

## **A Study On Origin And Performance Of Mgnrega In India – A Special Reference To Tamil Nadu**

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### **Abstract**

The National Rural Employment Guarantee Act (NREGA), enacted on 25 August 2005 and renamed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2 October 2009, includes activities under nine different heads to provide employment to village communities and improve their livelihoods. During 2016-2017 against the total available fund of Rs.466475.61 crore, Rs.41894.04 crore was utilized. The average Fund utilization per district was Rs.88.12 crore. In Tamil Nadu considerable achievements have been made in the financial inclusion of NREGA workers. Total number of households registered under NREGA in Tamil Nadu is 132394; the total numbers of Job Cards issued are 79.02. The total available funds constitutes of 4529.43 lakhs, Cuddalore is top on list it accounts 9.5 percent, followed by Thanjavur 8.7 percent. In 2016-17 the allocation was 2314.76 crores and the target was 1155.34 of the number persons days generated but the achievement was not satisfactory because it is just around 699.57.

**Keywords:** MGNREGA, Labour, Employment and Development

### **Introduction**

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Mahatma Gandhi NREGA) was notified on September 7, 2005. The Act was notified in 200 districts in the first phase with effect from February 2nd 2006 and then 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 UP were notified with effect from May 15th 2007). The remaining districts have been notified under Mahatma Gandhi NREGA with effect from April 1, 2008. Thus, the Mahatma Gandhi NREGA covers the entire country with the exception of districts that have a hundred percent urban population. The development of rural India is an imperative for inclusive and equitable growth and to unlock the huge potential of the population that is presently trapped in poverty with its associated deprivations. MGNREGA is a flagship programme of Govt. of India which forms the second strand for development of rural areas, the first being the Bharat Nirman Programmes have been important programme interventions in India and elsewhere in developing countries since long.

These programmes typically provide unskilled workers with short-term employment on public works. They provide income transfers to poor households during periods when they suffer on account of absence of opportunities of employment. In areas with high unemployment rates and under employment, transfer benefits from workfare programmes can prevent poverty from worsening, especially during lean periods. Durable assets that these programmes create have the potential to generate second-round employment benefits as requisite infrastructure is developed. Based on the experience of these programmes the National Rural Employment Guarantee Act (NREGA) was enacted in 2005 to reinforce the commitment towards livelihood security in rural areas. The thrust of the Eleventh Five Year Plan (2007-12) is social inclusion coupled with

provision of improved livelihood opportunities. NREGA is conceived as a holistic approach to make the growth more inclusive

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a landmark legislation aimed at strengthening livelihood security for the rural poor by guaranteeing hundred days of wage employment in a financial year, to a rural household whose adult members volunteer to do unskilled manual work. It has generated more employment for the rural poor than any other program in the history of independent India. It has the potential to transform the lives of the rural poor not just by guaranteeing wage employment through creation of productive assets, but also by empowering the rural poor through improved governance in rural areas and enhanced capacity and responsiveness of the Panchayati Raj Institutions. Despite all its achievements, it is plagued by several ills.

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

Salient features of the Act are summarized below:

- Adult members of a rural household may apply for employment if they are willing to do unskilled manual work.
- Such a household will have to apply for registration to the local Gram Panchayat, in writing, or orally.
- The Gram Panchayat after due verification will issue a Job Card to the household as a whole. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA. The Job Card with photograph is free of cost.
- A Job Card holding household 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 fifteen.
- 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 by an employment seeker.
- If employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid. Liability of payment of unemployment allowance is of the States.
- At least one-third of persons to whom work is allotted work have to be women.
- Wages are to be paid according to minimum wages as prescribed under the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notifies a wage rate which will not be less than Rs. 60/ per day
- Disbursement of wages has to be done on weekly basis and not beyond a fortnight.
- Panchayat Raj Institutions [PRIs] have a principal role in planning and implementation

### **Major Objective and Methodology of the Study**

To gain insights into the functioning of MGNREGA, the present study was carried out with the objective of assessing to understand the performance of the Mahatma Gandhi National Rural Employment Guarantee Act in India and Tamil Nadu. In this direction, the secondary data has been collected from the various reports viz., Ministry of Rural Development Government of India and RBI Bulletin. The literature has also been gathered from published articles, books and other government reports. The data analysis is carried out by using simple statistical methods like percentage and average as these will help us to understand the development situation at the grassroots level.

**Performance of the Mnrega Act- an Overview**

The MNREGA of 2005 covered 200 districts is the Phase I district and in 2006-2007 this was extended to cover 130 additional districts known as the Phase II districts. During 2006-2007 against the total available fund of Rs.12073.56 crore, Rs.8823.36 crore was utilized. The average Fund utilization per district was Rs.44.12 crore. In 2006-2007 out of this Rs.8303.82 crores have been released up to 14th November 2007, out of this Rs.5365.99 crores have been released to the phase I districts .and Rs.2937.92 crore has been released in the phase II covering 131 districts.

