CHAPTER - 3
MGNREGA: AN OVERVIEW

3.1 Implemented by the Ministry of Rural Development
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the flagship programme of the Government to influence the life of poor masses positively and enhance their development. MGNREGA 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.

3.2 Mahatma Gandhi NREGA is the first ever law internationally
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is first ever law internationally, that guarantees wage employment at an unprecedented scale. The primary objective of the MGNREGA is augmenting wage employment. Its auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like deforestation, drought and soil erosion and so encourage sustainable development. To strengthen the democratic system and enhance transparency and accountability in it, the process outcomes are focused towards improving the grassroots methodology of democracy.

3.3 Objectives of Mahatma Gandhi NREGA
The basic objective of the MGNREGA is to enhance livelihood security of the people in rural areas by guaranteeing hundred days of wage employment in a financial year, to a rural household whose members volunteer to do unskilled manual work. The poor masses of rural areas are provided with an opportunity of means of livelihood and access to durable assets under MGNREGA. The choice of works suggested in the Act address causes of chronic poverty like deforestation, drought and soil erosion so that the enable to sufficient generation of employment opportunities on a sustainable basis.
3.4 Goals of Mahatma Gandhi NREGA

Specific goals of the Act are:

- To provide backup or alternative source of employment to the vulnerable groups of society so that they are strong and secure, both socially and economically.
- To create durable assets and strengthen the livelihood resource base of the rural poor.
- Flood management and drought-proofing in rural India.
- To act as a growth engine for sustainable development of an agricultural economy.
- Empowerment of the socially disadvantaged, especially women, Scheduled Tribes (STs) and Scheduled Castes (SCs) through the processes of a rights-based legislation.
- Deepening democracy at the grass-roots by strengthening Panchayati Raj Institutions.
- Effecting greater accountability and transparency in governance.
- To eliminate or at least reduce practice of forced migration from rural to urban areas.

In view of the above advantages, MGNREGA is much more than being simply an initiative of welfare. It is a constructive effort and a stepping stone for the development of Indian Economy.

Therefore Mahatma Gandhi NREGA has 3 distinct goals:

- Promotive
- Protective
- Preventive

It protects the rural poor from vulnerabilities by providing them demand-based employment. It prevents risk associated with agricultural investment and forced migration of rural poor people. By increasing the demand of consumers, it indirectly promotes and enhances prosperity in the economy of rural areas.
Therefore Mahatma Gandhi NREGA is an influential instrument for ensuring inclusive growth in rural India through its impact on livelihood security, social protection and democratic empowerment.

### 3.5 Important Features of Mahatma Gandhi NREGA

Features of the MGNREGA are summarized below:

#### 3.5.1 Registration of Rural Household for Wage Employment

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

#### 3.5.2 Job Card for every registered household

Once all required mandatory documents and information are verified of place of residence and age of the members, the registered household is issued a job card (JC). A job card is to be issued within 15 days of registration. Job card forms the basis of identification for demanding employment. The job card will bear the photograph of all adult members of the households willing to work under MGNREGA. The registered households are not charged anything in lieu of the job card issued to them with photograph.

#### 3.5.3 Application for Work

A written application seeking work is to be made to the Block Office or Gram Panchayat, stating the time and duration for which work is sought. A dated receipt is issued to the applicant for employment by Gram Panchayat.

#### 3.5.4 Allotment for Work

Within 15 days of submitting the application or from the date when employment is sought, employment should be provided by the Gram Panchayat.

#### 3.5.5 Payment of Unemployment allowance

In case the state fails to provide employment to the beneficiary within 15 days, it will pay an unemployment allowance to the MGNREGA beneficiary.
3.5.6 Minimum Entitlement of Labourers

- Wages are to be paid according to piece rate, as per the Schedule of Rates (SoRs).
- Wages are also to be paid as per the State-wise Government of India (GoI) notified Mahatma Gandhi NREGA wages.
- Payment of wages is mandatorily done through the joint/individual post office/bank beneficiary accounts.
- Wages are mandatorily to be paid weekly. In no case can the payment be delayed beyond a fortnight.
- Women are given the priority, such that at least one-third of the beneficiaries under the MGNREGA are women.
- The location of work provided cannot be beyond 5 kilometres of the radius of the village. In case, work is provided beyond 5 kilometres, extra wages of 10 percent are payable to meet living expenses and additional transportation.

3.5.7 Worksite Management

- In order to maintain the spirit of MGNREGA and keep wage employment as its main priority, MGNREGA mandates that in the total cost of works undertaken in a Gram Panchayat, the wage expenditure to material expenditure ratio should be 60:40.
- To ensure that the direct benefit of MGNREGA goes to the workers without any hurdle, the Act prohibits the use of machinery or contractors in execution of the works.
- Worksite facilities
  Work site facilities such as creche, shade and drinking water have to be provided.
3.5.8 Creation of Durable Assets

The focus of the work is on:

- Drought Proofing including afforestation and plantation
- Water harvesting and water conservation including contour trenches, boulder checks, contour bunds, underground dykes, gabion structures, springshed development, stop dams and earthen dams
- Renovation of traditional water bodies including distilling of tanks
- Land Development
- Construction of storm water drains for coastal protection, flood control and protection works including drainage in water logged areas including deepening and repairing of flood channels and chaur renovation
- Rural connectivity to provide all weather access, including culverts and roads within a village, wherever it is considered essential
- Irrigation canals including minor and micro irrigation works
- Construction of Bharat Nirman Rajiv Gandhi Sewa Kendra as Knowledge Resource Centre at the Block level and as Gram Panchayat Bhawan at the Gram Panchayat level
- Rural drinking water related works
- Fisheries related works
- Any other work which may be notified by the Central Government in consultation with the State Government.

3.5.9 Accountability and Transparency

Accountability and Transparency and in the programme is ensured through the following:

- Grievance redressal mechanisms and rules have to be put in place for ensuring a responsive implementation process.
- Social Audit has to be done by the Gram Sabha at least once in every six months.
- All accounts and records relating to the Act should be available for public scrutiny.
3.6 Cost Sharing under Mahatma Gandhi NREGA

3.6.1 The Central Government bears the costs on the following items

- 75% of the cost of material, wages of semi-skilled and skilled workers.
- The whole cost of wages of unskilled manual workers.
- Expenses of the National Employment Guarantee Council.
- 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, work site facilities.

3.6.2 The State Government bears the costs on the following items

- 25% of the cost of material, wages of semi-skilled and skilled workers.
- Administrative expenses of the State Employment Guarantee Council.
- Unemployment allowance payable in case the State Government cannot provide wage employment on time.

Districts have contributed to the Mahatma Gandhi NREGA funds. Proposals are submitted based on clearly delineated guidelines so that funds may be distributed efficiently at each level and adequate funds may be available to respond to demand. Under Mahatma Gandhi NREGA, physical and financial indicators of outcomes are important criteria for the disbursement of funds.

