

Trends and Effectiveness of Rural Employment Growth Rate under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India



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Abstract

The National Rural Employment Guarantee Bill has been passed by both president and Houses of parliament on 5th September 2005. The National Rural Employment Guarantee Act, 2005 was incorporated in the statute Book. The Act has been substituted with retrospective effect from 2nd October, 2009 and it was named as The Mahatma Gandhi National Rural Employment Guarantee Act, 2009. This Act focused on enhancing the livelihood security of people in rural areas and guaranteed hundred days of wage-employment to unskilled adult family members in a financial year to a rural household. The programme benefits the purchasing power of rural poor, reduce distress migration and create useful assets in rural India. In the present study, we analysed different category employment generation as well as Persons days employment growth rate in rural areas in five financial years (FY 2014-15 to 2018-19) and studied five highest and lowest employment generation state. The paper has been used of secondary data to accomplish the objectives. The resulting of the study show that MGNREGA plays a significant role in person days employment generation in rural development. It is not only increased the rural employment growth in India but also develops rural areas.

Keywords: Rural Development, MGNREGA, Employment Generations.

Introduction

Rural development is the key to India's overall social development. Since, Independent India progress has progressed on the path of economic development while progressing in different dimensions of the country, but ironically that almost 26 percent of the rural population of the country is still living below the poverty line and lives is desired from the minimum basic requirements. 70 percent of the country's rural housing does not have proper system of roads for housing, drinking water and traffic. Imagine the continuous and all-round development of the country, it will be considered successful until the proper development of rural India.

The Ministry of Rural Development in India was initiated many employment generating programmes to address unemployment problem in rural area. In which, one important flagship programme is NREGA. It was initiated on February 2, 2006 from Anantapur in Andhra Pradesh and initially covered 200 poorest districts of the country. The Act was implemented in phased manner-130 district were added in 2007-08. Currently these are applicable in 625 districts of the country. The National Rural Employment Guarantee Bill has been passed by both president and Houses of parliament on 5th September 2005. The National Rural Employment Guarantee Act, 2005 was incorporated in the statute Book. The Act has been substituted with retrospective effect from 2nd October, 2009 and it was named as The Mahatma Gandhi National Rural Employment Guarantee Act, 2009. This Act focused on enhancing the livelihood security of people in rural areas and guaranteed hundred days of wage-employment to unskilled adult family members in a financial year to a rural household (NREGA Gazette document). One of its key provisions is that once the work week is completed, the worker must be paid within 15days. The programme benefits the purchasing power of rural poor,

reduce distress migration and create useful assets in rural India. The rural development ministry allocated Rs.55, 000crore for rural jobs under this scheme in the financial year 2018-19. This would be the highest allocation for the scheme, beating the record Rs.48, 000crore it received this financial year. For financial year 2017-18, the scheme has so far generated 160 crore person days of work compared with 263 crore during 2016-17. During five year implementation (FY 2014-15 to 2018-19), total employment Person day's generation was 113847.58 lakhs where the employment generation of male and female was 51384.82 lakhs and 62462.76 lakhs respectively. Among the twenty nine state in FY 2017-2018, West Bengal showed highest (3125.556lakhs) Persons days employment generate where GOA has the lowest (0.994lakhs).

Review of Literature

Srinivas, P. and Pandeyraj, K.(2017), "Employment generation and asset creation through MGNREGA in Andhra Pradesh" The author concluded that Andhra Pradesh State has made significant progress in accomplish the twin objective of the MGNREG Act i.e. to enhance the livelihood security of people in rural areas, and to boost the rural economy. The state has been best performance of providing employment and generating person days to rural households particularly SC and ST and Women is significant and it has provided employment to 879.9 lakhs households during 2006-07 to 2015-16 among which the share of SC, ST and Women was 23.37 %, 13.9% and 54.18% respectively. However, it could be able to provide 100 days of employment to only 5.5 per cent of the participatory households. Further, the state Govt. has created substantial number of assets during this one decade of implementation in different categories.

