

SOCIAL INCLUSION AND RURAL DEVELOPMENT THROUGH MGNREGA

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ABSTRACT

Rural development remains one of the major challenges to policy makers in India. Mahatma Gandhi stated that India lives in its village. According to a recent Indian Government committee constituted to estimate poverty, nearly 26% of India's population is poor. More than 68% of poor people reside in villages. Rural poverty is largely a result of low productivity and unemployment. In order to alleviate rural poverty by generating employment and creation of sustainable assets in Rural India, Government of India brought in the flagship programme called Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005. The Mahatma Gandhi NREGA has become a powerful instrument for inclusive growth in rural India through its impact on social protection, livelihood security and democratic governance. The present paper analyses the role of MGNREGA in rural development.

Key Words: MGNREGA, Rural Development, Poverty, Programme.

INTRODUCTION:

Rural development remains one of the major challenges to policy maker in India As Gandhi stated India lives in its villages India is a village dominated society with more than 68% of population living in rural areas. Country should provide employment facilities to all people. A majority of the poor in rural areas of the country depend mainly on the wages for their livelihood. They earn through unskilled labour. In the event of inadequate labour demand or in the face of unpredictable crises that may be general in nature like natural disaster or personal like ill-health. They all adversely impact their employment opportunities.

OBJECTIVES OF THE STUDY

- To know and understand working of MGNREGA
- To study the benefits of MGNREGA

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- To study the role of inclusive growth in rural development through MGNREGA.

METHODOLOGY

Present study is based on secondary data only. The data for study are collected from various sources including annual reports of rural development, government publications, journals, books, department websites etc.

MGNREGA: AT A GLANCE

The Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA) is a social security scheme that attempts to provide employment and livelihood to rural labour in the country. In an effort to make inclusive and overall development a reality, the MGNREGA was passed as a labour law and implemented across 200 districts in 2006. By 2008-09, it came to cover the entire country. The scheme was designed to provide any adult who registers for rural employment a minimum job guarantee of 100 days each financial year. This includes non-skilled work. The MGNREGA is an entitlement to work that every adult citizen holds. In case such employment is not provided within 15 days of registration, the applicant becomes eligible for unemployment allowance.

The implementation of MGNREGA was left to the Gram Panchayats. According to Government sources, since the inception of the scheme, the government of India has incurred a total expenditure of Rs.289817.04 crores towards the scheme thereby employing 68,26,921 workers on 2,61,942 worksites (data as on June 2015). The minimum wages initially determined were Rs.100 a day but later revised in keeping with the state labour employment convention. The minimum wages are now determined by the states and range between Rs.163 in Bihar to Rs. 500 in Kerala.

SOCIAL SECURITY MEASURES-NEED

Poverty in India declined from 36 percent in 1993-1994 to 26 percent in 2012-2013. However, close to 300 million people still live in poverty on less than one dollar a day. The assessment of poverty by the Suresh Tendulkar Committee placed 37 per cent below poverty line. The World Bank estimates the BPL population at 40 per cent. Unemployment and out of labour force days of rural agricultural labour is 104 days (76 days for male and 141 days for female). Extensive erosion of the natural resource base over the last 50 years has resulted in some of the worst natural disasters adversely impacting agricultural productivity and employment opportunities. Growing poverty and unemployment have led to the fragmentation of land and an increase in number of agricultural labourers. Agricultural labour increased significantly from 7.08 million in 1981 to 121 million in 2013. At the same time, the percentage of operational land holdings under small and marginal farmers has gone up

from 70 percent in 1971 to 82 percent in 2013. The policy response to a situation of poverty and inequality has focused on inclusive growth. The architecture of inclusive growth is defined by prioritizing key result areas through major programmes aiming at time-bound delivery of outcomes, viz. infrastructure through Bharat Nirman, human resource development through Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM), and livelihoods through Mahatma Gandhi NREGA. There has also been a greater concern for social security measures.

MGNREGA AS A TOOL FOR INCLUSIVE GROWTH

The Ministry of Rural Development, Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA) aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Mahatma Gandhi NREGA has become a powerful instrument for inclusive growth in rural India through its impact on social protection, livelihood security and democratic governance. Mahatma Gandhi NREGA is the first law internationally that guarantees wage employment at an unprecedented scale. The Act came into force on February 2, 2006 and was implemented in a phased manner. In Phase I it was introduced in 200 of the most backward districts of the country. It was implemented in additional 130 districts in Phase II (2007-2008). The Act was notified in the remaining rural districts of the country from April 1, 2008 in Phase III. All rural districts are covered under Mahatma Gandhi NREGA.

