

## THE IMPACT OF MAHATHMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME ON RURAL DEVELOPMENT

Bhukya Veerabhadram\*

### ABSTRACT

Poverty in India has been one of the persisting problems since a long time. In the words of our second Prime Minister ShriLal Bahadur Shastri, “of all the problems facing us, none is more distressing than that of poverty in which tens of millions of our countrymen continue to live.” National Rural Employment Guarantee Act (NREGA) was enacted in 2005. It is landmark legislation in Indian history of social security legislation. After independence enacted after a successful struggle for employment guarantee legislation, this legislation, is a partial victory towards a full- fledged right to employment in any developing country. The essential feature of this legislation which separates it from any other public service provisioning scheme is its enactment through parliament of India. A well implemented NREGS could potentially herald a revolution in rural governance and result in a substantial reduction in rural poverty.

Key words:-MGNREGA, MGNREGS, CAG, GP, CBO, MIS.

\* Assistant Professor, Dept. of Social Work, Telangana University, AP(Telangana State)- India

## Introduction

In his famous talisman, Mahatma Gandhi urged us, in our moments of doubt, to recall the face of the poorest person we may have seen and ask ourselves whether the step we are contemplating is likely to be of any use to him or her. The National Rural Employment Guarantee Act (NREGA) (and the Scheme therein) was notified by the Indian Parliament on 7<sup>th</sup> September 2005. **It was renamed the Mahatma Gandhi National Rural Employment Guarantee Scheme on 2<sup>nd</sup> October 2009.** It was formally launched by **Dr. Manmohan Singh and by the UPA Chairperson Smt. Sonia Gandhi at Bandlapalle Village in Ananthpur District of Andhra Pradesh on February 2<sup>nd</sup>, 2006.** The Act, which was implemented on February 2<sup>nd</sup>, 2006 covered 200 districts in its first phase, and was extended to 330 additional districts in 2007-2008. All the remaining backward districts have been covered with effect from April 1<sup>st</sup>, 2008. It is perhaps the largest and most ambitious social security and public works programme in the world. Governments of India have made it clear promises that have rarely been kept for the poorest poor of the rural Indians. It is a landmark legislation of Indian history of social security legislation to the rural people after independence. By design, it is different from any other employment generation schemes across the world.

The act aims at enhancing at least one hundred days of guaranteed wage in a financial year to every one whose adult members volunteer to do unskilled manual work. Its auxiliary objective is strengthening natural resource management through works that address the causes of chronic poverty like draught, deforestation and soil erosion and so encourage sustainable development. The process outcomes include strengthening grassroots process of democracy and infusing transparency in governance. The Act is also a significant vehicle for strengthening decentralized and deepening process of democracy by giving a pivotal role to the Panchayati Raj Institution concerning planning, monitoring and implementation. Unique features of the Act include, time bound employment guarantee within 15 days, and incentive-disincentive structure to the State Governments for providing employment as 90 per cent of the cost for employment is borne by the Centre or payment of unemployment allowance at their own cost and emphasis on labour intensive works prohibiting the use of contractors and machinery. The Mahatma Gandhi National Rural Employment Guarantee Scheme impacts are able to generate sustainable assets, provide

food security to rural poor, able to check distress migration from these areas and help the poor to save and generate productive assets.

Notwithstanding some initial scepticism about the practicality and viability of this initiative, six years later, the basic soundness and high potential of the MahathmaGandhi National Rural Employment Guarantee Scheme are well established. The analysis may reveal if further policy interventions are required in order to ensure that the Scheme helps to realize all the benefits envisaged.

### **MahathmaGandhi National Rural Employment Guarantee Scheme Quantitative Achievements:-**

MahathmaGandhi National Rural Employment Guarantee Scheme's some quantitative achievements have been striking as well (date on 31st October 2012)

1. Since its inception in 2006, around Rs 1, 26,000 crore has gone directly as wage payment to rural households and 1327 crore person-days of employment has been generated. On an average 5 crore households have been provided employment every year since 2008. (In Andhra Pradesh Wages: 19, 95,584.95 and Material& Skilled Wages (Rs in Lakhs) 5, 61,255.95).
2. In Andhrapradesh 100 per cent of households are being paid directly through bank/post office accounts/smart card, have been opened.
3. The average wage per person a day has gone up by 81 per cent since the scheme's inception, with state- level variations.
4. Schedule Castes (SCs) and Schedule Tribe (STs) have accounted for 51 percent, well above the mandatory 33 percent as required by the Act.
5. 146 lakh works have been taken up since the beginning of the programme, of which about 60 per cent have completed. of these works,
  - ✓ 13 per cent relate to flood protection and drought proofing
  - ✓ 13 per cent related to land development
  - ✓ 14 per cent relate to irrigation canals and renovation of traditional water bodies

