

MGNREGA: Its Role In Development Of Rural India

Sajina Yeshbin, *M.A in Economics, Gauhati University*

Email: yeshbinsajina@gmail.com

Abstract: India without the rural part is unimaginable. According to World Bank, Rural population of India was 64.13% in 2022 i.e. more than half of the total population lives in rural area. Moreover in India, 19.28% of people in rural areas are suffering from poverty (National Multidimensional poverty Index-A Progress Review 2023, 18-07-2023). So eradication of poverty of rural area can be done through provision of employment to the unemployed in that region. For this purpose Government of India has been implementing a number of Policies including Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGs). The Policy is the milestone in the history of employment generation in India which is working relentlessly in current scenario also. Through this policy Government of India is successfully improving the standard of life of the rural poor.

Keywords: Rural Development, Unemployment, poverty, MGNREGA, Active workers, Poor population, Standard of life.

INTRODUCTION

India having a large population of 142.8 Cr. (State of World Population Report, UNFPA, 2023) is facing problem in generating employment opportunities in the recent few decades. It is a country where age distribution of the population is favourable which provides demographic dividend to the country. Demographic dividend is a state where a greater population of the country belongs to 18-64 age group which may give a country some favourable impacts including increase in GDP and National Income. In India, despite of favourable age distribution, lack of employment opportunities hinders the country to gain the demographic dividend out of it. To realize the true potential of its workforce Government of India is running a lot of employment generating schemes like Swarna Jayanti Shahri Rojgar Yojana, Swarnajayanti Gram Swarajgar Yojana, Sampurna Grameen Rozgar Yojana, Mahatma Gandhi National Rural employment Schemes etc.

Among all the employment generation scheme, Mahatma Gandhi National Rural employment Scheme is a vast and extensive scheme of GOI. The Scheme is transferred to an Act in 2005 in order to ensure the worker a legal wage

employment under the scheme. Initially this Act is known as National Rural employment Guarantee Act (NREGA). Later on 2nd October, 2009, NREGA was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on the birth anniversary of Mahatma Gandhi. In first phase, it was realized in 200 districts of India from 2nd February, 2006 and later in the next phase other 103 districts are attached to Act in 2007-08 financial year. The remaining districts are notified under the Act with effectivity from 1st April, 2008. Thus the scheme covers all the districts of India excluding the districts where all the population is urban. The mandate of the Act is to provide at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. According to the definition of the MGNREGA Act, it is "an Act to provide for enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental

thereto” The spirit of the Act lies within the definition itself .Government of India implemented this Act to safeguard the nation from lack of livelihood and poverty ,thus boosting the standard of life of the rural poor.

The MGNREGA aims at providing social protection to the most vulnerable portion of the rural India by providing livelihood of minimum 100 days so that they can afford their basic minimum need in the time of need. The act also empowers the socially disadvantaged persons like women, Schedule Castes (SC), Schedule Tribes (ST) through its properly bounded rules to provide them social security with the minimum employment days. In this Act there are 155 permissible works, of which 100 works are related to Natural Resource Management (NRM).Again out of this 100 works, 71 works are water related which aims at improvement of water security and water based resources. "Initially,In this Act there are 155 permissible works, of which 100 works are related to Natural Resource Management (NRM). Again out of this 100 works ,71 works are water related which aims at improvement of water security and water based resources. Out of 155 work, 44 works are related to Individual Asset Creation which aims at betterment of the rural family and upliftment of them. According to the Annual Master Circular of MGNREGA,2022-23 yhe total number of permissible works under MGNREGA is 262"

This Act of employment generation is an unique Act with some unique features like it provides legal guarantee for wage employment and also have provisions for unemployment allowances and compensation in case of delayed work provision or delayed payment of wages. Moreover this Act ensures women empowerment by providing one third portion of total work to women as a reservation. Again the Act also provides facilities to the workers like roadside sheds, free medical treatment to the workers if get injured during the working time etc. So this Act includes all the aspects for the all-rounded improvement of a worker as well as his working facilities.

OBJECTIVE OF THE STUDY

The objective of the study is to find and demonstrate how MGNREGA is contributing towards employment creation and solving the burning issue i.e. unemployment in Indian economy. It is a study to emphasize the role of MGNREGA in poverty eradication and thus improvement of standard of life of rural poor. The study aims at explaining how the Act is helping the marginalized workers like women, Schedule Castes, Schedule Tribes etc. Asset creation both public as well as private with the help of MGNREGA is also explained in this article. Overall the study is a precise summery of growth of employment and improvement of rural life through the Act.

