

THE EFFECT OF THE MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT IN RURAL INDIA

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Abstract

National Rural Employment Guarantee Act (NREGA) was enacted by legislation on August 25, 2005 and it was later renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2nd October 2009. The MGNREGA has completed fifteen years since its beginning in India". The target of the scheme is to improve livelihood security of the household in rural areas of the country by giving at least 100 days of guaranteed employment in every financial year of every household whose adult member volunteers to do the unskilled work. The Mahatma Gandhi NREGA sponsors a number of programmes to assist rural residents who are below the poverty line in creating wage jobs and productive assets. However, this programme has both benefits and drawbacks for a variety of reasons, so this study examines peoples' distinct opinions of the above system. Additionally, the aim of this study is to present a summary of the MGNREGA programme for researchers' simple access and use as a reference, which will help a policymaker progress the programme.

Keywords: MGNREGA, 100 Days Programme, Rural Development.

INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act was developed to promote community participation in the creation of national assets through the panchayati raj system, thereby ensuring employment guarantees in rural areas. This section of Indian labour and social security law is intended to safeguard the "right to work." It aims to increase the security of livelihood in rural areas by providing every home with adults who volunteer to perform unskilled manual labour at least 100 days of paid employment in a fiscal year. The statute is praised by the administration as "the world's largest and most ambitious social security and public works initiative." In its 2014 World Development Report, the World Bank referred to it as a "stellar example of rural development". MGNREGA is currently India's largest funded rural development programme, with an annual budget of USD 8.44 billion in 2019–20, up from an initial budget of 1.6 billion in 2006–07. The MGNREGA programme is currently in operation in 34 of the 36 states and union territories, as well as 691 of the 712 districts, which contain 6,918 blocks and 262,432 Gramme Panchayats, the lowest tier of the Indian Local Government system. With 52 million people employed and 2.34 billion person-days of work generated in 2017–18, it is the largest public employment programme in the

world, with 128.5 million rural households registered in the system and 30.85% of India's rural population eligible for work on demand.

BACKGROUND

Act entitled "Mahatma Gandhi National Rural Employment Guarantee Act" or "National Rural Employment Guarantee Act of 2005" is also referred to as NREGA No. 42. Initial NREGA programme implementation took place in 200 districts spread across 27 states. It was first introduced on February 2, 2006, in the Andhra Pradesh district of Anantapur by our Prime Minister Dr. Manmohan Singh. The entire country was covered in three phases over the course of five years. Due to this act, the rural Indian population has access to right-based employment. The Mahatma Gandhi National Rural Employment Guarantee Act 2005 is the new name for the statute, which was amended on December 31, 2009. The Indian government started the programme in 1991 to reduce the wealth gap and increase the employability of rural areas. The nation's former prime minister, P.V. Narasimha Rao, took the initiative to boost employment with the crucial goals of creating jobs in the agricultural industry, building infrastructure in rural areas, and increasing income and food security. In order to adapt to changing circumstances and make sure that those who have signed up for the MGNREGA scheme benefit the most, updates to the programme are ongoing.