3.7 Progress of Mahatma Gandhi NREGA

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) came into force on 2nd February, 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.
- As per the initial target, Mahatma Gandhi NREGA was to be expanded countrywide in five years. Nevertheless, in order to bring the whole nation under its safety net and keeping in view the demand, the Scheme was extended to the remaining 285 rural districts of India from April 1, 2008 in Phase III.
Table 3.1 MGNREGA: Physical Performance (FY 2007-2008 to FY 2012-2013)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>(FY 07-08) 330 Districts</th>
<th>(FY 08-09) 615 Districts</th>
<th>(FY 09-10) 619 Districts</th>
<th>(FY 2010-2011) 626 Districts</th>
<th>(FY 2011-12) 626 Districts</th>
<th>(FY 2012-13) 632 Districts (reported till 31/12/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total job Card issued [in Crore]</td>
<td>6.48</td>
<td>10.01</td>
<td>11.25</td>
<td>11.98</td>
<td>12.39</td>
<td>12.54</td>
</tr>
<tr>
<td>Employment provided to household [in crore]</td>
<td>3.39</td>
<td>4.51</td>
<td>5.26</td>
<td>5.49</td>
<td>5.04</td>
<td>4.16</td>
</tr>
<tr>
<td>Persondays [in crore]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>143.59</td>
<td>216.32</td>
<td>283.59</td>
<td>257.15</td>
<td>216.34</td>
<td>140.66</td>
</tr>
<tr>
<td>SCs</td>
<td>39.36 [27%]</td>
<td>63.36 [39%]</td>
<td>86.45 [31%]</td>
<td>78.76 [31%]</td>
<td>47.70 [22%]</td>
<td>31.42 [22%]</td>
</tr>
<tr>
<td>STs</td>
<td>42.07 [29%]</td>
<td>55.02 [25%]</td>
<td>58.74 [21%]</td>
<td>53.62 [21%]</td>
<td>39.59 [18%]</td>
<td>22.14 [16%]</td>
</tr>
<tr>
<td>Women</td>
<td>61.15 [43%]</td>
<td>103.57 [48%]</td>
<td>136.40 [48%]</td>
<td>122.74 [48%]</td>
<td>103.81 [48%]</td>
<td>74.74 [53%]</td>
</tr>
<tr>
<td>Other</td>
<td>62.16 [43%]</td>
<td>97.95 [45%]</td>
<td>138.40 [49%]</td>
<td>124.78 [48%]</td>
<td>129.06 [60%]</td>
<td>87.10 [62%]</td>
</tr>
<tr>
<td>Persondays per household [days]</td>
<td>42</td>
<td>48</td>
<td>54</td>
<td>47</td>
<td>43</td>
<td>34</td>
</tr>
</tbody>
</table>

Source: http://www.nrega.nic.in

FY 2012-2013 (till 31/12/2012) 4.16 crore households were provided employment. Higher employment were provided in FY 2010-2011 (5.49 Crore). The programme had high work participation for marginalized groups like SCs 31% in FY 2010-2011 and STs 29% in FY 2007-2008. Women’s participation is plausible and increased steadily year by year indicates the inclusion of underemployment and unemployment women into workforce. This is primarily due to the availability of work in the village itself at minimum wage and equal wages were ensured through this Act for both women and men in public works, which motivated women to take part in MGNREGA. The Act mandates that a minimum of one - third of the beneficiaries should be women. The national average shows that women participation was 41 percent in 2006-07; it registered steady increased 43 percent in 2007-08; 48 percent in 2011-12. MGNREGA had high work participation for women 53% in FY 2012-2013 (till 31/12/2012).
Phase - I districts showed higher levels of employment than Phase - II districts in the data of analysis. This is mainly because the phase - I district were able to build on the foundations they had laid in the preceding years but also because the demand for employment was greater in those district compare to phase - II and phase - III districts. That Phase - I districts are the poorest among Phase - II and Phase - III districts is a vital point to be noted.

Table 3.2 MGNREGA: Financial Performance (FY 2007-08 to FY 2012-13)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>(FY 07-08) 330 Districts</th>
<th>(FY 08-09) 615 Districts</th>
<th>(FY 09-10) 619 Districts</th>
<th>(FY 2010-11) 626 Districts</th>
<th>(FY 2011-12) 626 Districts</th>
<th>(FY 2012-13) 632 Districts (reported till 31/12/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Outlay (in Rs. Crore)</td>
<td>12000</td>
<td>30000</td>
<td>39100</td>
<td>40100</td>
<td>40000</td>
<td>33000</td>
</tr>
<tr>
<td>Central Release (in Rs. Crore)</td>
<td>12610.39</td>
<td>29939.60</td>
<td>33506.61</td>
<td>35768.95</td>
<td>29189.77</td>
<td>23579.18</td>
</tr>
<tr>
<td>Total available fund (including OB) (in Rs. Crore)</td>
<td>19305.81</td>
<td>37397.06</td>
<td>49579.19</td>
<td>54172.14</td>
<td>48832.49</td>
<td>39620.16</td>
</tr>
<tr>
<td>Expenditure on wages (in Rs. Crore)</td>
<td>10738.47 [68%]</td>
<td>18200.03 [67%]</td>
<td>25579.32 [70%]</td>
<td>25686.53 [68%]</td>
<td>24860.91 [69%]</td>
<td>18270.14 [76%]</td>
</tr>
</tbody>
</table>

Source: http://www.nrega.nic.in

Regarding financial performance under MGNREGA in FY 2012-13 (reported till 31/12/2012) budget outlay was 33000 crore, central release was 23579.18 crore and expenditure on wages was 18270.14 crore.

The Mahatma Gandhi NREGA performance in terms of financial performance indicates that the allocation of central government and expenditure on wages increased every year due to induction of more districts as well as increasing demand of MGNREGA work. The average expenditure per person/day of employment is increased. In FY 2012-2013, Rs. 18270.14 crore (76% of the total expenditure) has been on wages.
Table 3.3 MGNREGA: Work Details (FY 2007-08 to 2012-13)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>(FY 07-08) 330 Districts</th>
<th>(FY 08-09) 615 Districts</th>
<th>(FY 09-10) 619 Districts</th>
<th>(FY 2010-2011) 626 Districts</th>
<th>(FY 2011-12) 626 Districts</th>
<th>(FY 2012-13) 632 Districts (reported till 31/12/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total works taken up (in Lakhs)</td>
<td>17.88</td>
<td>27.75</td>
<td>46.17</td>
<td>50.99</td>
<td>82.51</td>
<td>70.50</td>
</tr>
<tr>
<td>Works completed (in Lakhs)</td>
<td>8.22</td>
<td>12.14</td>
<td>22.59</td>
<td>25.90</td>
<td>18.56</td>
<td>10.21</td>
</tr>
<tr>
<td>Water Conservation</td>
<td>8.73 [49%]</td>
<td>12.79 [46%]</td>
<td>23.43 [51%]</td>
<td>24.26 [48%]</td>
<td>44.09 [53%]</td>
<td>42.40 [60%]</td>
</tr>
<tr>
<td>Rural Connectivity</td>
<td>3.08 [17%]</td>
<td>5.03 [18%]</td>
<td>7.64 [17%]</td>
<td>9.31 [18%]</td>
<td>17.87 [22%]</td>
<td>11.90 [17%]</td>
</tr>
<tr>
<td>Land Development</td>
<td>2.88 [16%]</td>
<td>3.98 [15%]</td>
<td>6.38 [14%]</td>
<td>7.04 [14%]</td>
<td>7.69 [9%]</td>
<td>5.48 [8%]</td>
</tr>
<tr>
<td>Any Other activity</td>
<td>0.56 [3%]</td>
<td>0.28 [1%]</td>
<td>0.98 [2%]</td>
<td>1.06 [2%]</td>
<td>3.06 [4%]</td>
<td>1.84 [2.61%]</td>
</tr>
<tr>
<td>Bharat Nirman Rajiv Gandhi Seva Kendra</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.17 [0.33%]</td>
<td>0.28 [0.34%]</td>
<td>0.24 [0.35%]</td>
</tr>
<tr>
<td>Coastal Areas</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.000008 [0.0001%]</td>
</tr>
<tr>
<td>Rural Drinking Water</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.00278 [0.004%]</td>
</tr>
<tr>
<td>Fisheries</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.00648 [0.01%]</td>
</tr>
<tr>
<td>Rural Sanitation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.15492 [0.22%]</td>
</tr>
</tbody>
</table>