FUNDING PATTERN OF MGNREGA

Central funding:

The Centre shall bear the 100 per cent cost of wages of unskilled workers, salary and allowances of the Programme Officers and all expenses of the Central Employment Guarantee Council. In addition, 75 per cent of the material cost and wages of skilled and semi-skilled workers will also be borne by the central government.

State funding:

The Respective state government will bear 100 per cent cost of the administrative expenses of the State Employment Guarantee Council. In case where employment is not provided, the state government will bear the total cost of unemployment allowance payable. The state governments will also bear its share of 25 per cent of the material cost, and wages of skilled and semi skilled workers.

State Employment Guarantee Fund (SEGF):

All states except Goa and the Union Territories have constituted SEGF and have a dedicated account for MNREGA.

Worker Registration:

Every adult of a household living in rural areas is entitled to 100 days of employment for unskilled manual work and may submit his or her personal details such as name, age and address, to the local Gram Panchayat. The unit for registration is a household.

Issuance of Job Card:

After due process of verification of name, age and address, a Job Card is issued to every registered household, within 15 days of application. The Job Card serves as an identification document and is valid for five years and may be further renewed, after completing the due verification process.

Process of applying for work:

Any individual with a Job Card can approach the Gram Panchayat, Ward Officer or any authorized representative of the state government, through written, oral method or through any call centre or website and seek employment. The Gram Panchayat, in turn is mandated to issue a receipt, which then guarantees employment within 15 days of application.

Unemployment Allowance:

In cases where no employment has been provided within 15 days of applying for work, then the individual shall be compensated by a daily unemployment allowance, as per prescribed guidelines.

Provision and Execution of Work:

MGNREGA aims to offer employment within 5 kilometers of the resident village. In case, the work site lies beyond 5 kilometers, an additional 10 percent is provided to take care of the additional transportation and living expenses. In terms of cost, at least 50 per cent of the work is to be carried out at the Gram Panchayat level, with at least one third being women. The Act encourages employment for single and disabled women. The Act provides for arrangements such as drinking water, shade for rest, emergency first aid kits and adequate rest periods, at the work site. Use of contractors or machinery is discouraged.

Procedure for Wages:

All payments of wages are to be made through bank or post office beneficiary accounts, on a weekly basis and not later than a fortnight. The wages will be paid as mandated under MGNREGA for that state, and will be based on the work executed and assessed by a competent and authorized state government representative, within three days of the closure of the muster roll.

Planning and Work Scheduling:

The Gram Sabha is authorized to decide on the nature of works to be undertaken, its site and size, and the same must be ratified by the Gram Panchayat.

Categories of works:

Public works related to natural resources management works related to water harvesting, water conservation and watershed management may be undertaken in addition to ground water regeneration through building of check dams, contour bunds, dykes, stop dams, etc. Regeneration of traditional water bodies through delisting etc may also be undertaken. The entire above are aimed at improving drinking water availability, as well as meeting the local demand for irrigation and micro irrigation purposes to augment livelihood opportunities

Developing Individual Assets for Vulnerable Sections:

Land owned by scheduled castes, scheduled tribes, other backward classes, nomadic tribes, physically challenged individuals, women headed households, and families below the poverty line, is to get priority for works to develop the land. Assisting the above through developing of wells, ponds and related water harvesting structures to support and augment agriculture, horticulture, sericulture and farm forestry on these lands are to be encouraged. Development of sheds etc to support poultry, livestock etc may also be undertaken. Where water bodies are available, fisheries may be promoted through development of storage facilities, fish drying yards, etc.

Developing Infrastructure for Self Help Groups:

Self Help Groups are encouraged to build durable infrastructure for post-harvest produce storage and bio-fertilizers, along with other related assets, to enable better agricultural production and storage. Work sheds for common use by Self Help Groups can also be undertaken.