Konch, Upen (2013), "Rural Employment Guarantee in India through Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)". The author analysed that the MGNREGS has contributed extremely to the generation of rural employment in the era of Liberalization, Privatization and Globalization (LPG). The MGNREGS is the only scheme internationally acclaimed that guarantees wage employment at an unique scale. However, the achievement in generation of rural employment is not at all satisfactory and the result is not up to the mark. In fact, the scheme has failed to fulfil its basic objective and could not ensure the 100 days of guaranteed wage employment to every Job Card holder in a financial year. To make the programme more successful, intensive effort and attention is to be needed in order to fulfil its objectives.

Prasad, K. V. S. (2012). "Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): An Overview" The author says the MGNREGS schemes have a crucial role to play because of its humane perspective. It serves as an effective security for the unemployed especially during drought and famine. It has enabled them with sufficient purchasing power and they are able to at least to supports their basic necessity i.e. food. The Act has confined the rural poor to their areas and stopped migration to the cities. It is not only giving rural livelihoods but also involving them in other non-agricultural work. This has helped in handling disguised workers. Employment in other non-agricultural work will also improve the rural infrastructure i.e. rural asset building. It will ultimately lead to sustainable development.

Objectives of study

1. To study the employment generation under MGNREGA.
2. To show the trends of employment generation under MGNREGA.
3. To observe the employment growth rate under MGNREGA schemes.

Methodology

The present paper based on the secondary data which are collected from different sources used to collect secondary data include latest report of MGNREGA schemes, Research papers, Articles and the website of schemes.

Basic Concept of MGNREGA

The National Rural Employment Guarantee Bill has been passed by both president and Houses of parliament on 5th September 2005. The National Rural Employment Guarantee Act, 2005 was incorporated in the statute Book. The Act has been substituted with retrospective effect from 2nd October, 2009 and it was named as The Mahatma Gandhi National Rural Employment Guarantee Act, 2009. This Act focused on enhancing the livelihood security of people in rural areas and guaranteed hundred days of wage-employment to unskilled adult family members in a financial year to a rural household. The programme benefits the purchasing power of rural poor, reduce distress migration and create useful assets in rural India. The following main objectives of MGNREGA.

1. Providing unskilled work for rural India in the rural areas.
2. Ensuring complete openness and ownership in the governance.
3. Improvising the entire system of democracy and providing an important role to the Panchayati raj.
4. Ensuring sustainable development by developing the natural resources of land and water.

Table-1; MGNREGA: At a Glance

Year of Evolution	Evolution Events
August 25th, 2005	NREGA enacted by legalization
September 5th, 2005	Assent of the President
September 7th, 2005	Notified in the Gazette of India
February 2nd, 2006	Came into force in 200 districts
April 1st, 2007	113 more districts were notified
May 15th, 2007	17 more districts were notified
April 1st, 2008	Notified in the remaining rural districts
October 2nd, 2009	Renamed as MGNREGA

Source: Compiled from Various Reports of MGNREGA, 2011

Employment generation under MGNREGA

The government has a key role to play in employment generation in the country. In fact, it must persevere to increase the employment selves of the country. According to a CAG report (2018), Under the MGNREGA scheme 52.02 days of employment was generated against 100 days guaranteed in the rural employment Act. In the light of this, governments in the past have acted to deal with unemployment in India. The National Rural Employment Guarantee Act (NREGA) was passed in 2005. The NREGA seeks to provide 100 days of guaranteed wage employment to rural households willing to perform unskilled manual work. It makes special provisions for women and for the distance within which the job must be available to job-seekers for convenience. State and federal

governments, over the years, have played a key role in enacting other social security programmes, providing unemployment allowances and conducting training programmes and encouraging on-the-job training to absorb more skilled labour into jobs. The government has also strived to provide direct employment in government departments and offices at various positions and levels. It also helps in indirect employment through the production of goods and services that aid the ability of the private sector to invite more job applicants and create opportunities. One of the main allied objectives of these policy programmes is the idea of *poverty alleviation*, with different emphases on education, health, nutrition, a standard of living, road-building, infrastructure and rural development.