METHODOLOGY

Due to the extensive nature of the Act and various stakeholders, the accurate source of primary data is limited in this matter .The data collected for this article is of secondary nature i.e. from various websites and platforms, newspaper, magazines etc.

DISCUSSION

Since enactment of MGNREGA, it's working very efficiently in its area. The scheme is running almost all the states of India. An up to dated data about the total workers and active workers for the financial year 2023-24 is given below in Table-1 to demonstrate extensiveness of the scheme. In the given table-1, it can be noticed that in Andaman and Nicobar, there are 56,757 registered workers and among them, only 13,776 workers are active. This means only 24.27% of the total worker is active. In this case active worker denotes the workers who worked for at least a day in the last 3 financial years or in the current financial year. These definitions are bounded by the rules of the Act (MGNREGA). In the table-1, it can be noticed that Maharashtra has largest numbers of total workers among the all states but the workers who are active is only 22.98% which means despite of a large numbers of total workers

,workers involved in work is very less implying a poor implantation of the scheme in the state. But in Tripura, 85% of the total workers are active which shows a better implementation of the Act in the state. The other well performing states are Andhrapradesh, Chattisgarh, Ladakh, Meghalaya etc. The states where the percentage of active are

comparatively better means that in these states the Scheme is benefitting a greater portion of the poor population of the state. On the other hand, the states where the active worker percentage is low denotes that the real motto of the scheme cannot be realized.

Table-1:State-wise Active no. of Workers

S.No.	State/UT	Active Workers	Total Workers	%
1	ANDAMAN AND NICOBAR	13,776	56,757	24.27
2	ANDHRA PRADESH	96,66,617	1,24,23,945	77.81
3	ARUNACHAL PRADESH	3,26,175	5,00,777	65.13
4	ASSAM	64,29,392	1,21,28,394	53.01
5	BIHAR	95,31,705	2,19,45,601	43.43
6	CHHATTISGARH	64,75,058	86,19,307	75.12
7	DN HAVELI AND DD	2	33,136	0.01
8	GOA	7,725	50,675	15.24
9	GUJARAT	28,85,014	93,38,583	30.89
10	HARYANA	9,53,535	22,79,183	41.84
11	HIMACHAL PRADESH	13,96,066	27,71,090	50.38
12	JAMMU AND KASHMIR	16,04,013	23,76,167	67.5
13	JHARKHAND	43,35,977	93,98,619	46.13
14	KARNATAKA	84,01,624	1,80,32,326	46.59
15	KERALA	25,16,566	61,88,268	40.67
16	LADAKH	41,225	52,091	79.14
17	LAKSHADWEEP	222	16,563	1.34
18	MADHYA PRADESH	1,12,70,755	1,80,75,379	62.35
19	MAHARASHTRA	64,12,063	2,79,00,560	22.98
20	MANIPUR	6,65,885	10,04,057	66.32
21	MEGHALAYA	8,69,716	12,32,473	70.57
22	MIZORAM	2,15,673	2,42,330	89
23	NAGALAND	6,07,219	7,73,997	78.45
24	ODISHA	74,59,753	1,01,72,872	73.33

25	PUDUCHERRY	69,001	1,10,582	62.4
26	PUNJAB	15,32,088	27,36,445	55.99
27	RAJASTHAN	1,37,04,750	2,33,39,900	58.72
28	SIKKIM	95,424	1,43,076	66.69
29	TAMIL NADU	90,51,397	1,31,82,416	68.66
30	TELANGANA	61,06,419	1,11,79,564	54.62
31	TRIPURA	10,32,828	12,08,134	85.49
32	UTTAR PRADESH	1,54,58,459	2,48,85,660	62.12
33	UTTARAKHAND	11,96,810	17,96,394	66.62
34	WEST BENGAL	1,39,01,398	2,57,69,537	53.95
	Total	14,42,34,330	26,99,64,858	

(Source:nrega.nic.in, National Informatics Bureau)

As shown in the above table-1, government is creating a lot of durable assets across the nation in order to improve rural life of the country. For example, through provision of work, if government construct a road connecting a village to main road will help the people of the village in transportation. A detailed data about the created assets across the nations till date is given in the table-2.