During 2006-2007 2.12 crore households has demand for employment out of which 2.10 core households were provided employment. During the year 90.51 crore man days of employment was provided under the programme. Average of 45.2 lakh man days of employment per-districts has been generated. Out of total 90.51 crore man days.

The share of Scheduled Castes was 22.95 crore man days (25.36) and Scheduled Tribes was 32.99 (36.45) constituting a total of 55.94 crore man days for SC/STs which comes all outed for 62% as per the MNERGA Programme. The share of women man days should be 1/3 rd and the same has 36.79 crore man days which is about 41 percentage. During 2007-2008 1.97 crore households have demanded employment and 1.88 crore households were provided with employment. A total 56.14 crore man days of employment has been generated under MNERGA Programme. Out of this share of the Scheduled Castes was 14.70 crore man days(26.18 percentage) and Scheduled Tribes was 18.44 crore man days ,(32.84 percentage) constituting of 33.14 crore man days ,which is about 59.03 percentage total. The share of women is 26.61 crore person days which is allowed for 47.40 percentages.

During the year 2008- 2009 4.50 crore households have been provided employment. A total main days 214.56 crore employment has been generated under the Programme. Out of this share of Scheduled Castes is 62.88 crore man days (29 percentage) and Scheduled Tribes is 54.51 crore man days (25 percentage) the share of women is 102.73 crore man days which consisting 48 percentage. During the year 2009-2010 i,e upto August 2009 73.05 crore households have been provided employment and the total man in days 21.27 crore Employment has been generated under the programme. Out of this share of Scheduled Castes is 21.27 crore person days (28.94 percentage)and Scheduled Tribes is 17.63 crore person days (23.99 percentage) the Share of women is 38.22 crore man days allowed for 52.01 percentage.

**Performance of the Mgnrega in Tamilnadu**

The State of Tamil Nadu has witnessed considerable achievements during the implementation of National Rural Employment Guarantee Act (NREGA). These achievements are linked with Ministry of Rural Development's advice to all States for ensuring wage payment to NREGA workers through Bank and Post office accounts. So far 1.6 crore accounts have been across the country. In Tamil Nadu considerable achievements have been made in the financial inclusion of NREGA workers. Total number of households registered under MGNREGS in Tamil Nadu is 80.34; the total number of Job Cards issued is 79.02.

**The Major Challenges Facing by Mgnrega in the 12th Plan is as Follows**

- MGNREGA provides a legal entitlement to manual work. If work cannot be provided on demand there is provision for unemployment allowance. This demand driven legal entitlement is not functional.
- MGNREGS has been unable to substantially reduce distress migration from rural areas because workers do not have a timely assurance that work will be made available in the periods when it is required.
- There are significant delays in payments to workers.

- The number of days of work provided under MGNREGS may not adequately meet demand.
- The quality of assets created under MGNREGA and their relevance to the livelihoods of the poor is inadequate.
- MGNREGS is unable to assure payments of wages at the stipulated rate (minimum wages).
- The works executed under MGNREGS are not based on a strong participatory grassroots planning process.
- There are limitations to the current system of flow of funds which constrain the effectiveness of MGNREGS.
- Grievance redressal mechanisms provided are weak The Working Group on MGNREGA constituted by the Planning Commission has reviewed the planning and implementation of the scheme and made recommendations to address its limitations and ensure its effective execution in the 12th Plan. The recommendations of this Working Group can be discussed under three broad categories; Institutional Architecture under
- MGNREGS, Operational Processes and Plan Allocations required for the scheme during 12th Five Year Plan.
- An increase in the number of days of employment per job card in response to potential demand for work.
- Reduction in distress migration from the 2000 most backward blocks.
- Improvement in the quality of the productive assets created under MGNREGS and their relevance for livelihood security of the rural poor.
- Strengthened capacities of Gram Panchayats, enabling them to function effectively as institutions of local self governance.
- Mobilisation and empowerment of poor and vulnerable communities particularly in remote regions of rural India.

### **Conclusion**

The National Rural Employment Guarantee Act (NREGA), enacted on 25 August 2005 and renamed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2 October 2009, includes activities under nine different heads to provide employment to village communities and improve their livelihoods. During 2016-2017 against the total available fund of Rs.466475.61 crore, Rs.41894.04 crore was utilized. The average Fund utilization per district was Rs.88.12 crore. In Tamil Nadu considerable achievements have been made in the financial inclusion of NREGA workers. Total number of households registered under NREGA in Tamil Nadu is 132394; the total numbers of Job Cards issued are 79.02. The total available funds constitutes of 4529.43 lakhs, Cuddalore is top on list it accounts 9.5 percent, followed by Thanjavur 8.7 percent. In 2016-17 the allocation was 2314.76 crores and the target was 1155.34 of the number persons days generated but the achievement was not satisfactory because it is just around 699.57.

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