Table-2
Person days Employment generated under MGNREGA during 2014-15 to 2018-19

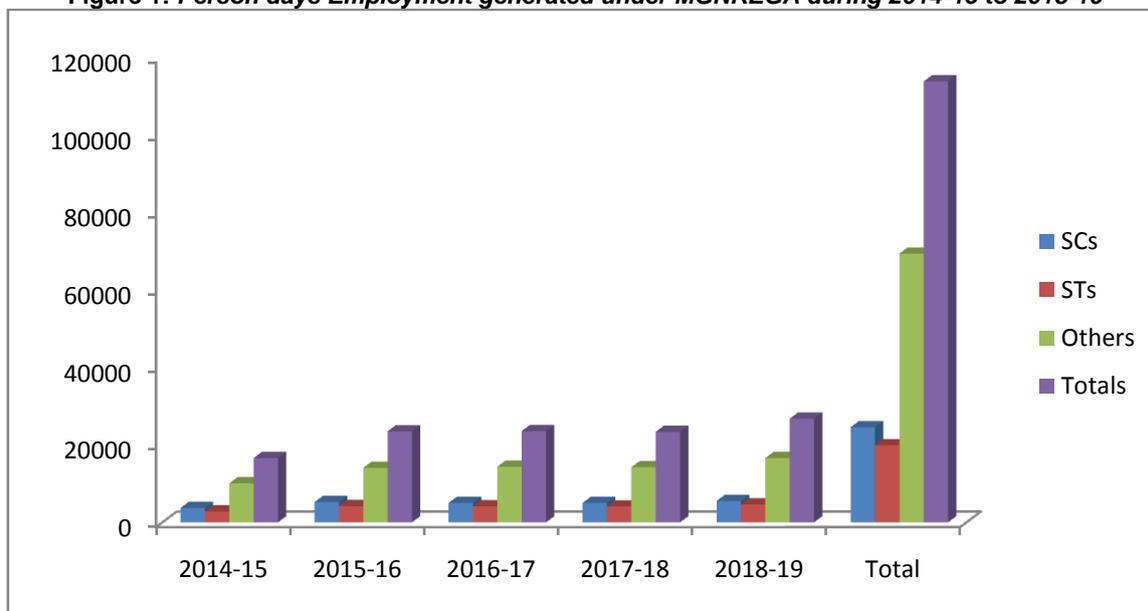
Year	SCs	STs	Others	Totals
2014-15	3723.52	2819.29	10075.55	16618.36
2015-16	5241.89	4184.61	14087.63	23514.13
2016-17	5023.39	4151.50	14389.14	23564.04
2017-18	5038.94	4088.07	14247.31	23374.31
2018-19	5532.43	4657.98	16586.34	26776.74
Total	24560.17	19901.45	69385.97	113847.58

Source: www.nrega.nic.in (14th April 2019, 05:05 PM)* Data represented in lakhs #SC= Schedule caste, ST=Schedule tribe

In above Table 2 shows the person's days employment generated under MGNREGA during 2014-15 to 2018-19. Again, it has been seen that the total number of person days employment generated during FY year are 113847.58 lakhs after implementation of MGNREGA, among which the total number of person days employment generated for

SC, ST and others are 24560.17 lakhs, 19901.45 lakhs, and 69385.97 lakhs respectively. The analysis of five FY year wise data shows that the total person days employment generated in the FY year 2014-15 is 16618.36 lakhs, which is increased to its maximum of 23564.04 lakhs in FY year 2016-17.

Figure 1: Person days Employment generated under MGNREGA during 2014-15 to 2018-19



From the present Figure 1 employment has decreased in FY year 2017-18. But if the total employment generation is observed, then from the FY year 2014-15 to 2018-19, a total of 113847.58 lakhs

has been generated. Again it has been seen that in the year 2014-15 to 2018-19, total 113847.58 lakhs person days have been generated under MGNREGA.