REVIEW OF LITERATURE

The majority of India's rural poor rely on the meagre income generated by casual and unskilled labour, living on the edge of subsistence (National Rural Employment Guarantee Act (2005) Report of the Second Year, 2006-07). They are especially susceptible to labour market shocks brought on by low labour demand, especially during the lean agricultural season. The "National Rural Employment Guarantee Act," later known as MGNREGA, was introduced in 2005 in response to the backdrop of rural India's poverty and unemployment (National Rural Employment Guarantee Act (2005) Report of the Second Year, 2006-07). As a "rights-based, demand-driven, self-selecting, bottom-up scheme," MGNREGA has been praised by the Indian government (Mukundan 2009). The main justification for implementing this programme is to provide poor households with income during times of poor agricultural production so they can spread out their consumption throughout the year (Shome, 2012; Varman, 2020). MGNREGA, one of the largest social safety net programmes in the world, spends about 8 billion USD annually and aims to improve the rural livelihood of Indian households by reducing their vulnerability to unforeseen agricultural-related shocks and to the seasonality of agricultural activities. The MGNREGA differs from other public employment programmes in a number of ways. The demand-driven and rights-based approaches mentioned above are the most fundamental aspects of the MGNREGA. The terms and conditions of employment are also distinctive because it is mandated that an unemployment allowance be paid if work is not provided within 15 days. Workers are further safeguarded by the requirement that they receive compensation if their wages aren't paid within 15 days of the completion of their work (Breitkreuz et al. 2017). The programme also considers the assets' longevity because they are meant to provide enduring infrastructure in rural areas to improve the standard of living for rural residents (MGNREGA Operational Guidelines, 2005). The programme focuses on the management of natural resources, and according to Ghosh (2014), 65% of the MGNREGA funds must be used for water-related projects to reduce the frequency of shocks like droughts, floods, and cyclones. MGNREGA

has drawn special attention for giving women a place in the workforce, and gender analysis studies have already acknowledged the program's success in this regard (Khera and Nayak 2009; Dasgupta and Sudarshan 2011). According to the Act, women must make up at least one-third of all employees under MGNREGA. 4 out of 10 women work as unpaid contributing family members, compared to 1 out of 10 men. Given that the unemployment rate for rural women has been more than twice that of rural men over the past ten years, it is more difficult for them to find paid employment than it is for rural men (Bárcia de Mattos 2017). MGNREGA has given rural women the chance to work for a living in this way, empowering and enhancing the bargaining power of women in the home as well (Kabeer, 2008). Dalits, women, landless workers, and casual labourers do not have access to formal lending channels, pay higher interest rates, and borrow primarily for consumption. In this regard, MGNREGA can also be thought of as a way to reduce gender, class, and caste differences that are accentuated by the lack of social protection, ongoing underemployment, and the ambiguities of financial inclusion (Guérin, 2013). Women borrow money to make ends meet, whereas men borrow money to make investments that will be profitable (Harriss-White 2004; Reboul 2021).

PROVISIONS OF THE ACT RELATED TO WOMEN EMPOWERMENT

There are following provisions that are related to women empowerment in the act of MGNREGA.

- The MGNREGA Act is inclusive in its nature. It is stated clearly that at least one-third of the program's beneficiaries must be women who have registered and requested employment.
- The MGNREGA in India, which mandates that work be performed close to participants' homes and permits the provision of childcare facilities on work sites, is an example of a significant safety net for women.
- The Act also considers gender issues. It stipulates that no one will be given a job solely based on their gender, and equal pay for men and women has also been a significant motivator for women.
- MGNREGA is viewed as the Indian government's response to the country's poverty and inequality.

METHODOLOGY

The secondary is the primary tool used to gather the data for this study. The information gathered by government agencies, organisational records, and information gathered that was initially gathered for research purposes, such as census data from various historical periods and diverse cultural groups. The term "secondary analysis" refers to the process of using data from earlier studies to address new questions. Large-scale surveys or data gathered as part of a personal investigation can be considered secondary data. The fundamental ethical concerns surrounding the secondary use of research data are still present, but they are now more urgent due to the development of new technologies. Data compilation, storage, and sharing have all become much quicker and simpler. New worries about data security and confidentiality have also emerged. Data gathered The amount of identifying

information in secondary data varies. The data does not need to be fully reviewed by the ethical board if it contains no identifying information, is completely devoid of such information, or is appropriately coded so that the researcher does not have access to the codes. The data's anonymity needs to be confirmed by the board. The board will then thoroughly review the proposal if the data contains participant identifying information or information that can be linked to participant identifying information. The researcher will then need to justify why having identifying information is necessary to respond to the research question and must also make clear how participant privacy and data confidentiality will be maintained. A waiver of consent can then be requested by the researcher if the aforementioned issues have been satisfactorily addressed. A minimum of 100 days of paid employment must be provided annually to rural communities, according to the Mahatma Gandhi National Rural Employment Guarantee Act of 2005. At the time, it was widely acknowledged as unquestionably securing social justice for a particular group of society members who had previously been largely ignored and marginalised. However, numerous allegations of fraud and corruption have surfaced at all stages of the implementation procedure, prompting harsh condemnation of this Act's execution mechanism. The goal of the study is to attempt to analyse the groundbreaking provisions' original context, the problems that resulted from them, and potential solutions.