- ✓ 14 per cent relate to work done on private lands (lands belonging to small and marginal farmers/SCs/STs/Below poverty Line (BPL) households/Indira Awas Yojana (IAY) and Land reforms beneficiaries)
- ✓ 19 per cent relate to rural connectivity ( e.g. village roads)
- ✓ 12.46 crore Job Cards (JCs),(AP-1,34,28,850) have been given and these along with the 9 crore muster rolls have been uploaded on the management Information System (MIS), available for public scrutiny Since 2010-11, all details with regard to the expenditure of the Mahathma Gandhi National Rural Employment Guarantee Scheme are available on the management Information System (MIS) in their public domain.

### **Mahathma Gandhi National Rural Employment Guarantee scheme is contributed to**

- a) Increased rural wages everywhere in India
- b) Reduced distress migration from traditionally migration intensive areas
- c) Usage of barren areas for cultivation; and Empowerment of the weaker sections and given them a new sense of identify and bargaining power etc.,

Though the achievements of these Schemes have been impressive, there have been issues with regard to its implementation of Mahathma Gandhi National Rural Employment Guarantee Scheme in Andhra Pradesh that need to be recognized and addressed meaningfully. On 1st September 2011, the Ministry of Rural Development released a discussion paper titled 'Reforms in Mahathma Gandhi National Rural Employment Scheme Implementation'. This paper identified nine major challenges in the Mahathma Gandhi National Rural Employment Scheme Implementation' implementation and suggested measures to deal with them effectively.

These were:

- ✓ Ensure demand-driven legal entitlements
- ✓ Reduce distress migration from rural areas
- ✓ Reduce delays in wage payments to workers
- ✓ Provide the requisite number of days of works as per day

- ✓ Improve quality of assets created under MGNREGS and their relevance to the livelihoods of the poor.
- ✓ Ensure full payment of wages stipulated under MGNREGS.
- ✓ Strengthen the synergy between MGNREGS and Rural livelihoods, particularly agriculture.
- ✓ Respond to the demands of states for greater location-specific flexibility in permissible works
- ✓ Improve the health and ecological situations in Rural India, with a particular focus on sanitation.

### **Accountability and Transparency:**

There has been public concern over misappropriation of funds and resources, and leakages in Mahatma Gandhi National Rural Employment Scheme Implementation. To address these concerns, a number of measures have been taken. These include:

- Notification of the social audit Rules in June 2011 to make it mandatory to have a social audit conducted by the Gram Sabha (GS) according to a prescribed procedure twice a year;
- Asking the Comptroller and Auditor General (CAG) to conduct a performance audit of MGNREGA, a process that is to be completed by end- December 2012 for all states.
- Making certificate of MGNREGS accounting at the Gram Panchayat (GP) level.
- Increased use of information technology with the ultimate objective of having a transaction- based (MIS) in all states (Presently only one state, that is namely Andhra Pradesh has such a system EMMS), and the initiation of an ambitious Geographical Information System (GIS)-based monitoring system is implementing.

## Conclusion

Mahathama Gandhi National Rural Employment Scheme Implementation should be treated as an evolutionary programme which will not only affect the fundamental right to live with dignity but also set standards and example for fulfilling many other promises and guarantees of a welfare state and community. A much more active participatory planning process is necessary to sustain the programme in letter and spirit, both in terms of demand generation as well as responsive project planning. A continuous support and close partnership between community based organizations (CBO), Panchayati Raj Institutions is strongly needed to bring about reforms and ensure the efficient implementation of Mahathama Gandhi National Rural Employment Scheme Implementation. A well implemented Mahathama Gandhi National Rural Employment Scheme Implementation could potentially herald a revolution in rural governance through its unprecedented mechanisms for transparency, social audit and e- governance truly participatory democracy at the grass roots level. This all could take time as does shaking off decades of inertia.

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