Table-3
Person days Employment generated under MGNREGA during 2014-15 to 2018-19

Year	Totals	Percentage of SCs	Percentage of STs	Percentage of Others
2014-15	16618.36	22.41	16.96	60.63
2015-16	23514.13	22.29	17.80	59.91
2016-17	23564.04	21.32	17.62	61.06
2017-18	23374.31	21.56	17.49	60.95
2018-19	26776.74	20.66	17.40	61.94
Total	113847.58	21.57	17.48	60.95

Source: www.nrega.nic.in(14th April 2019, 05:05 PM)* Data represented in percentage term, #SC= Schedule caste, ST=Schedule tribe.

In the above table 3, shows that the different categories employment generation under MGNREGA. This data has been taken from the financial year 2014-15 to 2018-19. The total employment generation

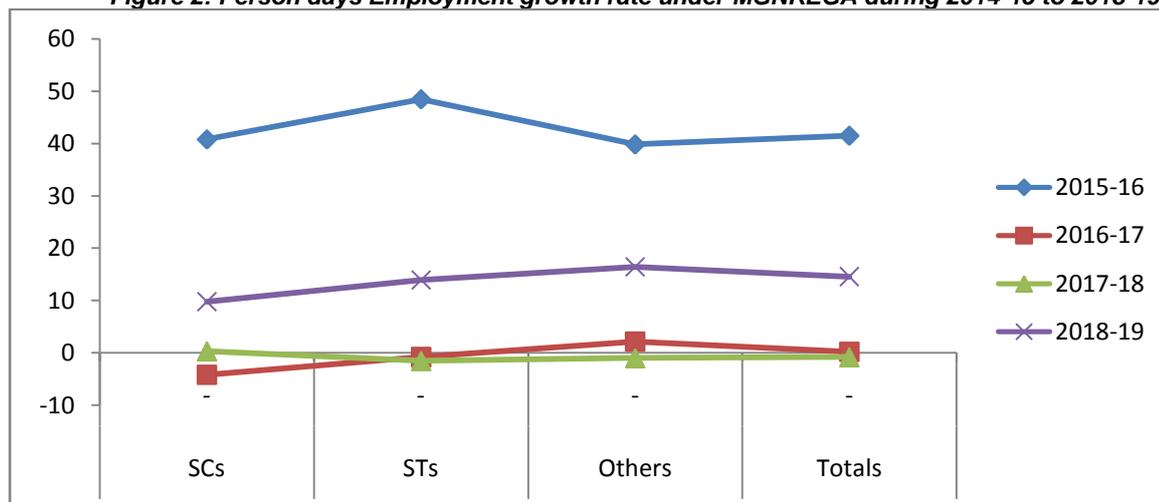
in this financial year is 113847.58 lakh. In which 21.57 percentages of SCs, 17.48 percentages of STs and 60.95 percentages of others have been created.

Table-4
Person days Employment Growth rate under MGNREGA during 2014-15 to 2018-19

Year	SCs	STs	Others	Totals
2014-15	-	-	-	-
2015-16	40.78	48.43	39.82	41.49
2016-17	-4.17	-0.79	2.14	0.21
2017-18	0.31	-1.53	-0.99	-0.81
2018-19	9.79	13.94	16.42	14.56

Source: Authors calculation * Data represented in percentage # SCs= Schedule caste, STs=Schedule tribe

Figure 2: Person days Employment growth rate under MGNREGA during 2014-15 to 2018-19



The above table 4, it has been seen that in the year 2015-16 i.e. ST has 48.43% increased in employment growth. Again in 2016-17 it has been seen that worst situation for employment growth high

drop in SC i.e. -4.17% and in FY 2017-18 were has negative growth rate for STs i.e. -1.53%. Recent the employment growth rate increased of different category in FY 2018-19.