SIGNIFICANCE OF MGNREGA

To address the issue of poverty and unemployment from time to time, the Indian government frequently redesigns various employment generation programmes. The first programme in India to guarantee the right to employment is MGNREGA. Although the Act's primary goal is to increase employment in rural areas, it also has numerous secondary advantages, including the empowerment of women. The women lack the authority to make decisions on their own without first consulting their husbands or fathers or to direct household labor-intensive activities like farming. However, these women typically assist in farming tasks that are managed by the male household members, such as harvesting and storing farm produce. In order to understand the success of MGNREGA clearly, it is necessary to gauge their opinion of the programme.

FINDINGS

- The National Council of Applied Economic Research (NCAER) found that MGNREGA had a favourable effect on rural households' welfare, including their income and way of life. According to the study, MGNREGA has reduced poverty by 5.5% while also raising the average household income in rural areas by 13.5%. MGNREGA has benefited agricultural productivity, a major source of income for rural households, according to a 2019 study from the Indian Institute of Technology (IIT) Delhi. According to the study, MGNREGA projects for land development and water conservation have raised agricultural productivity by 6.2% and 4.8%, respectively.
- According to the NIRDPR study, the creation of individual assets under MGNREGA has a positive effect on rural households' income and means of subsistence. However,

there are questions about the program's effectiveness and efficiency in achieving its goals, and these questions require ongoing monitoring and evaluation.

- During the COVID-19 pandemic, MGNREGA significantly aided rural households with income and employment. The government boosted funding and loosened regulations, which increased the number of households with jobs. MGNREGA also assisted migrant workers and built infrastructure in rural areas. The program's success demonstrates its potential as a social safety net for disadvantaged groups during emergencies.
- The Ministry of Rural Development reports that the total expenditure for MGNREGA increased significantly from Rs. 61,084 crores in 2019–20 to Rs. 1,11,500 crores in 2020–21. During the pandemic, there was a high demand for MGNREGA work, as evidenced by the rise in households receiving employment under the programme from 5.48 crore in 2019–20 to 8.82 crore in 2020–21. MGNREGA has been instrumental in enhancing the skills of rural workers. The programme offers employment opportunities in a variety of fields that call for particular skills, including forestry, agriculture, and construction. The workers hired under the programme receive training in these skills, which improves both their employability and potential earnings. A variety of methods, including classroom instruction, practical demonstrations, and on-the-job training, are used to deliver the training. Because of the programme, women are now able to leave their homes for work as well as to visit banks and panchayat offices, which was previously impossible. This has given women in society a higher status and enabled them to become wage earners. Even though there haven't been many studies on the subject of how women working on MGNREGS sites are changing their gender roles, studies have shown that women are becoming more self-assured. Women continue to be restricted to domestic work, careers, and the creation of social safety net policies. The state as a whole refuses to acknowledge the dual responsibilities of women in the family as carers and wage earners. Since women continue to be the primary breadwinners in the household, the MGNREGS meets their needs for a work environment close to home, flexible hours, and other factors. Although the national governments have taken more initiative, there are still many problems and difficulties for women who participate in the programme in the workplace. In order for rural women to understand the significant provisions made for them under MGNREGA and that payments must only be made through bank accounts and on time in particular, the government should develop more awareness programmes for them. The literature review provides evidence that the research implications for the Mahatma Gandhi National Rural Employment Guarantee Scheme will undoubtedly assist policy makers, government, panchayats, rural women, and human resource practitioners to provide appropriate suggestions and assist practitioners and both the state and central government to look at the existing solutions for the problems in domain and adopt the methodologies for new sectors such as MGNREGA. Rural areas have benefited greatly from MGNREGA's promotion of environmental preservation. The programme offers employment opportunities in fields like soil conservation, water conservation, and afforestation. Planting trees on deteriorated land is a part of reforestation activities, which contribute to a greater forest cover and better soil. This not only aids in environmental preservation but also offers rural communities opportunities for employment.