Improving rural infrastructure:

Rural sanitation works including home toilets, school toilets and anganwadi toilets are promoted. Solid and liquid water management is also covered under the programme. Conversion of inner village roads to pucca roads and also those connecting to state highways is also covered. The programme aims to develop works for common use such as playgrounds, community halls, Gram Panchayat building, agriculture and food grain storage and crematoria.

Social Audits and Public Disclosure:

All concurrent audits are done every month, while the Gram Panchayat is mandated to conduct audit every six months. All related records and expenditure are open to public scrutiny, free of cost.

Grievance redressal mechanism:

Grievance redressal mechanisms have been put in place at all levels for immediate response to any complaints and to ensure smooth works implementation

Benefits of MNREGA Scheme

From its beginning the programme has been playing a significant role in rural areas by creating livelihood facilities and strengthening community assets by active participation of rural masses. Since the Mahatma Gandhi NREGA was launched, every year around 5 crores households, mostly in rural areas, find employment under this programme. This represents almost one fourth of the total rural households in the country. From the launch of the programme till December '13, MGNREGA has provided 1575 person days of employment and Rs 1,55,000 crores has been spent on wages, which represents 70 per cent of the total expenditure. MGNREGA has resulted in increased food security in rural areas along with an increase in rural spending. A study conducted by a global research organisation found that rural spending had outpaced urban spending between FY 09-10 and FY 10-11. In several states, MGNREGA has provided employment where no other means of earning was available and this resulted in lower distress migration to urban areas for seeking employment. In addition to wages, impact assessment of MGNREGA by various entities has shown that over 10 lakh households have benefitted from development of works on private land resulting in higher income, better crop intensity, shift to crops offering higher returns and an improvement in overall asset quality.

Financial Inclusion through Wage Transfer

Since inception, MGNREGA has seen over 9.3 crores rural accounts being opened up in various banks and post offices, resulting in 80 per cent of the total wages being paid through these channels. This has resulted in greater financial inclusion and has significantly reduced the possibility of financial misappropriation by vested interests. Another benefit has been that the rural poor have been brought into the organised sector and now have access to credit facilities and other benefits of the banking sector. The programme has had a positive impact on financial inclusion by bringing 9.37 Crores rural households into the financial inclusion network. The urban-rural divide in accessing institutional finance is getting reduced.

Inclusive Growth and Women's Participation

The largest beneficiaries of the Mahatma Gandhi NREGA have been the marginalized households belonging to scheduled castes, scheduled tribes and other backward classes (OBCs). Between 40-60 per cent of the beneficiaries belong to these categories, many of whom were bonded labourers. MGNREGA has provided them with an alternate means of employment, with dignity of labour. A sample study conducted by the C&AG's office on 38,376 beneficiaries found that over 80 per cent of the beneficiaries belonged to the SC/ST and OBCs. Another significant feature of the MGNREGA has been the opportunity provided to women to find employment on an equitable and just basis. Since the launch of the scheme, the share of women's participation has been between 40-51 per cent of the total person days generated. This is way above the mandatory minimum level of 33 per cent. Given the fact that India has traditionally seen gender disparity when it came to wages, MGNREGA has helped to bring about gender parity on wages and significantly reduced gender-based discrimination.

Sustainable Development

Fifty three per cent of the works executed under MGNREGA have focused on water and soil conservation. This has resulted in better options for sustainable living in rural areas through natural resource conservation and regeneration. Development of groundwater recharging, water harvesting, flood protection and drought proofing, have all resulted in improved soil condition, supporting changes in cropping patterns and resulting in higher yields. The above measures have also improved availability of drinking water for people and livestock.

Conclusion

From the above review, we can conclude that MGNREGA is proving a significant employment providing scheme started by government of India as it has increased the rate of employment, level of income of the people living in rural areas and helped to increase in standard of living

Thus, providing employment opportunities and poverty reduction remain great challenges to developing countries like India. However, MGNREGA has come with the objective of providing hundred days of employment to the rural labourers. In this context it becomes important because the most deprived, scheduled caste, scheduled tribe, women and the disabled are included in the programme and have got maximum benefit out of it. The state governments which are responsible for the purpose of implementing this flagship programme need to keep it in mind. Although MGNREGA is a demand driven programme and the supply of work depends on the demand made by the labour, it is the duty of the government to carry out awareness programmes so that the most deprived gets maximum benefit of the scheme.

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