

Overview of MGNREGA in India

01. Background

Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA) aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act also mandates payment of unemployment allowance in case the State fails to provide work to the applicant within 15 days. MGNREGS not only empowers rural people with right to work, but also serves other objectives such as creation of durable assets that can provide environmental services and sustainable livelihood; reduction in distress rural migration; and work participation by women, SC/ST, and disabled persons. MGNREGA is the first ever law internationally that guarantees wage employment at an unprecedented scale.

The Act came into force on February 2, 2006 and was implemented in a phased manner. In Phase I it was introduced in 200 of the most backward districts of the country. It was implemented in an additional 130 districts in Phase II 2007-2008. The Act was notified in the remaining rural districts of India from April 1, 2008 in Phase III.

1.1. Objectives

MGNREGA is a powerful instrument for ensuring inclusive growth in rural India through its impact on social protection, livelihood security and democratic empowerment. The specific objectives are;

- Social protection for the most vulnerable people living in rural India by providing employment opportunities
- Livelihood security for the poor through creation of durable assets, improved water security, soil conservation and higher land productivity
- Empowerment of the socially disadvantaged, especially women, Scheduled Castes (SCs) and Scheduled Tribes (STs), through the processes of a rights-based legislation
- Strengthening decentralised, participatory planning through convergence of various anti-poverty and livelihoods initiatives
- Deepening democracy at the grass-roots by strengthening Panchayati Raj Institutions
- Effecting greater transparency and accountability in governance

1.2. Coverage

Over the last six years (till 2012-13), MGNREGS has generated more than 1,200 crore person-days of work at a total expenditure of over Rs.150,000 crores. As per different reports, there has been significant change in livelihood of rural poor for whom the scheme has been designed. The share of SC/ST families in the work provided under MGNREGA has been 55 per cent and 45 per cent of workers are women. Average wages of workers have gone up by 54 per cent over the last five years and wages have now been so indexed that workers will be protected from the ravages of

inflation. Nearly 10 crore bank/post office accounts of the poorest people have been opened and around 80 per cent of MGNREGA payments are made through this route, an unprecedented step in the direction of financial inclusion.

The Scheme provides employment to around 5 crore households, on an average, every year. This is almost one-fourth of the total rural households in the country. The Scheme's notified wages have increased across all States since 2006. The average wage earned per beneficiary has risen from Rs. 65 per person day in 2006 to Rs. 115 by 2012.

1.3. Participation of women

Various provisions under the Act and its Guidelines, aim to ensure that women have equitable and easy access to work, decent working conditions, equal payment of wages and representation on decision-making bodies. From FY 2006–07 up to FY 2012–13, around Rs 62,000 crore have been spent on wages for women. Women participation rate has ranged between 40-48 per cent of the total person-days generated, much above the statutory minimum requirement of 33 per cent. With an increased rate of participation and large amounts being spent on wages for women, studies and field evidence suggest a positive impact of the Scheme on the economic well-being of women. The Scheme has also led to gender parity in wages. The NSSO 66th Round indicated that MGNREGA has reduced traditional wage discrimination in public works. Access to economic resources has also had a favourable impact on the social status of women, for example women have a greater say in the way the money is spent in households. A large percentage of these women spend their money to avoid hunger, repay small debts, paying their child's schooling etc. (MoRD Report 2012).

02. Salient Features of the Act

2.1. Registration

- Adult members of a rural household willing to do unskilled manual work, may apply for registration either in writing, or orally to the local Gram Panchayat (GP).
- The unit for registration is a household.
- Under the Act, each household is entitled to a 100 days of employment every year.

2.2. Job Card

- After due verification of place of residence and age of the member/s (only adult members are eligible for employment), the registered household is issued a Job Card (JC).
- A JC is to be issued within 15 days of registration. Job Card forms the basis of identification for demanding employment.

2.3. Application for Work

- A written application seeking work is to be made to the GP or Block Office, stating the time and duration for which work is sought.
- The GP will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.

2.4. Unemployment allowance:

- In case employment is not provided within 15 days, the state (as per the Act) will pay an unemployment allowance to the beneficiary.

2.5. Provision and Execution of Work

- Work is provided within 5 kilometres (kms) radius of the village
- In case, work is provided beyond 5 kms, extra wages of 10 per cent are payable to meet additional transportation and living expenses.
- Priority is awarded to women, such that at least one-third of the beneficiaries under the Scheme are women.
- At least 50 per cent of works, in terms of cost, are to be executed by the GPs.
- The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed 40 percent of the total project costs.
- Contractors and use of labour displacing machinery are prohibited.
- Work site facilities such as crèche, drinking water, shade have to be provided.

2.6. Wages

- Wages are to be paid as per the State-wise Government of India (GoI) notified MGNREGA wages.
- Wages are also to be paid according to piece rate, as per the Schedule of Rates (SoRs).
- Payment of wages has to be done on a weekly basis and not beyond a fortnight in any case.
- Payment of wages is mandatorily done through bank/post office beneficiary accounts.

2.7. Planning

- Plans and decisions regarding the nature and choice of works to be undertake in a FY along with the order in which each work is to be taken up, site selection, etc. are all to be made in the Gram Sabha (GS) and ratified by the GP.

2.8. Social Audits

- Social Audit has to be done by the Gram Sabha at least once in every six months.
- In exercise of the powers conferred by sub-section (1) of section 24 of the MGNREGA 2005, the Central Government, in consultation with the Comptroller and Auditor General of India, has made Rules in June 2011 called Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules 2011. As per the provisions of the Rules, all State Government shall identify or establish an independent organization to facilitate conduct of social audit by Gram Sabhas.

