A Broader Outlook On Indian Government’s Initiative Mgnrega: The Work & The Worker

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ABSTRACT:

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), is considered as a powerful instrument initiated by Government of India for providing social protection, livelihood, and democratic empowerment for the weaker section in the country for the development of rural India. MGNREGA is the World’s largest Public Employment Programme employing the highest number of workers. The paper attempts to examine the Impact of MGNREGA on rural India by analysing two important aspects of Scheme the Work & the Worker. In the First Part, We focused on the Work Demand and its Availability to Job Cardholders over the past 9 years. The second part of the study focuses on the Workers and shows who among the weaker section in the rural economy is the most benefitted. It studies the trend of Workers participation in MGNREGA. This paper depicts how the demand for work and Worker under MGNREGA is developing Rural India.

KEYWORDS: RURAL INDIA, RURAL DEVELOPMENT, MGNREGA, GOI SCHEMES, DEVELOPMENT, WORK, WOMEN EMPOWERMENT, LABOUR

I. INTRODUCTION

India is a land of rich culture, literature, skill, tolerance, ethics, Natural resource, hardworking People and is best known for unity in diversity. India is a just 73 years old country; “New Country” as compared to developed nations like US, UK and it has overcome different obstacles and earned global recognition in various fields in this short term. The Overall development of the country was the prime objective of the Indian government since its independence. India has gone through many changes over these years from Political – Economical to Social life. Post-independence, India adopted the path of economic planning through Planning Commission, 15 March, 1950 chaired by Pundit Jawaharlal Nehru, the first Prime Minister of India. It acted as a tool for realising Five Year
Plan development which laid on importance on development of Agriculture, Industry, Communication, Education, Health and Allied sectors but soon it was realized that the all-round development of the country is possible only through the development of rural India. On 31st March 1952, An organization known as “Community Projects Administration was set up under the Planning Commission to administer the programmes relating to community development”. The Rural Committee was inaugurated on October 2, 1952 and was handled by various Ministries. It was in October 1974, the Department of Rural Development came into existence under Ministry of Food and Agriculture. This committee underwent under various departments and finally in 1999 it was held separate as “Ministry of Rural Development”. Since then it has been acting as a catalyst affecting the rural areas by initiating various Spectrum of Schemes, Programs and Policy’s for sustainable growth of rural India over a “multipronged strategy for eradication of poverty by increasing livelihoods opportunities, providing social safety net and developing infrastructure for growth”. The Main Aim for development of rural India is primarily on poverty alleviation, employment generation, infrastructure development, empowerment of rural women and social security (National Federation of Indian Women, 2008).
The following key programmes are being operated by the Ministry of Rural Development,

i. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for providing wage employment - Feb 2006
ii. National Rural Livelihoods Mission (NRLM) for self-employment and skill development - June 2011
iii. Housing for All : Pradhan Mantri Awaas Yojana - Grameen (PMAY-G) for providing housing to BPL households - June 2015
iv. Pradhan Mantri Gram Sadak Yojana (PMGSY) for construction of quality roads - Dec 2000
v. National Social Assistance Programme (NSAP) for social pension - Aug 1995
vi. Shyama Prasad Mukherjee RURBAN Mission - Feb 2016
vii. Integrated Watershed Management Programme (IWMP) for improving the productivity of the land - June 2008

The Government is increasing its expenditure year on year for channelized development of rural India.

A. Made in India Policy: The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
This paper is an exclusive study of the Prominent Scheme among the various others as shown in Fig 1, The World Development Report 2014, and the World Bank has Cited India’s Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) as a "stellar example of rural development". The paper provides a core study of world-renowned “The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)".
The Mahatma Gandhi Employment Guarantee Act, 2005 (or, NREGA No 42, later renamed as the "Mahatma Gandhi National Rural Employment Guarantee Act", MGNREGA), The act was first proposed in 1991 by P.V. Narasimha Rao However this act was passed later in September 2005 under the UPA government of Prime Minister Dr. Manmohan Singh and commenced on February 2, 2006. The mandate of the Act is” to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work”. MGNREGA operates under the shared responsibility between the governments at Centre and the State level.

