

## **AN ANALYSIS ON THE PERFORMANCE OF MGNREGA IN INDIA**

**Krishna Kant Mishra,**

Department of Commerce, DDU University, Gorakhpur

### **ABSTRACT**

*The Government of India adopted the National Rural Employment Guarantee Act in 2005 to eradicate rural poverty. The NREGA act is an act to provide for the enhancement of livelihood security of the households in rural areas of the country by provide 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. It is the flagship programme of the UPA Government that directly touches lives of the poor and promotes inclusive growth. Enacted after a successful struggle for an employment guarantee legislation, the NREG Act was a partial towards a full-fledged right to employment. The act became operational in February 2006, starting with 200 districts, and within three and a half years, has been extended to the rest of the country. Dr. Jean Dreze, a Belgium born economist, has been a major influence on this project.*

### **INTRODUCTION**

One of the most important schemes that the Government of India adopted in 2005 to eradicate rural poverty is the introduction of the National Rural Employment Guarantee Act. The NREG Act is an to provide for the enhancement of livelihood security of the households in 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. It is the flagship programme of the UPA Government that directly touches lives of the poor and promotes inclusive growth. Enacted after a successful struggle for an employment guarantee legislation, the NREG Act was a partial towards a full-fledged right to employment. The act became operational in February 2006, starting with 200 districts, and within three and a half years, has been extended to the rest of the country. NREGA is the first ever law that guarantees wage employment at an unprecedented scale. In 2007-08, it was

extended to an additional 130 rural districts. Since 2008, MGNREGA has covered the entire country with the exception of districts that have a hundred percent population.

### **OBJECTIVE**

1. Strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion.
2. Strengthening grass-root processes of democracy by infusing transparency and accountability in governance.
3. Strengthening decentralization and deepening the processes of democracy by giving a pivotal role to the panchayati raj institution in planning monitoring and implementation.
4. Aiding in the empowerment of the marginalized communities, especially women, scheduled caste and scheduled tribes through the processes of a rights-based legislation.

### **AN ANALYSIS OF THE PERFORMANCE OF NREGA**

Though, three and a half years is too short a period to gauge the impact of NREGA, it is worth mentioning that this important act is bringing about a silent revolution in die rural areas. This act has had repercussion at different levels, right from altering the socio-economic conditions of the affected districts to altering the social dynamics. Although well-intentioned, this act too faced the initial jitters. It received very half-hearted support from the stated and the centre in implementation. A lot of debated and arguments have been doing rounds ever since this important legislation was passed. Despite this, the fact has proven to be a good step toward rural poverty alleviation.

NREGA's record on the parameter of employment generation has been much better than its predecessors. Till 2008, about 25 million house-holds have benefited which have increased up to 13 Crore in 2013 from about 857 million of person days employment generated. The act has brought about a lot of improvement in the spheres of financial inclusion and social security provision in the rural areas. Talking about financial inclusion, lets look at some numbers. As of 2008, 27.1 million bank accounts have been opened in rural areas with zero balance requirements for wage payments under the NREGA. Almost 80-90% of these are for households that have been included for the first time in the financial

network if the country. Though financial inclusion was not an objective of the act, is still is an achievement. In terms of participation of the marginalized sections in the number of workdays created, more than 50% of total person days of employment generated have gone to SC and ST household.

In 2008-2009, NREGA provide employment to almost 45 million rural people which have increased up to 28.8 Crore in 2013. Of those employed, nearly 50 percent were women and over 55 percent comprised of Scheduled Caste, Scheduled Tribes demonstrating the self-targeting nature of the programme, The NREGA has contributed immensely to the increased bargaining power of the agricultural labour. No longer are they prepared to settle for less than the notified wage. The average notified wage under NREGA has itself risen from Rs.65 per day in 2006-07 to Rs.87 in 2009-10. In 2012-13 the real wages rate was Rs. 100 which was being paid through Banks and Post Office accounts. The government has also proposed to establish the institution of an ombudsman in every district for effective grievance redressal under NREGA.

One of the major objectives of the act has been to ensure one-third of women participation in total person days generated, the actual numbers have been close to an impressive 50%. Implementation of NREGA has contributed to very high levels of women empowerment, particularly in the following aspects.

As the work is organized by women's group the gender perspective gets built in automatically.

As women are comfortable working along with their neighbors, nearly 80% of the workers have been women.

As the wages are paid into Bank accounts the habit of thrift has further been strengthened

As the bank deposits are increasing, the intra-household status of the women has also been improving commensurately as the controls substantial cash resources and withdrawal can be only on her decision.

During 2012-2013, NREGA provided employment opportunities for more than 13 crore households as against 3.39 households covered in 2007-2008. In order to increase the productivity of assets and resources under NREGA, convergence with other schemes relating to agriculture, forests, water resource, load rural is being initiated. In the first stage, a total of 115 pilot districts have been selected for such convergence. The government of India has proposed an allocation of rs. 39,100 crore for the year 2009-2010 for NREGA which marks an increase of a 144% over the 2008-2009 budget estimates.

### **CRITICAL ISSUES UNDER NREGA THAT NEEDS PROPER SURVEILLANCE**

Issue related to providing job-card to the people on time.

Issues related to selection of works.

Issues related to the measurement of the work done.

Issues related to timely wage payments.

Issue to aware about unemployment allowance.

### **SOME DRAWBACKS IN OPERATION AND IN ITS IMPLEMENTATION**

Though the NREGA has helped a lot of rural poor to get employed and become self-sufficient, this act its implementation has some 3 flaws too. Herein, we can talk about direct issues.