2.9. Grievance Redressal

- Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process.

2.10. Public Disclosure

- All accounts and records relating to the Scheme are to be made available for public scrutiny and to any person desirous of obtaining a copy of such records, on demand and after paying a specified fee.

03. Scope of Work

Six years after unveiling the rural job guarantee scheme, the Centre in May 2012 announced a major extension of scope of works under MGNREGA. A list of 30 works has been incorporated in the schedules of MGNREGA, which are intended to asset creation and improving livelihoods of the poor in the rural areas. The works have been divided into 10 broad categories, discussed below.

- Water Conservation and water harvesting;
- Drought Proofing including plantation and afforestation;
- Irrigation canals including micro and minor irrigation works;
- Renovation of traditional water bodies including desilting of tanks;
- Land Development;
- Rural connectivity to provide all weather access;
- Construction of Bharat Nirman Rajiv Gandhi Sewa Kendra as Knowledge Resource Centre;
- Agriculture and livestock related works;
- Rural sanitation related works
- Any other work which may be notified by the Central Government in consultation with the State Government.

Now the Scheme is marking a radical departure from earlier efforts to the new system for demand-driven, rights-based, decentralised decision making process. MGNREGS Sameekshya 2012 (A compilation of research reports by MoRD) cites that apart from the marked reduction in poverty levels, there has been a decline in distress migration in many parts. The infrastructure created under the Scheme like wells, ponds, check dams, trenches for water harvesting etc are now valuable additions in the asset category of villages. Today, more and more beneficiaries have come to regard the Scheme as a means of employment and asset creation with multiplier effects.

04. Funding

The Central Government bears the costs on the following items:

- The entire cost of wages of unskilled manual workers.
- 75% of the cost of material, wages of skilled and semi-skilled workers.
- Administrative expenses as may be determined by the Central Government, which will include, inter alia, the salary and the allowances of the Programme Officer and his supporting staff and work site facilities.
- Expenses of the Central Employment Guarantee Council.

The State Government bears the costs on the following items:

- 25% of the cost of material, wages of skilled and semi-skilled workers.

- Unemployment allowance payable in case the State Government cannot provide wage employment on time.
- Administrative expenses of the State Employment Guarantee Council.

05. Performance of the Scheme in Tamil Nadu

The MGNREGS was initially implemented in six districts in Tamil Nadu from 02.02.2006 onwards and in four more districts from 01.04.2007 onwards. From 01.04.2008 onwards, the scheme was extended to the remaining twenty districts of the State. A minimum of 30% registrations has been insisted upon in each Village Panchayat. The average percentage of registration in the Phase-I & II districts is over 70%. In the Phase-III districts, the average registration has crossed 75%, which indicates that there is widespread awareness about the scheme.

5.1. Type and nature of works

Taking into account the field conditions in Tamil Nadu, the works are being taken up in Tamil Nadu in the following priority:

- a) Formation of new ponds.
- b) Renovation of existing Ponds, Kuttais, Kulams, Ooraries, Temple tanks etc.
- c) Desilting of channels.
- d) Desilting and strengthening of bunds of irrigation tanks.
- e) Formation of new roads.

Only 100% labour intensive works have been taken up in order to prevent the entry of contractors who are strictly banned as per the NREG Act. Only bigger works not less than Rs. 3 lakhs in value have been taken up in order to ensure that i) adequate numbers of workers get sustained employment at a work site for at least 30 days, ii) the assets created are visible, durable and genuinely beneficial to the community, iii) resources are not wasted by being spread too thinly, iv) the works are monitored closely and leakages are minimised.

5.2. Transparency

In order to ensure greater transparency and fair play, it has been ordered to disburse the wages to the workers in the presence of at least four members of the following committee:

- a) President of the Village Panchayat.
- b) Vice-President of the Village Panchayat
- c) Ward Member of the area where the work is executed
- d) An SC/ST Ward Member, if none of the persons in Sl. Nos. 1, 2 and 3 belongs to SC/ST Community.
- e) Two animators of graded Self Help Groups.
- f) A representative of the Panchayat Level federation.

5.3. Women participation

The share of women in the MGNREGA workforce in Tamil Nadu remained high (around 80 per cent) in the beginning years and was the highest in the country. Today though Kerala is the first one that engages more than 90 per cent women, Tamil Nadu has been able to engage about 74 per cent women in MGNREGA. Women are also employed in sizeable numbers as NREGA staff at

the GP and Block level as worksite supervisors (Makkal Nala Panniyalars, or MNPs), data entry operators and so on.

5.4. Role of PRIs

The involvement of Gram Panchayats (GPs) in the implementation of NREGA is also noteworthy. The GP plays an active role in selecting MGNREGA works, monitoring implementation, and so on. GPs are well-equipped (with proper buildings, furniture, computers, stationery, staff), which enables them to perform these roles. Regular and well-attended Gram Panchayat meetings indicate that GPs are functional and lively. Even here, participation of women is noticeable.

Today Tamil Nadu is one of the top performing State in the country by engaging maximum number of households for 100 days of employment and also by absorbing more funds. The key facts and figures of MGNREGS in Tamil Nadu in comparison to other top performing States are mentioned below.

State	Job cards issued till 31 st March 2013	HHs employed during 2012-13	Expenditure in Crore	%age of women participation	Average persondays	HHs completed 100 days of employment
Andhra Pradesh	12108229	5506369	4294	58.07	49.61	625610
Tamil Nadu	8855135	7054997	4094	74.17	57.82	1352534
Rajasthan	9945657	4201386	3435	68.99	51.9	408664
Kerala	2517442	1525486	1501	92.99	54.83	339865