The Programme implementation began in 2006, and was initiated in three phases;

I. First phase - The Act was notified in 200 districts with effect from February 2nd 2006 and
II. Second Phase – It was extended to an additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from April 1st 2007 and 17 districts in Uttar Pradesh (UP) were notified with effect from May 15th 2007).
III. Third Phase - The remaining districts were notified under MGNREGA with effect from April 1, 2008.

The MGNREGA covers the entire country with the exception of districts that have a hundred percent urban population. MGNREGA is currently the largest funded rural development programme in India with an annual budget of USD 8.44 billion in 2019-20, In the FY 2020-21 the provision of funds has reached highest ever of Rs. 1,01,500 crore. Average number of persons to whom work offered in May 2020 has been 2.51 crore per day, which is 73% higher than the work offered in May last year, which was 1.45 crore persons per day.

Table 1 : MGNREGA Coverage – Current

<table>
<thead>
<tr>
<th>MGNREGA Coverage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of Districts</td>
<td>695</td>
</tr>
<tr>
<td>Total No. of Blocks</td>
<td>7077</td>
</tr>
<tr>
<td>Total No. of GPs</td>
<td>269013</td>
</tr>
<tr>
<td><strong>Jobcard/ Worker</strong></td>
<td></td>
</tr>
<tr>
<td>Active Workers</td>
<td>12,91,49,410</td>
</tr>
</tbody>
</table>
MGNREGA is operational in 34 out of the 36 states and Union Territories, and 695 of the 739 districts. It is one of the largest Public Employment Programme in the world employing 52 million people and creating 2.34 billion person-days of work in 2017-18. Around 129.1 million rural households are registered in the scheme, and are eligible for work on demand that is nearly 30.85% of India’s rural population. The Functions of MGNREGA as per the Rural Development guidelines is the core areas under which the type of work and wage is decided (Vikaspedia,2020). This Paper is an effort to study its function and establish the relation with the findings.

Fig 2. Functions of MGNREGA

Source: Author’s Creation based on study

**Types of Work under MGNREGA:** -

**Category A:** Public Works Relating to Natural Resources Management

**Category B:** Individual Assets for Vulnerable like infrastructure for irrigation including dug wells, farm ponds, horticulture, sericulture, plantation, and farm forestry, poultry shelter, goat shelter, piggery shelter, cattle shelter and fodder troughs for cattle

**Category C:** Common Infrastructure for NRLM Compliant Self-Help Groups Like pucca storage facilities for agricultural produce, work sheds for livelihood activities of self-help groups

**Category D:** Rural Infrastructure Like Rural sanitation related works, such as, latrines, school toilet units, Anganwadi toilets. pucca road network; Construction of play fields, flood control and protection works, providing drainage in water-logged areas, Construction of buildings for Gram Panchayats, cyclone shelters, anganwadi centres, village haats and crematoria at the...
village. Production of building material required for construction works. Maintenance of rural public assets.

WAGE: While the section from the Act above specifies minimum wage as INR 60/day in 2005, the current minimum MGNREGA wage rate is INR 168/day. “The Central Government follows Section 6 (1) of the Act and notifies wage rates for each state during the start of every financial year, although states may provide a higher wage rate if they finance the additional cost from state funds. The wage rate for each state is indexed and revised each year on the basis of the Consumer Price Index for Agricultural Labourers (CPI-AL), although the adequacy of this index is contested as the MGNREGA wage has fallen below the formal state-fixed agricultural minimum wage rate in 17 states since they were last equalized in 2009. In 2017, Ministry of Rural Development established a committee to develop alternate proposals including shifting to an alternative index (the CPI for Rural Labourers (CPI-RL)), and the issue is still under discussion due to concerns regarding the cost implications of a nationwide upward revision of the MGNREGA wage”.