Source: http://www.nrega.nic.in

The works taken up under the MGNREGA are mostly related to water conservation and water harvesting, micro irrigation works, flood control and protection, provision of irrigation facilities on the land owned by Scheduled Caste/Scheduled Tribe households, renovation of traditional water bodies, rural connectivity, land development and drought proofing. Total number of works taken up has increased from 8.35 lakhs in 2006-07 to 27.75 lakhs in 2008-09.

Approximately 71 lakh works were undertaken (including new works as well as spill-over works from the previous FY) of which 60% relate to water conservation, 12% for the provision of irrigation facility to land owned by SC/ST/BPL, IAY
beneficiaries, small farmers or marginal farmers as defined in the Agriculture Debt waiver & debt relief schemes or beneficiaries under the Scheduled Tribes & other traditional forest dwellers (recognition of forest right) Act 2006, 17% works related to rural connectivity, 8% for land development, 2.61% for any other activity approved by Ministry of Rural Development, 0.35% for Bharat Nirman Rajiv Gandhi Seva Kendra, 0.0001% for coastal areas, 0.004% for rural drinking water, 0.01% for fisheries and 0.22% related to rural sanitation in FY 2012-2013 (till 31/12/2012).

3.8 The Implementation Structure of Mahatma Gandhi NREGA
Mahatma Gandhi NREGA has a five-tier structure of implementation starting from Gram Panchayat at the bottom to the central government at the top.

3.8.1 Gram Panchayat (GP)
Gram Panchayat is the backbone of Indian rural areas. It functions at the lowest level of authority and monitors and supervises 50% of the works done. Selection of works, supervision and monitoring are done by the Gram Sabha. Gram Panchayat has the responsibility to receive applications for employment, register households, provide employment, issue job cards and monitor the Mahatma Gandhi NREGA works.

3.8.2 Block Panchayat
The main role of Block Panchayat is to monitor and coordinate the plans and works at the block level. The rest 50% may be undertaken either by the District Panchayat or the block Panchayat or both. Computer updating of muster roll entries, Mahatma Gandhi NREGA works etc is done at the block level under the guidance of the Mahatma Gandhi NREGA programme officer.

3.8.3 District Panchayat
District panchayat has the responsibility to prepare both the five-year perspective plan and the district annual plan. District Panchayat, apart from functioning for the implementation of non-mandatory jobs, coordinates Mahatma Gandhi NREGA activities at the district level. These two plan documents are the bases which guide the implementation of MGNREGA at the village level. These documents are prepared at the district level in consultation with the block Panchayats and gram panchayats.
3.8.4 State Government
State Government has the responsibility to set up the State Employment Guarantee Council. State Government acts as a facilitator in the flow of MGNREGA funds and helping in preparation of manpower. The latter has the role to advice the government from time to time on MGNREGA implementation in the state. Moreover, the council is also entrusted with the accountability of evaluation and monitoring of the Mahatma Gandhi NREGA in the state.

3.8.5 Central Government
Central Government is the top most authority of this hierarchy. Central Government has the responsibility to set up Central Employment Guarantee Council for receiving advice on MGNREGA implementation. The Ministry of Rural Development is the nodal agency for MGNREGA implementation. It may also undertake independent monitoring and evaluation of the scheme. It chalks out the plans, financial budgets and allocates the funds at appropriate places.

3.9 Key Stakeholders of Mahatma Gandhi NREGA
Stakeholders from village to the national level are involved in large numbers in the Implementation of the Mahatma Gandhi NREGA. They play important roles and carry out responsibilities for its efficient and timely execution. The key stakeholders are:

- Key Stakeholder at Village Level
  - Wage Seekers
  - Gram Sabha
  - Ward Sabha
  - Gram Panchayat

- Key Stakeholder at Block Level
  - Programme Officer (PO)
  - Intermediate Panchayat

- Key Stakeholder at District Level
  - District Programme Coordinator (DPC)
  - District Panchayat
Key Stakeholder at State Level
- State Employment Guarantee Council
- State Government

Key Stakeholder at Centre Level
- Central Employment Guarantee Council
- Ministry of Rural Development (MoRD)
- Civil Society
- Other Stakeholders [line departments, convergence departments, Self-Help Groups (SHGs) etc.]

3.10 Importance of Mahatma Gandhi NREGA

The main objective of Mahatma Gandhi NREGA is as described in the Article: 41 of the Indian Constitution - “giving citizens the right to work”. The Mahatma Gandhi NREGA is important due to the following reasons:

- There was no guarantee of jobs in the previous all wage employment programmes, the MGNREGA provided guaranteed job. Now there is uniform security of wage employment in the entire country unlike before.

- Almost all the previous programmes were allocation based rather than demand based. This criterion is the unique punch point of Mahatma Gandhi NREGA.

- The key element of Mahatma Gandhi NREGA is the provision of employment by the state to those people who are not able to find alternative employment, which provides a form of social safety net to the rural unemployment people.

- MGNREGA is an initiative for development, chipping in with essential public investment for creation of durable assets without which the growth process can’t be possible in the most backward regions of rural India.

- There is no time frame in other wage employment programmes but in Mahatma Gandhi NREGA, employment will be given within 15 days of demand.

- In other wage employment programmes, there is no restriction on any person to be engaged as a labour whereas in Mahatma Gandhi NREGA only job card holders that apply for employment can be engaged as labourers.
• The duration of employment is dependent on duration of work in other wage employment programme by implementing agency whereas in Mahatma Gandhi NREGA, a job card holder applies for maximum 100 days.

• The payment of wages through post office and bank accounts is other innovative step that is likely to reduce fudging of muster rolls on the part of the implementing agencies since don’t have access to actual payments.

• Mahatma Gandhi NREGA are decentralized participatory planning, labour-intensive work, women’s empowerment, work-site facilities and above all accountability and transparency through the provision of right to information and social audits. Information Technology is extensively used in this programme to keep a close track on the works done and promote transparency and efficient execution.

So Mahatma Gandhi NREGA is a vital stepping stone for the Indian economy committed to enhance its growth and not just a welfare initiative.

3.11 Impacts of Mahatma Gandhi NREGA on Income and livelihood Security

MGNREGA aims to provide a steady source of income and livelihood security for the rural poor.

