

**MGNREGA AND EMPLOYMENT GENERATION: A STUDY OF HOSHIARPUR
DISTRICT, PUNJAB**

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ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), passed in the year 2005 by the Parliament of India and brought into force in the year 2006 has been a landmark livelihood and employment initiative in the history of the country. This is a right based and demand driven employment generationscheme. It aims to provide 100 days of employment to every rural household in a financial year and on failure to provide so, daily unemployment allowance is payable as per the Act to the applicant beneficiary household. There is wide spread criticism regarding the performance of the scheme in the Hoshiarpur district of the state Punjab. This paper attempts to study the effectiveness of the scheme i.e. the extent to which the objective of the scheme has been achieved in the said district. The data for five consecutive financial years i.e. 2014-15 to 2018-19 has been collected from the data portal of the official website of MGNREGA. The data has been collected for the year wise approved labour budget, expenditure incurred, number of households provided employment, number of job cards, percentage of the households getting 100 days of work and persondays generated. Data has also been taken with regards to the assets being created under the scheme. The data so collected has been analysed using descriptive statistics to arrive at the findings for the district vis-à-vis the performance and progress of the scheme in Hoshiarpur.

Keywords: Asset Creation, Employment, Expenditure, Gram Panchayat, Labour, MGNREGA, Person Days Generated, Wages, Job Cards,

INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), passed in the year 2005 by the Parliament of India and brought into force in the year 2006 has been a landmark livelihood and employment initiative in the history of the country. This is a right based and demand driven employment generation scheme.. In the constitutional context also the article (41) of the Indian Constitution provides for a non-justiciable right to work under the Directive Principles of the State Policy. Article (41) of the constitution states **“The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work in case of unemployment.”** This article has remained dormant until the legislation of the MGNREGA. The Act provides for **the enhancement of livelihood security of the households in the 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 basic objective of the scheme is to create durable assets and strengthen livelihood resource base of rural poor. Some of the salient features of the Act are as follows:

- (a) Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat.
- (b) Gram Panchayat after due verification will issue a job card which will bear the photograph of all adult members of the household to work under MGNREGA and it is free of cost.
- (c) The Job Card should be issued within 15 days of application.
- (d) The Job Card holder 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.
- (e) The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within fifteen days operates.

(f) Employment will be given within fifteen 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.

(g) Work should ordinarily be provided within 5 km radius of the village. In case, work is provided beyond 5 km, extra wages of 10 per cent are payable to meet the additional transportation and living expenses.

(h) Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labour in the state, unless the centre notifies a wage rate which will not be less than Rs60 per day. Equal wages will be provided to both men and women.

(i) 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.

(j) At least one third beneficiaries shall be women who have registered and require work under the scheme.

(k) Worksite facilities such as crèche, drinking water, shade have to be provided.

(l) The shelf of projects of a village will be recommended by Gram Sabha and approved by the Zila Panchayat.

(m) The different categories of permissible works are:

- i) Water conservation and water harvesting
- ii) Draught proofing (including plantation and afforestation)
- iii) Irrigation canals (including micro and minor irrigation works)
- iv) Flood control and protection works

(n) At least 50 percent of the work will be allotted to Gram Panchayat for execution

(o) A 60:40 wage and material ratio has to be maintained.

(p) Central government bears the 100 per cent wage cost of unskilled manual labour and 75 per cent of the material cost including wages of skilled and semi-skilled workers.

(q) Social audit has to be done by the Gram Sabha.

(r) Grievance redressal mechanism has to be put into place for ensuring a responsive implementation process.