B. REVIEW OF LITERATURE

As one in every 4 person lives below poverty line in rural India, and MGNREGA being the only largest social security scheme in India, It has gained a lot of attention and popularity not only among politicians, Social Workers, but also among Research Scholars. Various Studies on MGNREGA is carried out not only in India but also among foreign nations to establish and evaluate the working of scheme. The Studies have highlighted many facts and findings on major areas like Wage Rate, Migration, Women Empowerment, Successes and Challenges. Some studies relating to MGNREGS are reviewed in this paper, Firstly, Few studies showed that Success of MGNREGA was due to its proper Implementation (A.S. Ambily, 2016) & In another study it showed that Key to implementation is the Availability of work (Khera, 2011). In another related study Stahlberg (2012), It showed that the Opportunity of work is increasing year on year, But is below the Policy ceiling of 100 Days.

Second, Some Studies showed that MGNREGA helped in retaining the people in villages and reduced migration in certain states. (Liu and Barrett, 2012), while other studies found that MGNREGA had a very minimal impact on migration (Novotny et al., 2013). In a recent study (Rajalakshmi, 2017); it showed that Women’s Participation in MGNREGA is very high with 80% of total beneficiaries under the scheme. In a related study conducted by National Federation of Indian Women (NFIW) in 2008, It was evident that majority of women under the scheme are taking MGNREGS with pride and their contribution to the household has helped them to improve their level in society. Further The Performance of MGNREGA was measured under various studies and reports like Samiskha 1,2 & 3, Similar study (Jha & Gaiha 2012), Which estimated the MGNREGA performance on four basic section, Namely, Average number of days worked, Percentage of households, Percentage of work completed and Percentage of fund allocated. Singh & Datta, (2016), focused on the impact assessment of the National Rural Employment Guarantee Act program on several development indicators such as employment generation, livelihood security, and creation of productive community assets to enhance the standard of living. Latest in 2019, (Anna McCord & Meekha Hannah Paul) the key initiative
under MGNREGA were discussed and various development of asset processes were studied and suggested.

II. OBJECTIVE OF STUDY

The present paper attempts to examine the Impact of MGNREGA on rural India by analysing two important aspects of Scheme the Work & the Worker.

To analyse the impact of MGNREGA on Rural Population:-

1. **The Work:** Demand for work Vs. Allocation of Work.
2. **The Worker:** To analyse and understand which Segment is highly benefited Since Inception of MGNREGA Scheme

**Hypothesis:**

1. H0 =The Amount of Work Demanded and Amount of Work Allocated are independent of each other in MGNREGA.

III. METHODOLOGY

Study is presented in the form of descriptive and Analytical research on Secondary data, collected from official website of NREGA. The Golden Source of data’s used in this research paper is exclusively from NREGA MIS and Public Data available at the website. We have Analysed Two Segments in this paper, first the Main reason for success of MGNREGA is considered as Its Successful work implementation by various Researchers, We have analysed the Impact of MGNREGA on rural population by establishing a relation between the Availability of Work and Demand of Work. Secondly, in this Study we have analysed the trend in the participants from weaker communities in village since inception of this Scheme and Depicted the Segment which is maximum utilizing the Scheme over years.

To analyse: The impact of MGNREGA on Rural India –

1. **The Work : Demand for work Vs. Allocation of Work**

MGNREGA is operational in 34 out of the 36 states and Union Territories, and 695 of the 739 districts. Till date Nearly 129.1 million rural households are registered in the scheme, and are eligible for work on demand that is nearly 40% of India’s rural population. As MGNREGA covers all districts of the country with the exception of those that have a 100% urban population as details in table 1.1. , Its great presence and availability of work is major reason for its success over years. To analyse further we have studies the two main segment of Work under MGNREGA as below:

**Demand for work:** MGNREGS is a demand driven scheme. In India the Demand for work is increasing year on year with increase in Population. The Employment opportunities in rural area are extremely low mainly due to unskilled population. MGNREGA fulfils the need for
demand of work by providing unskilled. As per Rural Development report “From 2013-14 to 2019-20, the average demand from registered households is 41% (in the range of 36% to 43%). The share of households that were provided employment as compared to the ones demanding employment has reduced from 93% in 2013-14 to 87% in 2019-20”. In 2020-21, it has been allocated Rs 61,500, which is 51% of the Department’s budget.