3.11.1 Impact on deprivation and poverty

From FY 2006-07 up to FY 2012-13 (upto Dec, 12) over Rs. 1,29,000 crore has been spent on wages. This is almost 70% of the total expenditure. MGNREGA notifies 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. In FY 2011-12 Rs. 24,600 crore of the total expenditure under Mahatma Gandhi NREGA was on worker wages. There are a number of distinct ways in which Mahatma Gandhi NREGA is likely to impact deprivation and poverty, the most direct and efficient being providing alternative job opportunities and sufficient income to the rural poor.

Surveying 1,500 households in three states (Andhra Pradesh, Maharashtra and Rajasthan); a study observed that the share of Mahatma Gandhi NREGA in the
income of the poor was the highest in Andhra Pradesh (about 17%). In Maharashtra this share was 10 percent and in Rajasthan it was 7 percent.

Role of Mahatma Gandhi NREGA in providing alternative income source. In a longitudinal survey of 1,064 rural households across Medak District of Andhra Pradesh, around 12 percent of the households indicated that their household income had increased as more members of the same households were being able to work.

Rural households are utilizing the income earned from Mahatma Gandhi NREGA in opening and establishing their own business. The impact of MGNREGA income on rural entrepreneurship in Birbhum District of West Bengal concluded that around 17 percent of the rural household used Mahatma Gandhi NREGA income to run, start or expand a rural business.

3.11.2 Impact on Health Outcomes, Food Security and Saving

Economic development refers to increase in the standard of living of a nation’s population associated with sustained development from a simple, low-income economy to a modern, high-income economy. Its scope includes the procedure and policies by which a nation improves the economic and social well-being of its rural people. MGNREGA has provided basic income security to a large number of beneficiaries. MGNREGA provides employment to around 5 crore households, on an average, every year. It accounts for around 25% of the entire rural population of our country. Mahatma Gandhi NREGA has generated 1348 crore persondays of employment since its inception.

A panel survey conducted by the National Sample Survey Organization (NSSO) on the Mahatma Gandhi NREGA in three states (Andhra Pradesh, Maharashtra and Rajasthan); also shows that the scheme provides work at a time when no other work or alternate employment opportunities exist; Mahatma Gandhi NREGA has also contributed to ensuring greater food security, monthly per capita expenditure and savings.

Mahatma Gandhi NREGA has contributed to ensuring a higher intake of food and food availability. In Andhra Pradesh, a study compared the number of meals foregone by households and found that this number had reduced significantly as a result of MGNREGA. A few research studies observe that MGNREGA has had an impact on the health of the beneficiaries. As per the longitudinal study in Medak in
Andhra Pradesh, the health outcomes impacted by the programme include a significant reduction of 12 percent in the incidence of reported depression and improvements in mental health indicators.

MGNREGA also raised the probability of holding saving for a rural household by 21 percent and the per capita amount saved increased by around Rs. 19. Agricultural wages can be increased by sufficient backing from Mahatma Gandhi NREGA as it goes on to become one of the influential ways of enhancing rural people’s welfare. Based on NSSO 64th round survey during agriculture year 2008-09, both female and male workers reported earning on average of Rs 79 per day for work under the Act. These earnings are higher than the average daily earnings for casual workers by 12 percent.

### Table 3.4 Increase in MGNREGA notified wages from FY 2006-07 to FY 2011-12

<table>
<thead>
<tr>
<th>State</th>
<th>MGNREGA wage FY 2006-07</th>
<th>MGNREGA wage FY 2007-08</th>
<th>MGNREGA wage FY 2009-10</th>
<th>MGNREGA wage FY 2010-2011 &amp; 2011-12</th>
<th>MGNREGA wage (revision with effect from 1/4/2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>80</td>
<td>80</td>
<td>100</td>
<td>121</td>
<td>137</td>
</tr>
<tr>
<td>Arunachal Pradesh</td>
<td>55-57</td>
<td>65-67</td>
<td>80</td>
<td>118</td>
<td>124</td>
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<tr>
<td>Assam</td>
<td>66</td>
<td>76.35</td>
<td>100</td>
<td>130</td>
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<td>68</td>
<td>77</td>
<td>100</td>
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<td>Chhattisgarh</td>
<td>62.63</td>
<td>62.63</td>
<td>100</td>
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<td>132</td>
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<tr>
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<td>Haryana</td>
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<td>141.02</td>
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<td>75</td>
<td>100</td>
<td>120-150</td>
<td>126-157</td>
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<tr>
<td>Jammu and Kashmir</td>
<td>70</td>
<td>70</td>
<td>100</td>
<td>121</td>
<td>131</td>
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<tr>
<td>Jharkhand</td>
<td>76.68</td>
<td>76.68</td>
<td>99</td>
<td>120</td>
<td>122</td>
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<tr>
<td>Karnataka</td>
<td>69</td>
<td>74</td>
<td>100</td>
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<td>100</td>
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<td>66-72</td>
<td>100</td>
<td>127</td>
<td>145</td>
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<td>Manipur</td>
<td>72.4</td>
<td>81.4</td>
<td>81.4</td>
<td>126</td>
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<td>Meghalaya</td>
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<td>70</td>
<td>100</td>
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<td>Mizoram</td>
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<td>Nagaland</td>
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<td>100</td>
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<tr>
<td>Odisha</td>
<td>55</td>
<td>70</td>
<td>90</td>
<td>125</td>
<td>126</td>
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<tr>
<td>Punjab</td>
<td>93-105</td>
<td>93-105</td>
<td>100-105</td>
<td>153</td>
<td>166</td>
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<tr>
<td>Rajasthan</td>
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<td>73</td>
<td>100</td>
<td>119</td>
<td>133</td>
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<td>Sikkim</td>
<td>85</td>
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<td>Uttar Pradesh</td>
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<td>58</td>
<td>100</td>
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<tr>
<td>Uttarakhand</td>
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<td>73</td>
<td>100</td>
<td>120</td>
<td>125</td>
</tr>
<tr>
<td>West Bengal</td>
<td>69.4</td>
<td>69.4</td>
<td>100</td>
<td>130</td>
<td>136</td>
</tr>
</tbody>
</table>

Source: http://www.nrega.nic.in
3.12 Impact of MGNREGA on Financial Inclusion

In order to maintain transparency, accountability and ensure proper allocation of funds the Government of India mandated that all Mahatma Gandhi NREGA wage payments should be through banks/post office accounts opened in the name of the worker. Almost 8.6 crore post office/bank accounts (as per MIS data) of rural people have been opened under MGNREGA and approximately 80 percent of Mahatma Gandhi NREGA payments are made through this route. There are 4.53 crore accounts in post office and 4.08 crore accounts in banks. The openings of accounts have brought the poor into the organized sector and have given them timely and easy access to credit an important initiative for their financial security.

3.13 Impacts of Mahatma Gandhi NREGA on Women’s Empowerment

3.13.1 Women Participation in Mahatma Gandhi NREGA

MGNREGA and its Guidelines and their various provisions, aim to ensure that women have equitable and easy access to work, equal payment of wages, decent working conditions and representation on decision-making bodies. From FY 2006–07 up to FY 2012–13 (upto December, 2012), around Rs 62,000 crore have been spent on wages for women. Women participation rate has ranged between 40-48 percent of the total person-days generated much above the statutory minimum requirement of 33 percent.

