9	3225	4.73
2020-21	111172	120249	111193	92.47	77921	69.14	29491	27.46	3779	3.4

Source: DMU (From 2006-07 to 2011-12) and MIS Reports at nrega.nic.in on 17/05/2021.

Table 2 displays the financial progress of the flagship scheme, MGNREGS. The scheme has grown nearly ten times in terms of funds availability in fifteen years. Centre govt. released additional 40 thousand crore Rs. to combat rural unemployment through MGNREGS as a package. The scheme has improved in funds utilization. Till 2012-13, funds utilization was below 90 per cent. Afterwards, there is a fluctuation between 90 to 101.43 per cent. Attention towards wages share in total expenditure reveals that the same has been more than 60 per-cent always. This further indicates that govt. intends to spend more on unskilled wages in comparison to skilled wages and material costs. Sometimes material share has been nearly twenty-five per cent. This needs to be focused on as it will hamper the durable assets creation objective of the scheme. Share of administrative expenditure needs to be checked. Efficiency in funds utilization is highly required as India has limited capital resources to take care of the needs of more than 135 crore population. Wastage of funds becomes fiercer knowing the fact that India is home to the highest number of poor in the world.

Table 3: Variation in MGNREGS implementation Across Selected States of India, (Avg. of 2017-18, 2018-19, 2019-20 and 2020-21)

States	Person-days per HH, 2017-20	Person-days per HH, 2020-21	% of HH Obtained 100 days of Emp., 2017-20	% of HH Obtained 100 days of Emp., 2020-21	% of GPs with No Implementation 2017-20	% of GPs with No Implementation 2020-21	Wage-rate 2017-20	Wage-rate 2020-21
Andhra Pradesh	53.66	54.35	15.57	17.02	0.05	0.04	184.82	228.74
Assam	30.48	36.35	1.10	2.82	1.30	0.29	188.3	212.92
Bihar	40.19	44.63	0.70	0.68	1.69	1.64	176.94	193.87
Chhattisgarh	54.66	60.15	16.20	19.99	6.60	0.31	166.07	176.86
Gujrat	43.41	42.52	2.23	1.49	14.79	6.90	176.76	196.71
Haryana	34.07	39.31	2.38	3.06	27.65	6.24	281.83	308.29
Jharkhand	43.18	46.35	2.71	4.50	3.31	3.32	168.98	193.98
Karnataka	48.20	49.19	6.82	7.98	0.14	0.10	242.69	270.83
Kerala	56.32	63.25	19.15	29.07	0	0	267.58	294.65
Madhya Pradesh	50.57	61.83	8.12	5.82	0.04	0.03	167.14	179.04
Maharashtra	45.58	40.33	10.27	8.8	7.61	6.74	193.96	224
Odisha	42.17	55.51	4.06	11.12	0.25	0.09	180.21	221
Punjab	31.71	39.52	3.16	2.83	10.56	1.05	232.53	257.55
Rajasthan	56.30	61.06	10.90	16.32	12.54	3.59	139.65	169.51
Tamil Nadu	43.71	50.22	3.10	2.68	0.01	0.01	164.88	191.65
Telangana	45.05	50.78	8.01	11.00	0.76	0.08	147.37	169.52
Uttar Pradesh	41.80	41.81	1.62	8.28	0.94	0.71	177.23	200.87
West Bengal	62.18	51.98	14.95	8.51	0.08	0	174.59	193.29
All India	48.32	51.52	7.64	9.53	4.13	2.23	176.88	200.72

Source: Estimation from NREGA Portal

Inter-state differences can be seen in table 3. To see the impact of the increased budget by govt. of India for MGNREGS because of catastrophic unemployment due to lock down to reduce the spread of coronavirus, 2020-21 and resultant reverse migration of labour force to their villages; performance of the scheme in 2020-21 was compared with an average of previous three years of four indicators. At all India levels there is improvement in average person-days per households and also in percentage of households completing hundred employment days i.e., increased from 7.64 to 9.53 per cent. Another important impact of increased focus on MGNREGS was a reduction in GPs without implementation. In the year 2020-21 only 2.23 per cent GPs did not implement the scheme at all in comparison to 4.13 per cent in previous years. Along with increased coverage, the wage rate was also