Table-5
Person days Employment generated under MGNREGA during 2014-15 to 2018-19

Year	Totals	Male	Female	Percentage of Male	Percentage of Female
2014-15	16618.36	7498.02	9120.34	45.12	54.88
2015-16	23514.13	10520.2	12993.93	44.74	55.26
2016-17	23564.04	10329.89	13234.15	43.84	56.16
2017-18	23374.31	10862.73	12511.58	46.47	53.53
2018-19	26776.74	12173.98	14602.76	45.46	54.54
Total	113847.58	51384.82	62462.76	45.13	54.87

Source: www.nrega.nic.in(14th April 2019, 05:05 PM)

In this table, Employment generation of rural male and female has been explained under MGNREGA. This data has been taken from the financial year 2014-15 to 2018-19, in which total employment generation has been 113847.58, out of

which total employment of male has been created 51384.82 while the employment generation of female is 62462.76 that is the percentage of employment created by female is higher than that of male 54.87 and 45.13 respectively.

Table-6
Person days Employment Growth rate under MGNREGA during 2014-15 to 2018-19

Year	Totals	Male	Female
2014-15	-	-	-
2015-16	41.49	40.31	42.47
2016-17	0.21	-1.81	1.85
2017-18	-0.81	5.16	-5.46
2018-19	14.56	12.07	16.71

Source: Authors calculation * Data represented in percentage

The above table 6 shows the employment growth rate of male and female during the five financial years. In the financial year 2015-16, the employment growth rate of female was higher than that of male. While the employment growth rate of

female declined to -5.46 percentages in 2017-18. Whereas FY 2018-19 has again increased to 16.71percentage. The figure 3 shows that under the MGNREGA schemes, the inclination of female has been much higher than male.

Figure 3: Person days Employment growth rate under MGNREGA during 2014-15 to 2018-19

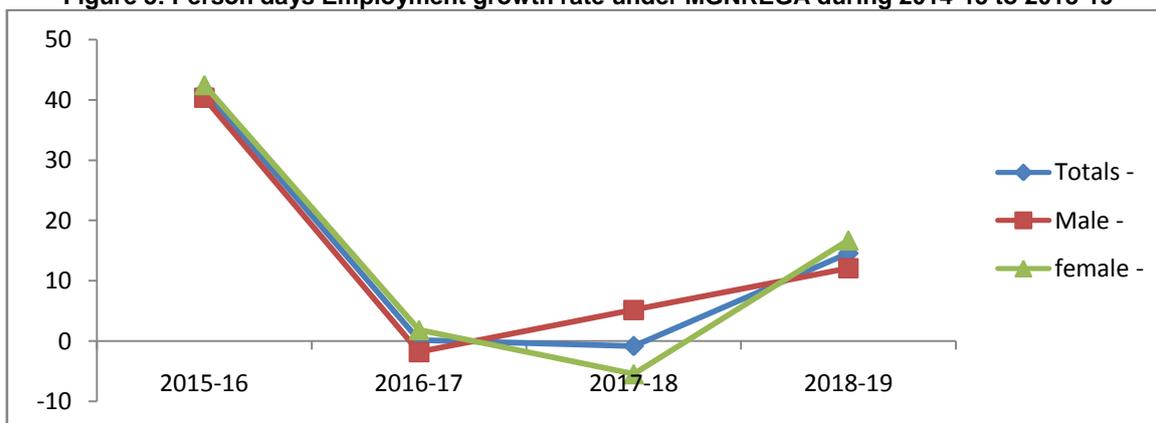


Table-7
Top 5 States Person days Employment Generated during the Financial Year 2017-18