**Allocation of Work:** The scheme guarantees 100 days of employment. It has Stable performance has generated good revenue and Asset. Moreover MGNREGA operations and construction kept on-going throughout the country providing employment to agricultural and migrant labour during COVID19 period. However, the fluctuations from 2012 to 2018, the average number of days of employment has been 45.5 days, with a maximum of 49 days of employment in 2015-16. This is mainly due to either lower demand for such work (indicating plenty of prospects to obtain work in the Cities or nearby Private firms) or not providing employment when demanded (Padma, K, 2015). In this Paper we have analysed the complete dataset of Work demanded by the rural population with the Work allocated under MGNREGA over FY: 2011-2020. (McCord and Paul, 2019)

**Table 2: MGNREGA Public Data FY: 2011-2020**

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total job cards issued</th>
<th>Total persons demanded work</th>
<th>Total person allotted work</th>
<th>Total persons worked</th>
<th>Labour exp. (disbursed Rs. In Lakhs)</th>
<th>Material exp. (disbursed Rs. In Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>120195096</td>
<td>73809988</td>
<td>73758764</td>
<td>78074711</td>
<td>2431609</td>
<td>995980</td>
</tr>
<tr>
<td>2012-13</td>
<td>124723100</td>
<td>72061538</td>
<td>71995352</td>
<td>74938692</td>
<td>2715337</td>
<td>970036</td>
</tr>
<tr>
<td>2013-14</td>
<td>122008872</td>
<td>77061975</td>
<td>76967110</td>
<td>69187274</td>
<td>2648024</td>
<td>892814</td>
</tr>
<tr>
<td>2014-15</td>
<td>121883291</td>
<td>67339244</td>
<td>67149702</td>
<td>57639045</td>
<td>2296195</td>
<td>789273</td>
</tr>
<tr>
<td>2015-16</td>
<td>124704603</td>
<td>78677332</td>
<td>78375100</td>
<td>67650545</td>
<td>2905798</td>
<td>956513</td>
</tr>
<tr>
<td>2016-17</td>
<td>122588452</td>
<td>84535710</td>
<td>84220394</td>
<td>72193918</td>
<td>3299922</td>
<td>1293247</td>
</tr>
<tr>
<td>2017-18</td>
<td>123020533</td>
<td>83980529</td>
<td>83663078</td>
<td>71566006</td>
<td>4153123</td>
<td>1585604</td>
</tr>
<tr>
<td>2018-19</td>
<td>128024159</td>
<td>86153328</td>
<td>85226961</td>
<td>73474709</td>
<td>4545972</td>
<td>1735783</td>
</tr>
<tr>
<td>2019-20</td>
<td>132934248</td>
<td>88355808</td>
<td>88046905</td>
<td>74798603</td>
<td>4714942</td>
<td>1417797</td>
</tr>
</tbody>
</table>

Source: MGNREGA Public Portal, (Assessed on 12-07-2020)

The Data is analysed using Paired T-test and represented via Histogram of Difference. We have tested the Hypothesis using T test at 95% Level of Significance.