A national participation rate of 47 percent, evidence suggests that women are participating in the Act more actively than in other works. MGNREGA is an important work opportunity for women who would have otherwise remained underemployed or unemployed. Their participation has increased and huge amount is spent for allocation of wages to women. A positive influence of the MGNREGA on the social and economic well-being of women. In financial year 2011-12, Kerala had the highest women participation at 93 percent, Himachal Pradesh, Rajasthan and Tamil Nadu followed with 60 percent, 69 percent and 74 percent respectively. While Jammu and Kashmir and Uttar Pradesh showed low levels of women participation at 18 percent and 17 percent.

In FY 2006-07, women persondays of employment in Rajasthan was 67 percent. In FY 2011-12, women persondays of employment in Rajasthan was 69 percent.
3.13.2 Reduced wage discrimination
There has been immense reduction in gender inequality under MGNREGA. The NSSO 66th round indicate that Mahatma Gandhi NREGA has reduced traditional gender wage discrimination, particularly in the public work sector.

3.13.3 Women’s Empowerment and Economic Independence
Social, economic and financial position of women has improved, thanks to the positive influence of MGNREGA and its beneficial policies. In a survey of 600 women workers across five district of Chhattisgarh, it was observed that women respondents with a household income below Rs. 8,000 decreased from 94 percent to 57 percent due to MGNREGA, indicating the importance of MGNREGA for the poorest of the poor. Another study which concluded that in Rajsamand and Dungarpur (Rajasthan), where migration to urban areas offers relatively higher incomes for men, much of the Mahatma Gandhi NREGA workers were found to be women and aged men who no longer migrated.

In a survey conducted in Cuddalore, Tamil Nadu and Rajnandgaon in Chhattisgarh, 81 percent and 96 percent of the women said they has spent their earnings from the scheme on food and consumer goods.

Access to economic resources has also had a favourable impact on the social status of women, women indicated that they had a substantial say in the way this money was spent in households. Women’s were able to utilize the money for avoiding hunger, paying for their child’s schooling, bearing medical expenses and repaying small debts.

3.14 Impact of Mahatma Gandhi NREGA on sustainable development and natural resource regeneration
The main focus of works done through Mahatma Gandhi NREGA lies on some important activities related to groundwater recharge, flood protection, water harvesting and drought-proofing. Its focus on eco-restoration and sustainable livelihoods will lead over time to an increase in land productivity and aid the workers in moving from wage employment to sustainable employment. Almost 53% works relate to soil and water conservation. MGNREGA works focus on creating
rural infrastructure and regenerating the rural ecosystem that supports sustainable livelihoods.

From the time MGNREGA came into existence, around 146 lakh works have been undertaken of these almost 51 percent works related to water (water conservation, irrigation, micro-irrigation, drought proofing, flood control and renovation of traditional water bodies) and over 19 percent works are related to rural connectivity. Mahatma Gandhi NREGA works have the potential to benefit rural communities by connecting remote villages to input and output markets, enhancing land productivity and improving irrigation facilities.

MGNREGA allows for asset creation such as rural connectivity, water conservation works, land development, provision of irrigation facilities etc. on public land. MGNREGA also provides for taking up of works such as irrigation, land development and horticulture, on private land belonging to the Scheduled Tribes (STs) and the Scheduled Castes (SCs) or families below poverty line (BPL) or to the beneficiaries of land reforms or to those under the Indira Awas Yojana (IAY) of the Government of India (GoI) or to the beneficiaries under the Scheduled Tribes and Other Traditional Forest Dwellers Act, 2006 or that of the marginal or small farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme, 2008 of the GoI.

Small ponds or wells can be built in private lands under Mahatma Gandhi NREGA which is quite helpful in enhancing the land’s fertility. If these are created in lands of common people who require these facilities but cannot afford it, MGNREGA can serve a significant social reason. In fact, the MGNREGA will serve an advantageous reason even if it is used in private lands of relatively well-to-do farmers. If this is done, it is completely like giving a subsidy for creating beneficial asset and this may be a good thing especially at a time when farming is not considered a profitable option. It may earn the trust and cooperation of farmers who are otherwise dissatisfied with MGNREGA.

Works on private lands under the MGNREGA, has also greatly benefited the marginalized. Since 2006 - 07, around 10 lakh households have benefited under this category of works. According to the case studies conducted at micro-level, individual
beneficiary households have got sufficient access to sustainable livelihood opportunities under the scheme of Mahatma Gandhi NREGA.

### 3.15 Impacts of Mahatma Gandhi NREGA on Agricultural Productivity

Provision of water is imperative for agriculture and ensuring water and food security in rural India. Water-related assets created under Mahatma Gandhi NREGA have increased the number of days in a year water is available and also the quantity of water available for irrigation. According to some studied the increased availability of water has also led to changes in crop patterns and increased area under cultivation.

With the aim of coordinating the agriculture and job opportunities with MGNREGA synergy, the list of permissible works under Mahatma Gandhi NREGA has been expanded. The expansion of work is likely to improve the socio-economic condition of marginalized section of the society i.e., Scheduled Tribe/Scheduled Caste/ marginal and small farmers/ Forest Right Act beneficiaries/IAY beneficiaries etc.

In the districts of Dhar and Ujjain, the irrigated land area increased by 19 percent and 26 percent respectively. In Panna and Chhindwara, the increase in irrigated area was even higher, i.e. 30 percent and 35 percent respectively, due to Mahatma Gandhi NREGA works. A study conducted in Sidhi in Madhya Pradesh found that around 55 percent of the 240 respondents reported an increase of 372 acres under crops and around 56 percent of the respondents reported diversification of crops over previous years. Crops like Jowar, Bajra, Kodo, Makka and Arhar have been replaced by wheat, gram and vegetables due to sufficient access to irrigation water under MGNREGA.

### 3.16 Impact of Mahatma Gandhi NREGA on Migration

Migration influences the life of a migrant both positively as well as negatively. On the pro side, it creates vast economic opportunities and thereby helps in removing the poverty, improving socio-economic conditions of the migrant’s family. Whereas, the worker has to face difficulties at the work place in terms of denial of basic facilities like drinking water.
So we can say that Mahatma Gandhi NREGA has positively influenced the distressed people and combated the practice of consequent migration. Mahatma Gandhi NREGA has reduced migration by providing work closer to home and decent working conditions. A study conducted in Anantpur, Andhra Pradesh observed that the scheme brought down the migration levels from about 27 percent to 7 percent in the sample villages due to availability of work. A survey of 240 households in the district of Sidhi in Madhya Pradesh observed that migration has reduced in sample areas by 60 percent due to availability of work.

The World Development Report 2009 contended that a reduction in migration as caused by Mahatma Gandhi NREGA. The reduction in distress migration may be more apparent in the case of households that need to migrate with their families; because the jobs are limited in rural areas, therefore people are forced to migrate to cities with their entire family.

A study across 12 districts of Madhya Pradesh, Maharashtra, Rajasthan and Gujarat found that out of 938 beneficiaries, 55 percent of the respondent felt that migration had been reduced in their families as a result of MGNREGA. 30 percent respondents out of 938 respondents felt that their felt that their clothing had improved, whereas 35 percent felt that children’s education had been positively benefited by Mahatma Gandhi NREGA.