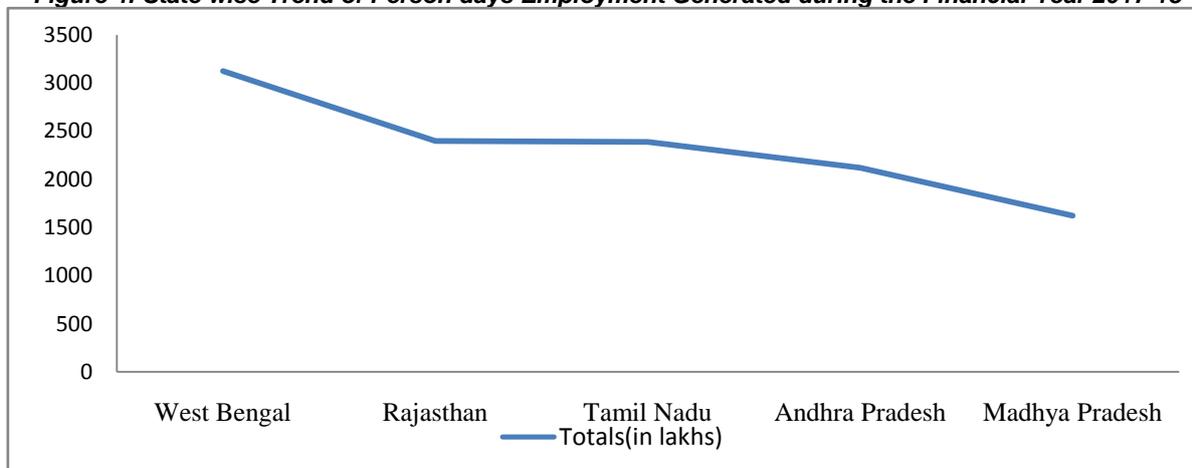
Name of State	SCs	STs	Others	Totals	Male	Female
West Bengal	972.481	264.279	1888.796	3125.556	1637.968	1487.588
Rajasthan	505.886	515.239	1377.118	2397.743	831.149	1566.594
Tamil Nadu	702.776	26.6	1659.429	2388.806	342.129	2046.677
Andhra Pradesh	468.224	222.14	1430.412	2120.776	856.06	1264.716
Madhya Pradesh	271.613	512.505	838.366	1622.484	1016.113	606.371
India	5038.94	4088.07	14247.31	23374.31	10862.73	12511.58

Source: www.nrega.nic.in* Data represented in lakhs #SC= Schedule caste, ST= Schedule tribe

The above table7 shows the top five state employments generated under MGNREGA in the FY year 2017-18 according to current report. Among the

top 5 state it has been seen from the above table that West Bengal state has highest employment generated under MGNREGA schemes.

Figure 4: State wise Trend of Person days Employment Generated during the Financial Year 2017-18



It is the total person days employment generated are 3125.556 lakhs in West Bengal. This is due to W.B. Government utilising funds for employment provided under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). According to currently data provided by Ministry of State for Rural Development West Bengal generated more than 28.21 crore work days under

this scheme (2017-18). And spend more than 7,335.31 crore for it. In above figure shows the trend of top five state employment generated under MGNREGA schemes in the FY year 2017-18 according to current data. It has been seen the figure the highest employment generated in West Bengal and lowest in Madhya Pradesh.

Table-8
Lowest 5 States Person days Employment Generated during the Financial Year 2017-18