**Fig 3: Estimation of Paired t -Test**

```
<table>
<thead>
<tr>
<th>Mean</th>
<th>StDev SE Mean</th>
<th>95% CI for ( \mu ) difference</th>
<th>Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>285787</td>
<td>265043</td>
<td>88348 (82058, 489517)</td>
<td>Null hypothesis: ( H_0: \mu ) difference = 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Alternative hypothesis: ( H_a: \mu ) difference ≠ 0</td>
</tr>
</tbody>
</table>

\( T \)-Value: 3.23 P-Value: 0.012
```

Source: Author’s Creation based on Pared t-test

618 http://www.webology.org
INTERPRETATION 1: Since the Value of P (0.012) is less than Level of Significance, We reject the Hypothesis that The Amount of Work Demanded and Amount of Work Allocated are independent of each other in MGNREGA. This study shows that under The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Amount of work allocated created and designed by the Gram Panchayats and Rural Ministry meets the requirements/ demand for work by rural people in rural areas.

2. The Worker: To analyse and understand which Segment is highly benefited Since Inception of MGNREGA Scheme

To Study Secondary Data was collated for the past 14 years FY 2006-07 to 2019-20. The Golden Source for our analysis is based upon the public data available at MGNREGA database and the data’s for past 14 years are analysed and tabulated as under in Table 2. In this Study we have analysed the trend in the participants from weaker communities of rural India, We have further divided the weaker community into three Segment namely Women’s, Schedule Caste and Schedule Tribes. In this paper we have analysed all the three segments separately and together to get the understanding on which one is benefitted the most over the past 14 years.

### Table 3 - Person Engaged in MGNREGA - (FY 2006–07 to FY 2019–20*)

<table>
<thead>
<tr>
<th>FY/Segment</th>
<th>Women</th>
<th>SCs</th>
<th>STs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>39.77%</td>
<td>25.41%</td>
<td>36.46%</td>
</tr>
<tr>
<td>2007-08</td>
<td>42.48%</td>
<td>27.43%</td>
<td>29.24%</td>
</tr>
<tr>
<td>2008-09</td>
<td>47.89%</td>
<td>29.31%</td>
<td>25.42%</td>
</tr>
<tr>
<td>2009-10</td>
<td>48.09%</td>
<td>30.50%</td>
<td>20.69%</td>
</tr>
<tr>
<td>2010-11</td>
<td>47.70%</td>
<td>30.63%</td>
<td>20.83%</td>
</tr>
<tr>
<td>2011-12</td>
<td>54.46%</td>
<td>22.07%</td>
<td>18.01%</td>
</tr>
<tr>
<td>2012-13</td>
<td>51.30%</td>
<td>24.33%</td>
<td>19.48%</td>
</tr>
<tr>
<td>2013-14</td>
<td>52.82%</td>
<td>22.81%</td>
<td>17.52%</td>
</tr>
<tr>
<td>2014-15</td>
<td>54.88%</td>
<td>22.40%</td>
<td>16.97%</td>
</tr>
<tr>
<td>2015-16</td>
<td>55.26%</td>
<td>22.29%</td>
<td>17.80%</td>
</tr>
<tr>
<td>2016-17</td>
<td>56.16%</td>
<td>21.32%</td>
<td>17.62%</td>
</tr>
<tr>
<td>2017-18</td>
<td>53.53%</td>
<td>21.56%</td>
<td>17.49%</td>
</tr>
<tr>
<td>2018-19</td>
<td>54.59%</td>
<td>20.77%</td>
<td>17.42%</td>
</tr>
<tr>
<td>2019-20</td>
<td>54.69%</td>
<td>19.74%</td>
<td>18.30%</td>
</tr>
</tbody>
</table>

Source: Consolidated from official website, http://www.mgnrega.nic.in

Based upon the data analysed in Table3: Person Engaged in MGNREGA - (FY 2006–07 to FY 2019–20*), We have plotted the areas in the order as it appears (From FY 2006-07 to 2019-20) and identified the Trend in a series Plot via Time Series Analysis as Shown in Graph

**Fig 4: Time Series Plot of Women, SCs, STs**
INTERPRETATION 2A: From the Fig 4: Time Series Plot of Women, SCs, STs, It's clear that the Participation of Women in the MGNREGA is above all other Sectors in the rural India. The Trend has increased from Participation of 39% to 54% which indicates that MGNREGA has played an important role in bringing the Unskilled Women into Workforce over years and Continues with a standard incremental value. Further we have analysed each segment separately, Via Linear Trend Analysis to estimate the fluctuation of participation over the expected rate of Participation.