- Building check dams, farm ponds and percolation tanks are examples of structures used in water conservation activities that help recharge groundwater and increase the amount of water available for irrigation. This has increased agricultural productivity and given households a dependable source of water for drinking and other needs. Buildings like contour bunds, terraces, and gabion walls are constructed as part of soil conservation activities in order to improve soil fertility and prevent soil erosion. This has contributed to raising agricultural productivity and giving rural communities a steady source of income.

CONCLUSION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the most comprehensive and well-thought-out piece of social security legislation in Indian history since independence. The Act has sparked a silent revolution in rural areas of the nation by offering registered workers guaranteed wage employment. MGNREGA has provided rural households with a glimmer of hope because it places a strong emphasis on improving livelihood security through the creation of guaranteed wage jobs in villages. Through the active involvement of women in this scheme, this action really empowers women. Although MGNREGS was not intended to be a programme for women's empowerment, it has contributed to the economic and social advancement of women. MGNREGS has undoubtedly given women workers greater economic and social mobility; however, "Gender-Neutral Measures" like increased female participation in MGNREGA planning and social audits, implementation of better worksite facilities, timely payment of wages, phased construction planning, and swift grievance resolution will encourage women to request more employment under this programme. According to a review of the international literature on MGNREGA, the programme has improved the livelihoods of rural Indian households, with a focus on women. The programme has reduced poverty, improved agricultural productivity, increased wages, and provided employment opportunities. MGNREGA has also been shown to improve school attendance, lower child labour, and migration from rural to urban areas. To ensure the program's continued success, issues like late wage payments, corruption, and beneficiary ignorance must be resolved as they are obstacles to its implementation. Despite these problems, MGNREGA continues to be a critical social welfare programme for India's rural population and, if it is successfully implemented, has the potential to further raise their living standards.

MGNREGA is one of India's rural development programmes that has received a lot of support. A primary objective of development programmes in India has always been to boost the labour force and provide employment for the unemployed. In addition to creating new jobs, the next challenge will be to increase average productivity across all jobs. It was thought that economic growth would inevitably solve the unemployment problem. A high rate of growth is necessary, but prior experience suggests that it is insufficient to address the problem of unemployment. A high rate of growth is necessary, but prior experience suggests that it is insufficient to address the problem of unemployment. One of the biggest issues India is currently facing in the post-reform era is the creation of enough jobs to keep up with the growth in the labour force. MGNREGA has been a crucial programme for generating rural employment since India's independence. This programme offers a 100-day work guarantee

along with a guaranteed minimum income for each adult residing in each household. It also complies with a few other criteria for social protection, environmental protection, and the growth of rural infrastructure. Additionally, it supports the creation of assets, gender equality, and a fix for the migration problem. As a result, MGNREGA is an essential tool for purposes other than just job creation. In addition to promoting gender equality in the workplace, rural poor women are given equal participation opportunities. In addition to lowering unemployment, MGNREGA supports rural development. The aforementioned explanation suggests that one of the major programmes on which the rural population in India depends is MGNREGA. The Mahatma Gandhi National Rural Employment Guarantee Act has had a significant impact on village life. Participants in the initiative, both men and women, have access to employment opportunities. The government is putting more emphasis on the Mahatma Gandhi National Rural Employment Guarantee Act in order to maximise benefits for the country's youth as well. The 17-year-old MGNREGA programme, which expires in 2022, is a game-changing piece of legislation that offers millions of people social security and a means of subsistence as well as a viable source of employment in times of need and in a jobless but rapidly expanding economy.

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