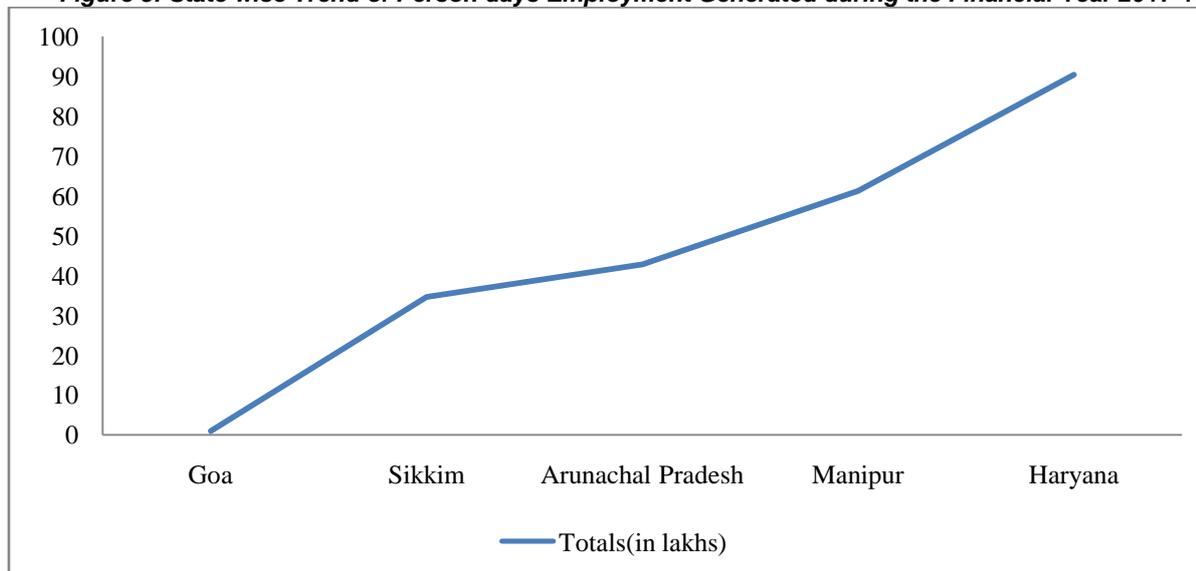
Name of State	SCs	STs	Others	Totals	Male	Female
Goa	0.044	0.291	0.66	0.994	0.212	0.782
Sikkim	1.33	13.266	20.009	34.606	17.977	16.629
Arunachal Pradesh	0.039	37.809	4.957	42.804	27.277	15.527
Manipur	1.946	26.904	32.399	61.249	33.797	27.452
Haryana	43.072	0.007	47.292	90.371	46.417	43.954
India	5038.94	4088.07	14247.31	23374.31	10862.73	12511.58

Source: www.nrega.nic.in* Data represented in lakhs #SC= Schedule caste, ST=Schedule tribe

The above table 8, shows the lowest five state employments generated under MGNREGA in the FY year 2017-18 according to present report.

Among the lowest 5 state it has been seen from the above table that Goa state has lowest employment generated under MGNREGA.

Figure 5: State wise Trend of Person days Employment Generated during the Financial Year 2017-18



Goa state has a well-developed social, physical and industrial infrastructure and virtual connectivity. However there are some problems, timely payment of wages are critical problems faces of the MGNREGA schemes. During the FY 2015-16 Rs. 1.3 crore (71% of total transactions) were delayed for more than 15 days. Out of this 25% of the payments were delayed for more than 60 days. The reasons behind this delay of wage payment may be the causes for slow progress in completion of works. The above figure3 shows the trend of lowest five state employments generated under MGNREGA schemes in the FY year 2017-18 according to current data. It has been seen the figure the lowest employment generated in Goa among the lowest five state.

Postscript

MGNREGA is playing an important role in rural employment and poverty eradication. This scheme not only secures hundred days job but also provide minimum wages for every adult of every household at the same time. It is an important tool for

employment generation as well as overall rural development. However, Mahatma Gandhi National Rural Employment Guarantee Act has faced many problems. There is no doubt that under this schemes employment has been created but the allotment of government fund is not satisfactory. Throughout the study it was concluded that where utilization of the state government funded was maximum, employment creation was higher in those states. West Bengal state has highest employment generated under this MGNREGA schemes during FY 2017-18 according to current report. The causes behind this fund that the best performing state both in terms of allotting jobs and utilising funds under the MGNREGA. These schemes play an important role in enhancing the development of rural economy. As well as increased the purchasing power of rural poor, reduced distress migration and created useful assets in rural India. Apart from it providing equal participation opportunity to rural poor female promotes the gender equality in

the workplace. MGNREGA not only increased the employment but also develops rural areas.

Suggestions

MGNREGA Act has some drawbacks which needs to be improve by rural people get proper to earn income. There should be availability of found in sufficient manner. There is need to developed financial institution in rural areas of country. In this act no provision of primary aids focus on this. In most of the cases 100 days of employment not available. The government should focus on this act to best management of these schemes.

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