3.17 Time line of MGNREGA in Rajasthan
MGNREGA came to force on 2006 in Rajasthan and implemented in a phased manner. In Rajasthan, there are 33 districts out of which 6 districts namely Banswara, Dungarpur, Jhalawar, Karauli, Sirohi, Udaipur and were covered in Phase I of MGNREGA; another 6 districts comprising of Barmer, Chittorgarh, Jaisalmer, Jalore, Sawai Madhopur and Tonk were covered in Phase II of Mahatma Gandhi NREGA and remaining 21 districts covered in Phase III of Mahatma Gandhi NREGA. In phase III MGNREGA implemented in Pali District.
Table 3.5 Implementation of MGNREGA in Rajasthan according to district

<table>
<thead>
<tr>
<th>Rajasthan State</th>
<th>Phase-I (6 District)</th>
<th>Phase-II (6 District)</th>
<th>Phase-III (21 District)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banswara</td>
<td>Barmer</td>
<td>Ajmer</td>
<td></td>
</tr>
<tr>
<td>Dungarpur</td>
<td>Chittorgarh</td>
<td>Alwar</td>
<td></td>
</tr>
<tr>
<td>Jhalawar</td>
<td>Jaisalmer</td>
<td>Baran</td>
<td></td>
</tr>
<tr>
<td>Karauli</td>
<td>Jalor</td>
<td>Bharatpur</td>
<td></td>
</tr>
<tr>
<td>Sirohi</td>
<td>Sawai Madhopur</td>
<td>Bhilwara</td>
<td></td>
</tr>
<tr>
<td>Udaipur</td>
<td>Tonk</td>
<td>Bikaner</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bundi</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Churu</td>
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<td>Jaipur</td>
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<td></td>
<td>Jhunjhunu</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jodhpur</td>
<td></td>
</tr>
<tr>
<td></td>
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<td>Kota</td>
<td></td>
</tr>
<tr>
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<td>Nagaur</td>
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<td></td>
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<td>Pali</td>
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<td>Rajasmand</td>
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<td></td>
<td>Sikar</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sri Ganganagar</td>
<td></td>
</tr>
</tbody>
</table>

Source: http://www.nrega.nic.in

3.17.1 Mahatma Gandhi NREGA in Rajasthan has following features

- 100 days of employment to each rural household.
- Equal wage to men and women workers.
- Payment of wages at least once in a fortnight.
- Ban on contractors and labour displacing machines.
3.18 Glimpse Performance of MGNREGA in Rajasthan

Table 3.6 MGNREGA Statistics in Rajasthan

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Indicator</th>
<th>2010-2011</th>
<th>2011-2012</th>
<th>2012-2013</th>
<th>2013-2014 (reported till Jan 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>No. of households provided with job cards (in lakh)</td>
<td>92.74</td>
<td>95.88</td>
<td>99.47</td>
<td>99.1</td>
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<tr>
<td>2.</td>
<td>Employment provided to Households (in lakhs)</td>
<td>58.24</td>
<td>48.57</td>
<td>42.17</td>
<td>29.41</td>
</tr>
<tr>
<td>3.</td>
<td>Total person days (in lakhs)</td>
<td>3026.65</td>
<td>2042.62</td>
<td>2202.33</td>
<td>1153.55</td>
</tr>
<tr>
<td>4.</td>
<td>No. of SC workers employment (in lakhs)</td>
<td>771.8</td>
<td>421.08</td>
<td>407.49</td>
<td>230.98</td>
</tr>
<tr>
<td>5.</td>
<td>No. of ST workers employment (in lakhs)</td>
<td>704.93</td>
<td>533.65</td>
<td>524.44</td>
<td>320.16</td>
</tr>
<tr>
<td>6.</td>
<td>No. of women workers employment (in lakhs)</td>
<td>2046.68</td>
<td>1424.29</td>
<td>1518.51</td>
<td>775.59</td>
</tr>
<tr>
<td>7.</td>
<td>No. of households completes 100 days of employment (in lakh)</td>
<td>5</td>
<td>2.85</td>
<td>4.21</td>
<td>1.35</td>
</tr>
<tr>
<td>8.</td>
<td>Average number days of employment per participating household</td>
<td>52</td>
<td>42</td>
<td>52</td>
<td>39</td>
</tr>
<tr>
<td>9.</td>
<td>Expenditure amount (in crore)</td>
<td>3300.33</td>
<td>3130.57</td>
<td>3176.63</td>
<td>2194.32</td>
</tr>
<tr>
<td>10.</td>
<td>Average wage rate per day per person</td>
<td>75</td>
<td>94</td>
<td>100</td>
<td>110</td>
</tr>
<tr>
<td>11.</td>
<td>Average Expenditure amount per District (in crore)</td>
<td>100.01</td>
<td>94.86</td>
<td>96.26</td>
<td>66.5</td>
</tr>
<tr>
<td>12.</td>
<td>Average Expenditure amount per Panchayat Samiti (Block) (in crore)</td>
<td>13.25</td>
<td>12.62</td>
<td>12.81</td>
<td>8.85</td>
</tr>
<tr>
<td>13.</td>
<td>Average Expenditure amount per Gram Panchayat (in lakh)</td>
<td>36</td>
<td>34.11</td>
<td>34.62</td>
<td>23.91</td>
</tr>
</tbody>
</table>

Source: http://nrega.raj.nic.in/

The performance of MGNREGA in Rajasthan reported that indicators improved over last years of MGNREGA implementation. Increase in the number of job cards from 2010-2011 to 2013-2014 (till Jan 2014).

In Rajasthan cumulative number of household issued job card was respectively 1804043 in Scheduled Caste (SCs), 1735842 in Scheduled Tribe (STs) and cumulative person days generated was respectively 28485075 in SCs, 38395920 in
STs. Cumulative number of household demanded employment was 3839379, cumulative number of household provided employment was 3257684 and cumulative number of household completed 100 days was 237200.

The share participation of scheduled caste (SCs) in MGNREGA was higher in 2010-2011 (771.8 lakh). The share participation of scheduled tribe (STs) in MGNREGA was higher in 2010-2011 (704.93 lakh). The share participation of women in MGNREGA was higher in 2010-2011 (2046.68 lakh). Number of households completes 100 days of employment was higher in 2012-2013 (4.21 lakh). Average Expenditure amount per District was higher in 2010-2011 (100.01 crore). Average Expenditure amount per Panchayat Samiti (Block) was higher in 2010-2011 (13.25 crore). Average Expenditure amount per Gram Panchayat was higher in 2012-2013 (34.62 lakh).

Total number works taken up under MGNREGA was 354574, number of work completed was 70687 and number of work in progress was 283887 (reported till Feb 2014).

### 3.19 Glimpse Performance of MGNREGA in Pali District

**Table 3.7 MGNREGA Statistics in Pali District**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2013-2014 (Reported till Feb 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment provided to households Person days [in lakh]</td>
<td>1.24094 Lakhs</td>
</tr>
<tr>
<td>Total</td>
<td>63.33</td>
</tr>
<tr>
<td>SCs</td>
<td>13.04 [20.58%]</td>
</tr>
<tr>
<td>STs</td>
<td>7.01 [11.08%]</td>
</tr>
<tr>
<td>Women</td>
<td>52.68 [83.18%]</td>
</tr>
<tr>
<td>Others</td>
<td>43.28 [68.34%]</td>
</tr>
<tr>
<td>Total works taken up</td>
<td>9722</td>
</tr>
<tr>
<td>Work Completed</td>
<td>1199</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>8523</td>
</tr>
</tbody>
</table>

Source: [http://www.nrega.nic.in](http://www.nrega.nic.in)

The performance of MGNREGA in Pali district reported (till Feb 2014) that 1.24094 lakhs employment provided to households persondays, in which 20.58% was SCs, 11.08% was STs, 83.18% was women and 68.34% was others.
In Pali District cumulative number of household issued job card was respectively 64890 in SCs, 26487 in STs and cumulative persondays generated was respectively 599313 in SCs, 372211 in STs. Cumulative number of household demanded employment was 99391, cumulative number of household provided employment was 78201 and cumulative number of household completed 100 days was 2553. Total number of works taken up under MGNREGA was 9722, number of works completed was 1199 and number of works in progress was 8523 (reported till Feb 2014).