**Fig 5: Trend Analysis: Schedule Caste, Schedule Tribe and Women**

There is a significant dip in the participation rate of Schedule Caste Segment; this is mainly due to other work availability and Migration of workers to Cities. The Unskilled Migrants are mainly employed in cities and towns in construction works by private employers at a higher wage as compared to MGNREGA. Whereas Schedule tribe Segment Post 2011 is still maintaining the pace of 18%, mainly as their numbers in village is Minor as compared to SC’s and others. The interesting part of this analysis is That the Participation rate of women’s has increased significantly over years and is about 55-59% of total MGNREGA participants. The Fluctuations over years in participation of women’s is almost constant. Mainly as Women’s find MGNREGA Works easily accessible and enjoys the Workplace facilities provided under the scheme, which has developed the confidence of women’s and households in the scheme.
IV. CONCLUSION

India is fast growing economy and expected to be among the top three economic powers in the world over next 10 to 15 Years, with Incremental Growth in Domestic GDP 4.2 per cent over the previous year as per IBEF Statistics. The main reason for the growth of Indian Economy is its innovative initiative to develop rural India. Among various Made in India Scheme for rural development launched by Government of India, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the most powerful instrument for Providing Social protection, livelihood security, and democratic empowerment for the weaker Section in the Country Focusing on development of Rural. This paper suggests the main reasons for success of MGNREGA, and addresses the two key concerns related to Poverty in rural India, That is the Availability of Work and Workers esp. weaker communities in villages. The overall study to know the impact of MGNREGA on rural India was categorised under Two Segments of analysis based on The Work and The Workers under the MGNREGA. The First Study is an analysis of Past 9 years data of Work Demanded and Allocated under the scheme and it shows that the Amount of work allocated is created and designed by the Gram Panchayats and Rural Ministry based upon the requirements/demand for work.

The Second part of study was to identify the most benefited segment of rural population getting the maximum benefit under the MGNREGA Scheme over the Past 14 years. The Analysis reveals that since inception of the Scheme MGNREGA, It is successful in ensuring high participation rate of SC, ST and Women in employment. Over the Past 14 years, the maximum participation is observed among the Women participants. The main reason is due to availability of work to them during non-agricultural seasons (Khariff/Rabi) too.

Hence the Impact of MGNREGA on rural economy is summarized under the Aims and achieved as below:

- Right based Framework - Right to demand Work (~100 Days), Employment (Within 15 Days) and Wage (Within 15 Days),
- Labour Intensive Works: Inclusive Work Scheme – To develop Weaker Communities, Defined Wage and Material Ratio, No Contractors or Man to Machine replacement allowed.
- Planning – Gram Sabha and Gram Panchayat’s have principal roles in Village administration i.e Planning, Monitoring, Implementing and Reporting.
- Women empowerment – More than One-third of beneficiaries is women since Inception. AS this Scheme provides Worksite facilities like Creche, First aid, etc. encouraging women’s to participate easily without worrying of their children’s at home
- Digitalization & Transparency – E-attendance, MIS, NREGA soft, Geo MGNREGA, E-Payments, Direct Banking Transfers, Grievance Redressed Mechanism, Audits

Few Suggestions Based On This Study Are As Under

I. The number of Working days under the scheme’s must be increased from 100 days to 200 days as there is an increase in natural calamities like Drought, Famines, Reverse Migration due to COVID19 Pandemic, etc., circumstances over years, which is making rural population out of agricultural/private work during the remaining days of the year.
2. The government should fund more aiming to build Assets / Infrastructure of the rural India, Which in parallel will generate more demand for work and avoid distressed migration to towns and cities.

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