AREA UNDER STUDY

The Act was brought into force with effect from February'2006 and was implemented in three phases. During the first phase in 2006, the Act was implemented in the 200 most backward districts of the country, Hoshiarpur being one of them. Hoshiarpur district is located in the north-east part of Punjab. It falls in the Jalandhar Revenue Division and is situated in the Bist Doab, Doaba region of the State. The district is sub mountainous and stretches of river Beas in the north-west. It lies between north latitude 30 degree-9 and 32 degree-05 and east longitude 75 degree -32 and 76 degree -12'. It shares common boundaries with Kangra and Una districts of Himachal Pradesh in the north east, Jalandhar and Kapurthala districts (interspersed) in south-west and Gurdaspur district in the north-west. At present, it has an area of 3,386 square kilometres and a population of 15,86,625 persons as per 2011 Census. The district comprises ten developmental blocks and 1,388 inhabited villages.

LITERATURE REVIEW

Various researchers, academicians and institutions' have attempted to analyse the impact of MGNREGA on account of various criterions. **Arun Jacob, Richard Varghese (2006)** discussed the implementation and the challenges faced by Kerala Rural Employment Guarantee Scheme (KREGS) created under MGNREGA in the Palakkad district of Kerala. They highlighted the vital role played by the local bodies which kept the implementation largely fair, and corruption free. **Kiran Bhatta (2006)** pointed out the negligence of the child rights in the process of implementation of MGNREGA. **Bela Bhatia, Jean Dreze (2006)** highlighted serious flaws in the implementation of MGNREGA. The authors observed that the low level of awareness regarding various aspects of the scheme such as job cards, how to apply for work, wage payments are the problems emerging during the implementation of the scheme. Other factors hindering the implementation are worksite facilities, productive assets, fictitious gram sabhas and *bicholias* i.e. middlemen. **Raghubendra Jha, Raghav Gaiha, Shylashri Shankar (2008)** reviewed the

participation of the rural workers in MGNREGA on a pilot survey of three villages in Udaipur district of Rajasthan. Focusing on the participation in the programme of different socio economic groups and the determination of the participation of these groups, it was found that the mean participation was 59 days and the targeting was satisfactory as nearly one third of the households participated in the scheme. **Institute Of Applied Manpower Research (2008)** in its all India report has intended to assess the impact of this scheme on the overall quality of life of people by gauging different parameters. Eighty per cent of the households expressed that they did not get the work within the stipulated 15 days of demand for work in writing, neither were they paid any unemployment allowance. **Ranjit Singh Ghuman, Parminder Kaur Dua (2008)** pointed out that the performance of MGNREGA in the district Hoshiarpur of the state Punjab has not been very encouraging. The annual average day of employment per household has been nearly one fourth of the minimum 100 days employment. Out of the 126 workers who were called for work, only 17 could complete 100 days norms of employment. **Indian Institute of Technology-Roorkee (2009)** conducted the appraisal of MGNREGS impact for the state of Uttarakhand and found that there are demand-side and supply-side constraints in ensuring 100 days job guarantee. Supply side constraints emanate from the lack of interest on the part of Gram Pradhans and officials, inadequate and less trained staff and lack of effective participation of Gram Sabha. The demand-side limitations arise from the lack of awareness among the workers. About 91 per cent of total expenditure on the scheme was made on four categories of activities viz water conservation (37%), flood control and protection (28%), minor irrigation (15%) and draught proofing (11%). The MGNREGS activities were found to be supplementing income of the household to the extent of 10-20 per cent. **Surendra Singh (2013)** has indicated that the Bundelkhand region of Madhya Pradesh, under the Act has not provided 100 days job guarantee to those who are willing to work under the scheme. Irregularities were also found in the implementation MGNREGA. **Das (2013)** has evaluated the performance of the scheme on two criterions: number of households who have completed 100 days of employment and percentage of expenditure against funds available. Though the performance of first criterion has declined over the period of time but expenditure has shown a sharp rise. **Gupta and Ahmad (2015)** in

their study of Rajouri district of Jammu and Kashmir, examined the impact and durability of the assets created under MGNREGA.

OBJECTIVES

The objective of the present paper is:

- To analyse the financial efficiency of the scheme.
- To ascertain the extent of employment generated.
- To identify the durable assets created under the Act.