The total No. of assets created across the country is 7,59,09,570. In Andaman Nicobar, 4078 assets are created, while in Andhrapradesh 76,92,205 assets are created by MGNREGA. In Assam, 12,28,270 assets are created. It is to be noticed that in Uttarpradesh highest number of assets are created i.e. 96,71,672 assets are created in Uttarpradesh. And

lowest number of assets are created in Lakshdweep i.e 63. The other states where a good numbers of assets are created are Bihar, Chattisgarh, Karnataka, Madhya Pradesh, West Bengal etc. It should be noticed that the number of assets created depends on the reaching capacity of the Scheme to the rural people. The states where number of active workers are less, the creation of asset will be slow. So comparison on the basis of only asset created will not be appropriate to detect the improvement of the rural population of the states. For example, in Lakshdweep 63 assets are created with only 222 active workers .Hence labeling Lakshdweep as the lowest performing country will be misleading. So in order to examine the true improvement in the state we have to consider worker and asset proportion.

Table-2: State-wise statistics of created Assets.

S.No.	State/UT	Assets Created
1	ANDAMAN AND NICOBAR	4,078
2	ANDHRA PRADESH	76,92,205

3	ARUNACHAL PRADESH	28,574
4	ASSAM	12,28,270
5	BIHAR	51,20,286
6	CHHATTISGARH	28,68,879
7	GOA	2,660
8	GUJARAT	14,75,536
9	HARYANA	1,92,915
10	HIMACHAL PRADESH	8,91,872
11	JAMMU AND KASHMIR	9,61,900
12	JHARKHAND	38,22,788
13	KARNATAKA	53,31,610
14	KERALA	23,55,434
15	LADAKH	26,535
16	LAKSHADWEEP	63
17	MADHYA PRADESH	73,36,106
18	MAHARASHTRA	26,12,044
19	MANIPUR	92,077
20	MEGHALAYA	2,49,226
21	MIZORAM	1,77,700
22	NAGALAND	87,890
23	ODISHA	35,77,342
24	PUDUCHERRY	7,431
25	PUNJAB	3,30,747
26	RAJASTHAN	32,44,803
27	SIKKIM	61,723
28	TAMIL NADU	44,27,830
29	TELANGANA	17,18,222
30	TRIPURA	13,25,261
31	UTTAR PRADESH	96,71,672
32	UTTARAKHAND	7,44,933
33	WEST BENGAL	82,40,958
	Total	7,59,09,570

(Source: nrega.nic.in, National Informative Bureau)

As stated in the above paragraph No. of assets created is an illusionary measure of positive impact of MGNREGA, we need to check on the people of the country who are benefitted with the scheme. In table-3, the data about the benefitted households or families are given of all states in descending order. The scheme benefitted total 4,56,54,394 households. In Tamilnadu a maximum no. of families are benefitted by the scheme and in

DN Haveli and DD, only one family is benefitted. There are other states benefitting a good numbers of households like Andhrapradesh,Rajasthan,Maharashtra etc. So it can be concluded that through its various measures the scheme benefitted 4.56 Cr households which means the Scheme is reaching its core.

Table-3: State-wise beneficiary household list

S.No.	State/UT	Households Benefitted
1	ANDAMAN AND NICOBAR	1,971
2	ANDHRA PRADESH	43,23,253
3	ARUNACHAL PRADESH	1,29,875
4	ASSAM	15,89,564
5	BIHAR	35,21,285
6	CHHATTISGARH	19,54,739
7	DN HAVELI AND DD	1
8	GOA	1,412
9	GUJARAT	7,17,120
10	HARYANA	2,45,352
11	HIMACHAL PRADESH	3,83,504
12	JAMMU AND KASHMIR	1,94,779
13	JHARKHAND	15,74,644
14	KARNATAKA	22,80,883
15	KERALA	12,33,122
16	LADAKH	11,329
17	LAKSHADWEEP	54
18	MADHYA PRADESH	27,49,747
19	MAHARASHTRA	14,80,262
20	MANIPUR	96,732
21	MEGHALAYA	3,06,315
22	MIZORAM	2,14,641
23	NAGALAND	4,03,039