The first one is-why only 100 days of work? Since people do not get those 100 days fully, disproved to be an area of constant criticism. However this year according to the Finance minister Mr. Pranab Mukherjee, ever, this year, according to the Finance minister Mr. Pranab Mukherjee, the Union Government is looking to offer 50-60 more days of work to people who have already been employed for 100 days under the National Rural Employment Guarantee Act. He said funds for could be drawn from the National Calamity Relief fund, which has a corpus of Rs2,000 crore.

The second issue is the rule of only one member per family being able to use it. Since poor families see themselves themselves as a collective, splitting up is bad economic, for instance, a day's wage at a brick kiln might be less than what it is for NREG work. But even

through brick kilns are brutal and exploitative, all members of a family can work there-and for more than a hundred days.

The last issue that we can talk about is the delay in payments. Though Andhra Pradesh seems to be ahead of many other states, this continues to be a problem. There has been instances when people have actually waited for more than four months to get an amount much lesser than what was owed to them. There have been many recording errors, when people who do not get recorded and people who haven't worked get recorded. The planning commission has sought the reserve bank of India's intervention in streamlining the mechanism of paying wages under the NREGA. In a letter to the central bank, the commission said that the BRI should directions to bank to ensure that payments to the beneficiaries of the NREGA are made only through banks or post office (mentioned above).

### **A CRITICAL ANALYSIS OF THE IMPACT OF NREGA**

NREGA has given rise to a new work culture. The worker were hitherto controlled by contractors and their middlemen who knew how to extract work. Public works have now gained respectability. NREGA has suddenly increased purchasing power of the poor and there is visible local economic development. The peasants have managed to get substantial relief from BREGA by getting over their inhibition in working as labourers in richer farmer's lands by moving on to the now-respectable public works.

It is true, however, that the achievements of the NREGA have been uneven, if we look at NREGA's state wise impact. Andhra Pradesh has fared better than most states, thanks to growing awareness of the people of their right. This is one state where, some 2.7 million people applied for job-card I the first month after the programme was announced and everyone received them. And in many states the job-card are yet to be issued. Rajasthan is the state after Andhra Pradesh which has gained the maximum from the NREGA. However states like Maharashtra has benefited very abysmally from the NREGA

Lets examine why NREGA has been more successful than any other poverty alleviation schemes and what ensured better targeting. Unlike the other programmes which have been

made toothless by anchoring them to below poverty line (BPL) card, NREGA is a targeting programme. It is no wonder that the distribution of beneficiaries by social group is almost similar to the distribution of poor obtained from the NSSO (National Sample Survey Organization) consumption surveys. Evidently, the self-targeting inherent NREGA has a better score in targeting the poor than the officially conducted but flawed identification of BPL households. In fact the self selection nature of NREGA has persuaded the finance ministry to classify workers in the programme as poor, for inclusion in the Janashree Bima Yojana. Similarly, the case of extension of Rashtriya Swasthya Yojana to the NREGA workers.

The NREGA has been more or less successful in energizing. Mobilizing. Empowering and delivering to india's poorest and most marginalized rural people. It has also been somewhat successful in providing the rural poor a measure of dignity, tangible economic benefit and a motivation to participate in local action. The NREGA stands apart from the employment and poverty alleviation programmes in many significant ways. It is the first national programme of consequence which has woven transparency and accountability into the mundane fabric of daily interaction of people with the government. It also gives an opportunity to break the feudally enforced silence of its victims. Through transparency and social audit measures, NREGA allows, anywhere, to be a part of the monitoring of the delivery system. It also gives the poor an opportunity to realize the constitutional sovereignty, the power of the people considering India is the largest democracy in the world the world.

## **CONCLUSION**

Although a programme of this magnitude will take time to be of any relevance in changing the landscape of rural India , initial reports of evaluation studies by various institutions and individuals has documented the processes of revival and resurgence largely driven by NREGA as an axis of struggle by the rural poor. It has neither been claimed nor was envisaged that NREGA is the key to successful rejuvenation of rural areas. This requires many such efforts particularly towards ensuring the broken linkages of the growth

process to include the rural areas as engines of growth. Nonetheless, it does offer an opportunity for the rural poor to stake claim to the fruits of the growth. More over. NREGA success stories provide opportunities for mainstreaming and legitimizing the struggle for other social security legislation.

Independent India has to acknowledge the critical role the NREGA has played in providing a measure of inclusive growth. It has given people a right to work, to re-establish the dignity of labour, to ensure people's economic and democratic right and entitlements, to create labour intensive infrastructure and assets, and to build the human resource base of our country. For the first time, the power elite recognizes the people's right to fight endemic hunger and poverty with dignity, accepting that their labour will be the foundation for infrastructure and economic growth, The entitlements paradigm is still to be established in many states in the country. Second generation issues like the expansion of the categories of permissible works needs to be taken up with labour and the deprived continuing to be central focus. The improvements must be to strengthen, not divert from these basic tenets. In the midst of the current economic slowdown, there is enough evidence that this kind of commitment can work to help the slowdown.

NREGA's success is as much a hope for civil society activists fighting for the rights of the poor as it is a critique of the develop mentalist state in case it fails to deliver.

## **REFERENCES**

Survey- to- study- the- impact- of- nrega  
www.indianews.com  
Nrega.nic.in/circular/minutes\_meeting2012  
[www.thehindu.com](http://www.thehindu.com)  
www.livemint.com