METHODOLOGY

Secondary data has been collected from the data portal of the official website of MGNREGA i.e. www.nrega.nic.in for the five consecutive financial years from 2014-15 to 2018-19. Various research papers and reports have also been considered. The data has been collected for the year wise approved labour budget, expenditure incurred, number of households provided employment, number of job cards, percentage of the households getting 100 days of work and persondays generated. Data has also been taken with regards to the assets being created under the scheme. The data so collected has been analysed using descriptive statistics to arrive at the findings for the district vis-à-vis the performance and progress of the scheme in Hoshiarpur.

ANALYSIS AND FINDINGS

Employment generation being the primary aim of MGNREGA, the scheme as on 01-04-2019 had issued a total of one lakh job cards in the district of Hoshiarpur, active job cards being 0.51 lakhs. The total number of registered workers was 1.82 lakhs, out of which 0.55 lakh being the active workers. Table1 analyses the financial progress of the scheme. The approved labour budget has shown a consistent increase in every year except 2018-19. The second year 2015-16 had a significant increase in the labour budget of Rs. 3.46 lakhs. The average funds available in

this half a decade is coming out to be Rs. 6.73 lakhs. The total expenditure has also shown a steady rise indicating the efficiency of the scheme in providing employment to the workers who demand it. Breaking up this expenditure into two components, firstly, wages of unskilled labour and secondly, material and wages of skilled labour both have significantly increased over the years. The mean expenditure on wages of unskilled labour has been approximately 76.66 per cent for these five years, whereas that for material and wages of skilled labour it is 19.88 per cent.

Table 1: Financial Progress (Rs. In Lakhs)

Financial Year	Approved Labour Budget	Total Expenditure	Wages	Material and Skilled Wages
2014-15	2.85	1,722.60	1,115.77	536.89
2015-16	6.31	1,028.37	736.33	214.52
2016-17	6.01	2,814.70	2,425.88	266.20
2017-18	11.01	3,399.68	2,638.52	635.36
2018-19	7.47	2,948.83	2,131.34	696.34

Official website of MGNREGA www.nrega.nic.in

Table2 examines the situation regarding employment generation in the region. The number of persondays generated has been satisfactory in these years with a mean value of 35.43 lakhs. The average number of employment provided per household has continuously increased over every year which points to the positive impact of the Act on the livelihoods of the beneficiaries. The total number of household and individual workers has a mean value of 0.28 lakhs and 39.10 lakhs.

Table2: Employment Generated

Financial Year	Persondays Generated (In Lakhs)	Total Households Worked	Total Individuals Worked	Households Completed 100 Days of
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		(In Lakhs)	(In Lakhs)	Employment
2014-15	4.26	0.22	0.23	84
2015-16	6.28	0.28	0.29	155
2016-17	8.18	0.29	0.30	242
2017-18	11.42	0.36	0.39	699
2018-19	8.70	0.25	0.27	374

Official website of MGNREGA www.nrega.nic.in

One of the main objective of MGNREGA has also been creation of durable community assets through a number of works such as water conservation and water harvesting, draught proofing (including plantation and afforestation), irrigation canals (including micro and minor irrigation works), flood control and protection works. The high number of works taken up, number of on-going works and number of works completed signify the strengthening of the rural economy which has the potential of further enhancing the livelihoods of both the beneficiaries as well as non-beneficiaries.

Table 3: Assets Generated

Financial Year	Total Number of Works Taken Up (In Lakhs)	Number of Ongoing Works (In Lakhs)	Number of Completed Works
2014-15	0.03	0.02	1,299
2015-16	0.03	0.02	803
2016-17	0.04	0.02	1,774
2017-18	0.04	0.03	1,514
2018-19	0.04	0.03	809

Official website of MGNREGA www.nrega.nic.in

CONCLUSION

The above data analysis indicates that the scheme has been a success in the Hoshiarpur district to a large extent. It certainly has the potential to generate employment, both unskilled and skilled and durable community assets. Both will have a positive impact on rural economy though the process of investment multiplier as well has forward and backward linkages. Large scale awareness about the scheme has to be created and efficient implementation ensured.

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