24	ODISHA	23,25,611
25	PUDUCHERRY	46,734
26	PUNJAB	6,61,606
27	RAJASTHAN	47,39,507
28	SIKKIM	51,704
29	TAMIL NADU	63,38,340
30	TELANGANA	21,33,976
31	TRIPURA	5,30,750
32	UTTAR PRADESH	51,22,438
33	UTTARAKHAND	2,82,513
34	WEST BENGAL	7,592
	Total	4,56,54,394

(Source:nrega.nic.in)

As we have stated before that MGNREGA also support the under-privileged section of the society such as schedule castes, schedule tribes, women etc. with its clear provision in the Act. From the data of last five years can be studied to find out the trend of provision of the Act towards these portion of Workers. In 2018-19, Total Job card issued by the Government are 16.35 Cr while among them only 14.39 Cr are Active. Out of the Active workers 2.834 Cr are Schedule Casted and 2.327 Cr are Schedule Tribes whereas 7.31 Cr are Women. Following the

same pattern in the following years the statistics for the same is almost same. for example in 2020-21, out of 15.48 Cr of issued job cards ,14.39 Cr are active and out of the active workers 7.31 Cr are women, 2.32 Cr are ST, 2.84 Cr are SC. So it can be concluded that during the last five years, the No. of SC workers are more or less equal to 2.85 cr. While the ST workers are almost 2.32Cr. Among the workers almost 7.30 Cr workers are women among the active workers.

FY	Total Job Card Issued	SC*	ST*	Women*	Total Active Workers
2018-19	1635.49	284.34	232.76	731.20	1439.17
2019-20	1409.34	283.65	231.68	729.70	1435.12
2020-21	1548.78	284.47	232.78	731.45	1439.64
2021-22	1635.49	284.34	232.76	731.20	1439.17
2022-23	1500.49	284.2	232.60	730.75	1438.30

***denotes the no of active workers in the sense that the worker is engaged in work provided by MGNREGA at least for 1 day in the last 3 financial year or in the current year.*

(Source: nrega.nic.in)

CONCLUSION:

As stated before, rural population is available in almost all the states across the nation and hence the Scheme is applicable to all of them where rural population is present. At present the Scheme is operating in 2,49,495 Gaon Panchayats. Hence in order to improve the state of their lives, an appropriate implementation of the Act can be a way out of the unemployment which directly leads to poverty. In rural areas, there is a vicious circle of poverty as stated by Ragnar Nurkse where lack of proper employment leads to poverty and poverty in turn leads to low levels of education and skill set which in turn leads to unemployment again. So with the help of this Scheme, the circle of poverty and unemployment can be broken

out and sustainable assets are constructed to support and strengthen the sustainability of agro-based rural areas of India which will help the rural population to attain self-sufficiency. Thus providing employment with the help of MGNREGA can help a rural family or household to make their way out of their poverty and thus an improvement of their standard of life. An adequate use of MGNREGA and its various measures, GOI can ensure a better state of the rural part of it. Improvement of the rural part is the real development of the country which can be effectively brought by Mahatma Gandhi National Rural Employment Act,2005.

REFERENCES:

1. <https://egramswaraj.gov.in>
2. Employment Generation Schemes/ Programmes of Government of India | Directorate General of Employment (DGE)
3. <https://tradingeconomics.com>
4. <https://www.undp.org>
5. Mishra Anil kumar, singh Madhulika,MANREGA and employment generation in India, International journal of research in social sciences, <http://www.ijmra.us>
6. Khera R,Nayak N(2009) Empowerment guarantee act. Economics and political weekly 44:49-57
7. Kumar,Santosh. Role of MGNREGA in rural employment: a review. International journal of economics and business review,ISSN2347-9671
8. Dutta,S.(2015), An uneven path to accountability: a comparative study of MGNREGA in two states of india, WZB discussion paper, no :SP I 2015 201
9. Singh,Dhiren kumar. MGNREGA and its role in rural development. Journal of Advances and Scholarly Researches in Allied Education. <http://ignited.in/l/a/293108>.
10. Mrs Gotwal, Seema., Dr. Yadav,Jatin .Dr. Upadhyay,Anil. Role of MGNREGA in Rural Development. Journal of Technologies and Innovative Research,(July,2020)Volume-7,issue-7