3.20 Initiative to Strengthen Implementation of Mahatma Gandhi NREGA

Various steps have been taken by the Ministry of Rural Development to strength the Mahatma Gandhi NREGA. These are briefly discussed below:

3.20.1 Expanding the scope of Mahatma Gandhi NREGA

- **List of permissible works expanded**
  MGNREGA has added more jobs in the list of permissible works so that there is a strong coordination between MGNREGA and rural livelihoods particularly create durable quality assets and agriculture. The expansion of work is likely to improve the socio-economic condition of marginalised section of the society i.e., Scheduled Caste/ Scheduled Tribe/ Forest Right Act beneficiaries/IAY beneficiaries/ Small and Marginal farmers etc. because land of these sections permit new works to be allowed.

- **Improved Access to sanitation facilities through Mahatma Gandhi NREGA**
  The beneficiaries involvement from Mahatma Gandhi NREGA for construction of Individual Household Laterine (IHHL) under Total Sanitation Campaign, now renamed as Nirmal Bharat Abhiyan, has been increased to Rs.4500/- from Rs.1200/-.

3.20.2 Additional days of employment in drought affected blocks/ talukas

Ministry of Rural Development has made a provision which provides additional employment under Mahatma Gandhi NREGA. According to this provision, each
household gets employment over and above 100 days in notified drought affected blocks/talukas for the current financial year.

3.20.3 Participation of marginalized groups
To increase women involvement in MGNREGA main initiatives are being suggested including opening individual post office/bank accounts for all women workers, identifying and providing job cards (JC) to destitute, deserted and widowed women, who qualify as a household under the MGNREGA to ensure that they are provided job cards (JC), ensuring age, gender and disability sensitive Schedule of Rates, including worksite supervisors, ensuring women functionaries etc.

3.20.4 Insurance Coverage for MGNREGA worker
The scope of Rashtriya Swasthya Bima Yojana (RSBY) has been widened to include in its beneficiaries MGNREGA workers who have worked for 15 days in the previous financial year. They are given health insurance. As per MIS data (till 31st December, 2012) 6.7 lakh MGNREGA workers have been covered under Rashtriya Swasthya Bima Yojana.

3.20.5 Strengthening Management Information System (MIS)
The Ministry of Rural Development has set up external and internal systems to closely monitor MGNREGA both financial and physical performance of states. MGNREGA has one of the most effectual information communication technology (ICT) enabled public interface at http://www.mgnrega.nic.in. It is completely operational. All financial and physical performance data is available in public domain. This infuses transparency in MGNREGA information system, helps in prompt retrieval of labour grievances, immediate response to their demands and enables monitoring of implementation gaps.

Management information system sets the criteria which include workers entitlement data and documents such as registration, job cards, muster roll, shelf of approved and sectioned works, employment provided, measurement, work under execution, financial indicators including wage payment.
3.20.6 Accountability and Transparency

To strengthen accountability and transparency in the Mahatma Gandhi NREGA, a number of measures have been taken.

(i) Social Audit of MGNREGA

In June 2011, The MGNREGA Audits of Schemes rules have been notified. The ruled make it necessary to have a social audit conducted by the Gram Sabha according to the prescribed procedure under the Act, once in every six month.

- Comptroller and Auditor General Audit
  Performance audit of Mahatma Gandhi NREGA by the Comptroller and Auditor General (CAG) has been undertaken for all states.

- Chartered Accountants Audit at Gram Panchayat Level
  Mahatma Gandhi NREGA accounts, certified by the chartered accountants at the gram panchayat (GP) level in 10% gram panchayats in the known highest spending district in all the States based on accounts of 2011-12.

(ii) Proactive Disclosure by Gram Sabha

In order to ensure that the statutory requirement of placing information related to MGNREGA in public domain is fulfilled, the following has been mandated to be disclosed in the Gram Sabha:

- Names of works both on-going and completed with wages paid and material component.
- Names of persons, preferably with job card no. who have worked, days worked and wages paid to each of them.
- Each project with its specified material requirement, quantity and price of materials and the name of supplier agency.

(iii) Grievance Redressal

At each district level, Ombudsmen have been appointed so that the grievances could be redressed promptly and effectively. At present 22 States have the Ombudsman system in place. The Ombudsmen are not binded by the State or Central Government jurisdiction. The Ombudsman shall have the powers, inter-alia to receive complaints
from Mahatma Gandhi NREGA workers and facilitate their disposal in accordance with law; passing orders to go for through checking and spot investigation; lodging FIRs against the defaulters; report his findings to the Chief Secretary of the State and the Secretary, State Nodal Department for appropriate legal action against erring person.

3.21 Merits of Mahatma Gandhi NREGA
For the poor masses of rural areas, Mahatma Gandhi NREGA is the first and only accessible guarantee of a reliable means of livelihood and to be able to live with self-respect. They have every right to avail the benefits of MGNREGA as their right. MGNREGA has benefited the rural people especially the poor and the marginalized on several counts.

3.21.1 Guaranteed Income
Miserable lives of so many poor people have improved through the MGNREGA. Now beneficiaries are more stable, secure and have guaranteed income to their disposal. A study conducted by the Institute of Applied Manpower Research covering a sample of 6000 households across 20 states in the country (300 samples per state) has revealed that the low earning level of a number of beneficiaries declined and the number of households reporting marginally higher income has increased. MGNREGA has been the sole earning source in lean season at specific places.

3.21.2 Attitudinal change
Rural people’s way of perception has changed drastically, thanks to the Mahatma Gandhi NREGA and its tangible commitments. People have become mentally more positive and strong. It has impacted on the social structure of the rural areas. It is a common sight in many of the states that petty shop owners, stone cutters, land owners of different types (marginal, small and big) people of different caste groups and participate and work together under Mahatma Gandhi NREGA.

3.21.3 Augmented bargaining power
The biggest advantage of Mahatma Gandhi NREGA has been its equal approach towards gender. Minimum wages are paid to men and women equally. Mahatma Gandhi NREGA has increased the bargaining power of the poor rural people in the
labour market. The workers of Mahatma Gandhi NREGA, previous, were mostly voiceless and they could not normally bargain for higher wages. Mahatma Gandhi NREGA wage has become a bench mark and Mahatma Gandhi NREGA now insist for fair wages and are unwilling to settle for unjust payment.

3.21.4 Change in expenditure pattern
The Mahatma Gandhi NREGA has its impact on the spending pattern of the households. A change in the consumers pattern of doing expenditure on nutritive food and non-food items.

