

7

## Role of MGNREGA in Rural Development

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### Introduction

The role of MGNREGA is vital in the economic growths of the poor. The National Rural Employment Guarantee Act (NREGA) was notified poverty has been increasingly emphasized in the analysis of on September 7, 2005. National Rural Employment Guarantee Act (NREGA) is the flagship programme of the Government that directly touches to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act came in to force on 2 February 2006 and was implemented in a phased manner. The First phase was implemented in the most backward 200 districts of the country. In April 2007 additional 130 districts were Included under phase II, bringing the total districts under it to 330 districts from April 2008 under phase III. The Act auxiliary aims at creating durable assets and strengthening the livelihood resource base of the rural poor. The choice of works suggested in the Act address causes of chronic poverty like drought, deforestation, soil erosion including others so that the process of employment generation is on a sustainable basis. The significance of MGNREGA lies in the fact that it creates a right based framework for wage employment programme and makes the Government legally bound to provide employment to those who seek it. In this way, the legislation for security goes towards guaranteeing the right to employment. Under MGNREGA, employment is dependent upon the worker exercising the choice to apply for registration, obtain a job card and then to seek employment through a written application for the time and duration chosen by her. The legal guarantee has to be fulfilled within the time limit prescribed and this mandate is underpinned by the provision of unemployment allowance. Incentive structure to the state Government providing employment as 90 percent of the cost of employment provided is borne by the center and there is a concomitant disincentive for not providing employment, if demanded, as the state then bear the double indemnity of unemployment and the cost of unemployment allowance and emphasis on labour-intensive works prohibiting the wage of contractors and machinery. MGNREGA is demand driven. Resource transfer under MGNREGA is based on the demand for employment and this provides another critical incentive to the state to leverage the Act to meet the employment needs of the poor. MGNREGA guarantees providing employment within 15 days of demand and the instrument for providing employment is unskilled manual work selected from the list of permissible work. This legal guarantee has implication for the way in which works have to be planned.

The public delivery system has been made accountable, as it envisages an annual Report on the outcomes of NREGA to be presented by the central Government to the parliament and to the legislature by the state Government.

### **Methodology**

Present study based on exclusively secondary data only, the data for study collected from various sources including various reports, Journal, books, annual reports of rural development and NREGA website.

### **Salient Features of the Act**

- Adult members of a rural household, willing to do inexperienced and untrained work, may apply for registration in writing or orally to the local Gram panchayat.
- The Gram panchayat after due verification will issue a job card. The job card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost.
- The job card should be issued within 15 days of application.
- A job cardholder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen.
- The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid liability of payment of unemployment allowance is of the States.
- Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10% are payable to meet additional transportation and living expenses.
- Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State unless the Center notifies a wage rate which will not be less than Rs60 per day. Equal wages will be provided to both men and women.
- Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case.
- At least one-third beneficiaries shall be women who have registered and requested work under the scheme.
- Work site facilities such as crèche, drinking water, primary health care, shade have to be provided.
- Shelf of projects for a village will be recommended by the gram sabha and approved by the Zilla Panchayat.

- At least 50% of works will be allotted to Gram Panchayats for execution and 60:40 wage and the material ratio has to be maintained. No contractors and machinery is allowed.
- The Central Government bears the 100 percent wage cost of unskilled manual labour and 75 percent of the material cost including the wage of skilled and semi-skilled workers.
- Social Audit has to be done by the Gram Sabha and all accounts and records relating to the Scheme should be available for public scrutiny.

### **Problem of rural areas**

As we know the 60-70 percent of rural population in India lives in primal conditions and more than 66 percent of the country's labour force is engaged in agriculture. About 22 percent of India's population in rural areas were found below the poverty line in the year 2011-2012. People residing in the rural areas are facing a lot of problems. Most of them depend on farms as it is their main source of income, this can also be attributed to the low level of basic and manufacturing industry. Lack of job opportunity and lack of investment options are other major problems in these areas. Without investment options and facilities, many farms and small businesses would die. So in the present scenario there is an urgent need of rural development programmes.

### **Rural Development programme through MGNREGA**

The thrust of India's anti-poverty programme has been changing. The land and assets-based approach of the 1970s gave way to income and employment-based programme in the 1980s. Some of the important programmes were: National Rural Employment Programme (NREP) 1980-89; Rural Landless Employment Guarantee Programme (RLEGP) 1983-89; Jawahar Rozgar Yojana (JRY) 1989-99; Employment Assurance Scheme (EAS) 1993-99; Jawahar Gram Samridhi Yojana (JGSY) 1999-2002; Sampoorna Gramme Rozgar Yojana (SGRY) since September 2001 and National Food for Work Programme (NFFWP) since 14 November 2004. SGRY and NFFWP were merged with the MGNREGS in 2006.

Since the Mahatma Gandhi NREGA was launched, every year about 5 crore households, mostly in the rural area are getting employment under this programme. This represents almost one-fourth of the total rural households in the country. Through MGNREGA, the government in India has successfully integrated a sustainable development programme. It is a right-base poverty reduction programme into the India Constitution. The main purpose of this Scheme is to bring the landless families in the social security net. The government through this Act aims at removing poverty in the rural areas and improve their Infrastructure. MGNREGA has provided them with an alternate means of employment, with the dignity

of labour. In addition to wages, impact assessment of MGNREGA by various entities has shown that over 10 lakh households have benefited from the development of work on private land resulting in higher income, better crop intensity, shift to crops offering higher returns and an improvement in overall asset quality.

### Conclusion

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is considered as a “silver bullet” for eradicating rural poverty and unemployment, by way of generating demand for productive labour force in villages. It provides an alternative source of livelihood which will have an impact of reducing migration, restricting child labour, alleviating poverty and making village self-sustaining through productive assets creation such as road construction, cleaning up of water tanks, soil and water conservation work, etc. For which it has been considered as the largest anti-poverty programme in the world.

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