increased. Out of 18 selected states only six states, Andhra Pradesh, Chhattisgarh, Kerala, Madhya Pradesh, Rajasthan and West Bengal performed better in average person-days creation than the national average in all the four years. The state Odisha performed much better in 2020-21 than the previous years in all the four indicators. Karnataka, Tamil Nadu and Telangana; these states are performing close to the national average. Gujrat, Haryana, Punjab and Rajasthan are the states where quite a large percentage of GPs were not implementing the scheme in the last three years but in 2020-21 all these states have reduced this percentage while Maharashtra, where this percentage was high enough, was not successful in reducing this percentage. In Haryana alarmingly around 28 per cent, GPs had nil implementation in previous years but in 2020-21, it has reduced the number to around six per cent. Haryana is also below average performer in generating hundred employment days for its workers. A very small segment was fortunate enough to complete hundred days of employment under this scheme. One another distinguishing feature of Haryana is that it is the highest wage-rate paying state to MGNREGS workers in the nation. Out of the given states in the table, Kerala is the best performer in average person-days creation, more than 29 per cent of households were provided hundred employment days, with zero per cent nil implementation and quite a high wage rate for MGNREGS workers. Other states need to replicate Kerala's Model for better implementation of this massive programme. With increased attention towards the scheme by three-tier implementing agencies, better planning and monitoring with the help of local community members and NGOs can bring tremendous changes in the scheme's outcomes.

What should be done now?

Given increasing unemployment, due to low public and private investments, economic slowdown before and after a health crisis, less capacity of the agriculture sector to absorb labour force, less demand in non-farm sectors in comparison to potential labour supply etc. focus on this massive scheme has increased. According to economists, an increase in aggregate demand is the key to reviving the economy from the recessionary phase. Fiscal policy plays a critical role in increasing aggregate demand. With a single scheme, the government can employ millions of HHs in rural areas of the economy. The cycle of increased employment, increased income, increased demand (Marginal Propensity to Consume of the poor segment is always high), increased investment, increased productivity and then again increased employment, income and so on. The multiplier effect will play its role and will help the Indian economy to bounce back. So, govt. needs to be more serious about the scheme's implementation. Central govt. needs to release more funds consistently and prove the fact that it is a demand-driven scheme. Optimal utilization of funds is another important aspect. Leakages in the system need to be checked. Regular social audits with the help of NGOs and local committees' needs to be in place and there should be stringent punishment in case of embezzlement. Grievance Redressal Mechanism needs to be strengthened. The problem-solving mechanism should be time-bound. Govt. should draft rules and regulations for both social audits and grievance redressal. In three-tier govt. the mechanism, devolution of responsibilities and strict accountability norms will help in accelerating the capacity building of local governments. Nil implementation figures need to be minimised. Local governments need to be trained in effective planning and implementation of the scheme. Without sufficient and devoted staff proper implementation of the scheme is only wishful thinking.

Effective targeting is most crucial, otherwise, the economy may face inflationary pressures. All records, ration cards, BPL status, job cards and other related records are required to be updated time and again. Asset's creation should be the main target and not merely the by-product of the scheme. Provision of basic facilities at worksites should be ensured by GP. The incorporation of gender-specific works will help in enhancing women participation in the scheme as women are the main victims of pandemic and its catastrophes. Proper guidelines for convergence will help arrange more funds for the scheme. Biasness in work provision, political and bureaucratic interferences need a quick check. Provisions of unemployment allowance and compensation for delayed payments are required to be activated as these were absent at grass root level. Govt. should actively work on the 'One Nation-One Job card' project. Health insurance of MGNREGS workers is the need of the hour and will be an appreciating step. Average person-days are still very low for a HH and such meagre help won't help in sustainable livelihoods. Wage-rate disparities in different states are required to minimise. Skill development in workers will work as the progressive shift in their work profile and will help in making the scheme more attractive and viable. The scheme can be proved a paradigm shift only when the level of implementation improves at the grassroots level. The success of this scheme does not lie in its provisions but implementation. The scheme has tremendous potential to generate livelihoods based on the humanitarian approach.

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