3.21.5 Women’s empowerment
Mahatma Gandhi NREGA ensures that not less than 33% of the workers are women. By generating employment for women at fair wages in the village, Mahatma Gandhi NREGA can play a significant role in economically empowering women and laying the basis for greater independence and self-esteem. Mahatma Gandhi NREGA helped women to pay the debt, enabled them to meet the day to day household expenses, taking care of children’s education, facilitated them to save money.

3.21.6 Equal Opportunity for Vulnerable Groups
The rights of vulnerable groups are protected by the MGNREGA Guidelines. These include groups such as persons with disabilities, tribal groups, de-notified tribes, internally displaced persons and women in special circumstances senior citizens above 65 years of age.

3.21.7 Social capital created
The union and cooperation of poor and distressed people is ensured by Mahatma Gandhi NREGA. It is quite common to see a large number of women and men irrespective of the caste working together in creating productive assets. The Act provides a great deal of opportunities for frequent interaction resulting in mutual trust and social capital. The immense effort in building social capital through Mahatma Gandhi NREGA could trigger higher productivity of land and labour, diversification of agriculture and foster industrial growth. The immense losses and suffering caused by flash food and chronic drought will be counter controlled by it.
3.21.8 Reduce distress migration
Rural people who are hard hit by the after effects of natural disasters like drought, famine, flood etc were forced to migrate out of their area. Mahatma Gandhi NREGA indicated that the beneficiaries no longer have to move places to places looking for work. Implementation of MGNREGA has helped in decreasing the number of migrations extensively.

3.21.9 Corruption checked
There are sufficient preventive mechanisms against corruption in Mahatma Gandhi NREGA which ensures transparency and accountability. Such as muster rolls are to be kept at the worksite, read out in public at the time of wage payments and displayed at the panchayat office. Employment and wage details have to be recorded in the job cards, payments of wage through post office/ banks. Contractors are virtually disappeared from Mahatma Gandhi NREGA. We can clearly see that the efforts are leading us towards a corrupt free and impartial system.

3.22 Challenges of Mahatma Gandhi NREGA
There are certain unavoidable loopholes in the Mahatma Gandhi NREGA. The problems are inter-related. The problems are not with the Act but with the way in which it is implemented. Some important challenges are:

3.22.1 Bad administrative and planning ability
The Comptroller and Auditor General (CAG) have issued a report which indicates the lack of execution and competency by the village panchayat members in implementing the scheme in decentralized manner. It also focused on the need to build this capability rapidly and effectively. The CAG report highlights the deficiency of adequate administrative and technical manpower at the Gram Panchayat (GP) and Block levels, especially at the programme officer, Technical Assistants, and Employment Guarantee Assistant level.

The administrative costs of various employment schemes are very high. In spite of that administrative cost under Mahatma Gandhi NREGA has been kept low. This must be increased. There is an urgent necessitate to ensure more administrative assistance for the programme at all levels, which means both resources and
personnel devoted to the actual implementation, monitoring and financial management of the programme. Sufficient funds and manpower must be made available to the panchayats so that they are capable of implementing this programme effectively as well as efficiently.

3.22.2 Insufficient awareness

MGNREGA is a right based programme, which guarantees hundred days of employment to poor household in rural areas. In spite of that due to poor awareness among rural population, people are not aware about their basic entitlements such as job cards, minimum wage amount, unemployment allowance, minimum number of employment days etc.

Panchayats, block development officers and rozgar sevak are ignorant about all the detail of the MGNREGA. They are poorly informed about various processes like registering household, making muster roll, forming vigilance committees etc.

Under the MGNREGA there is a provision of unemployment allowance in case the local authorities fail to provide employment, in spite of that there is a widespread ignorance about how to avail the allowance. The information related to unemployment is purposely hidden by the officials at times, in the fear of being reprimanded for not providing jobs.

The beneficiaries have no idea about whom should they approach for lodging complaint and what will be the next step. Although the government of India recently passed an ombudsman order. Poor insight not only leads to corruption but also to poor management of the scheme and as a consequence true potential of Mahatma Gandhi NREGA is not being realized. At the local level, official have made inadequate effort to raise awareness about the scheme.

All the officials and citizens need to be educated regarding the details of programme through awareness and intensive training techniques by the government. People at the grassroots level must be made aware of Right to Information (RTI) Act and be encouraged to use it.
3.22.3 Overemphasis on employment

Two major objectives of the programme are:

(i) Provision of 100 days of unskilled employment in a financial year and
(ii) Creation of productive and durable assets that would enhance agriculture productivity.

Nevertheless, in actual operationalization of the Act, the initial objective assumes by far the most dominant concern of the law, the second objective, creation of sustainable productive assets, stands in the shadow. Even during the social audit the primary attention goes to matters related to allocation of work, registration, issue of job cards, timely wage payment and worksite facilities rather than the utilization of works completed, increase in production, operationalization, multiplier effects of income generation, maintenance of assets created on the public land and issue of ownership.

3.22.4 Shortage of staff and postpone in appointments

The working of MGNREGA is being hampered due to lack of sufficient manpower. A survey in Jashpur block, Chhattisgarh, found that sub-engineers were being burdened with the task of maintaining job cards, implying that their primary tasks suffered. Such further appointments are a rare opportunity to provide employment to the youth in our villages and should not be left unaccomplished just because of inefficient management.

3.22.5 Delay in issue of job cards

When a worker demands work under MGNREGA, his demand has to be complied within 15 days. The study by the Institute of Applied manpower Research indicated that 80 percent of the households are yet to get job within 15 days of their demand for work and on top of that they were also not paid any unemployment allowance under MGNREGA.

3.22.6 Delay in wages payment

According to the provision of MGNREGA, within 14 days of a work’s completion its payment has to be made. Nevertheless, wages could not be paid within the stipulated period of time. In spite of that delay in payment and incorrect payments is
a common problem under MGNREGA. This delay can be from several weeks to sometimes months. Oftentimes workers have to make several visits to the post office or the bank only to find that their wages have not been credited into their accounts. When works are done without proper permission, the payments are withheld leading to delay in wages. In case of delay in payments beneficiaries must be compensated as per the Payment of Wages act of 1936.

3.22.7 Absence of worksite facilities

The Mahatma Gandhi NREGA provides the facilities for shade for children, safe drinking water, a first-aid box and periods of rest at the work site. In spite of that, we need a proper mechanism to implement these facilities in the absence of which all states are facing lot of problems.

A few reports from the field in Orissa (Kalahandi District), Chhattisgarh (Jashpur District), Jharkhand (Palamau District), Gujarat (Sabarkantha District) and Madhya Pradesh (Jhabua, Khandwa and Umaria Districts) observe a complete lack of facilities at the worksite. In Rajasthan’s Dungarpur District, in spite of that, it was heartening to note that medical kits were found at most worksites.

During extreme summer season, kids are not being taken care of properly. As a consequence, women are hesitant to bring their children to the sites. It also forces them to rethink about applying for work in the first place. For the rural poor workers, trees are the only savior from hot sun and provide them with shade on the open sites.

3.22.8 Consistent concurrent monitoring lacking

Concurrent monitoring is yet another link which is missing from the chain of implementation. Information technology has an indispensable role in providing the necessary information at the right time in a transparent way. A nice management information system is developed under Mahatma Gandhi NREGA. But its main drawback is its failure to timely alert on crucial issues.