

## A STUDY ON IMPLEMENTATION OF MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT IN INDIA

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### ABSTRACT

*The Mahatma Gandhi National Rural Employment Guarantee Act, also known as Mahatma Gandhi National Rural Employment Guarantee Scheme is Indian legislation enacted on August 25, 2005. The MGNREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. The Ministry of Rural Development, Govt. of India is monitoring the entire implementation of this scheme in association with state governments. The act was first proposed in 1991 by P.V. Narasimha Rao. In 2006, it was finally accepted in the parliament and commenced implementation in 625 districts of India. Based on this pilot experience, NREGA was scoped up to cover all the districts of India from 1 April 2008. The statute is hailed by the government as "the largest and most ambitious social security and public works programme in the world". In its World Development Report 2014, the World Bank termed it a "stellar example of rural development".*

**Key Words:** Rural employment, ministry of rural development, implementation, Grampanchayat.

### INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), also known as Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) is Indian legislation enacted on August 25, 2005. The MGNREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. The Ministry of Rural Development (MRD), Govt. of India is monitoring the entire implementation of this scheme in association with state governments. The act was first proposed in 1991 by P.V. Narasimha Rao. In 2006, it was

finally accepted in the parliament and commenced implementation in 625 districts of India. Based on this pilot experience, NREGA was scoped up to cover all the districts of India from 1 April 2008. The statute is hailed by the government as "the largest and most ambitious social security and public works programme in the world". In its World Development Report 2014, the World Bank termed it a "stellar example of rural development". Effectively implemented; MGNREGA has the potential to transform the geography of poverty. Empowerment of rural poor through the processes of a rights-based Law. New ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy. Thus, MGNREGA fosters conditions for inclusive growth ranging from basic wage security and recharging rural economy to a transformative empowerment process of democracy. The Act was notified in 200 districts in the first phase with effect from February 2nd 2006 and then extended to additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from April 1st 2007, and 17 districts in UP were notified with effect from May 15th 2007). The remaining districts have been notified under the NREGA with effect from April 1, 2008. Thus NREGA covers the entire country with the exception of districts that have a hundred percent urban population.

### OBJECTIVES OF THE STUDY

- To understand the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 in India.
- To discuss the Implementation of MGNREG in India.

### RESEARCH METHODOLOGY

The study is based on secondary data. The secondary data have been collected from various

sources from books, magazines, journals, newspapers, published and unpublished articles, websites etc.

### **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005**

It was launched on February 2, 2005. The Act provides 100 days assured employment every year to every rural household. One-third of the proposed jobs would be reserved for women. The central government will also establish National Employment Guarantee Funds. Similarly, state governments will establish State Employment Guarantee Funds for implementation of the scheme. Under the programme, if an applicant is not provided employment within 15 days s/he will be entitled to a daily unemployment allowance.

#### **Salient features of MGNREGA are:**

- I. Right based framework
- II. Time bound guarantee of employment
- III. Labour intensive work
- IV. Women empowerment
- V. Transparency and accountability
- VI. Adequate funding by central government

#### **IMPLEMENTATION OF MGNREGA:**

MGNREGA is to be implemented mainly by gram panchayats. The involvement of

<b>Year</b>	<b>Revised (Cr)</b>	<b>Expenditure (Cr)</b>
2011-12	31,000.00	37,072.82
2012-13	30,287.00	39,778.29
2013-14	33,000.00	38,511.10
2014-15	33,000.00	36,025.04
2015-16	37,345.95	44,006.56
2016-17	48,220.26	57,946.72
2017-18	48,000.00	35,436.92

Availability of funds is not a constraint for the implementation of the program. The Government is committed to provide funds for implementation of MGNREGA.

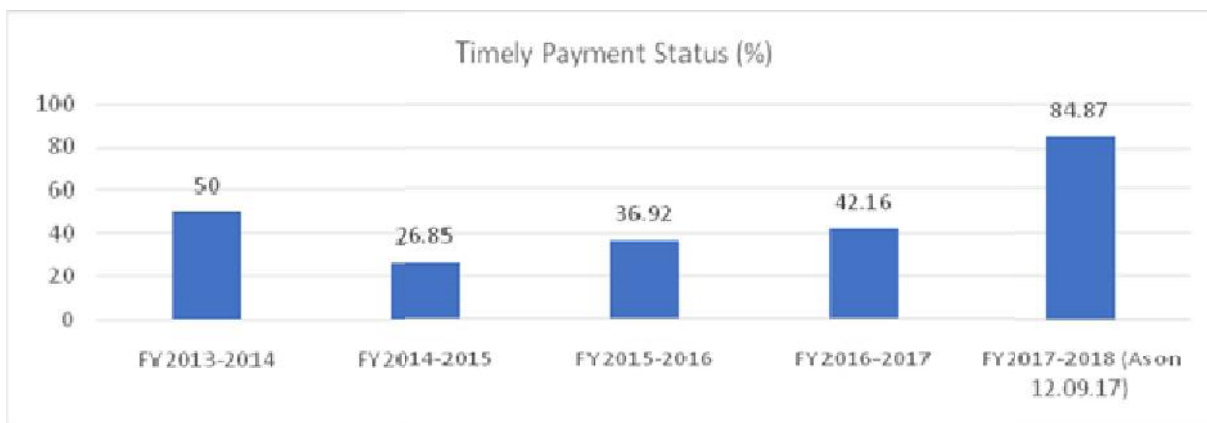
To ensure that MGNREGA workers receive their wages on time, National Electronic Fund Management System (NeFMS) has been put in place. Almost 96% of wages are being paid directly to the beneficiaries' bank accounts.

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contractors is banned. Labour-intensive tasks like creating infrastructure for water harvesting, drought relief and flood control are preferred. Apart from providing economic security and creating rural assets, NREGA can help in protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others. The law provides many safeguards to promote its effective management and implementation. The act explicitly mentions the principles and agencies for implementation, list of allowed works, financing pattern, monitoring and evaluation, and most importantly the detailed measures to ensure transparency and accountability. Assets and strengthening of Social Audit System are some steps towards bringing in more transparency and accountability in the programme implementation. Emphases on proper work file maintenance, setting up of Citizen Information Boards as part of Janta Information Systems are some of the other measures. The current Financial Year is marked by the highest ever budget allocation of Rs. 48000 Cr. The table below gives a glimpse of the revised estimate at the Centre's level and the expenditure in the States/UTs over the last 7 years.

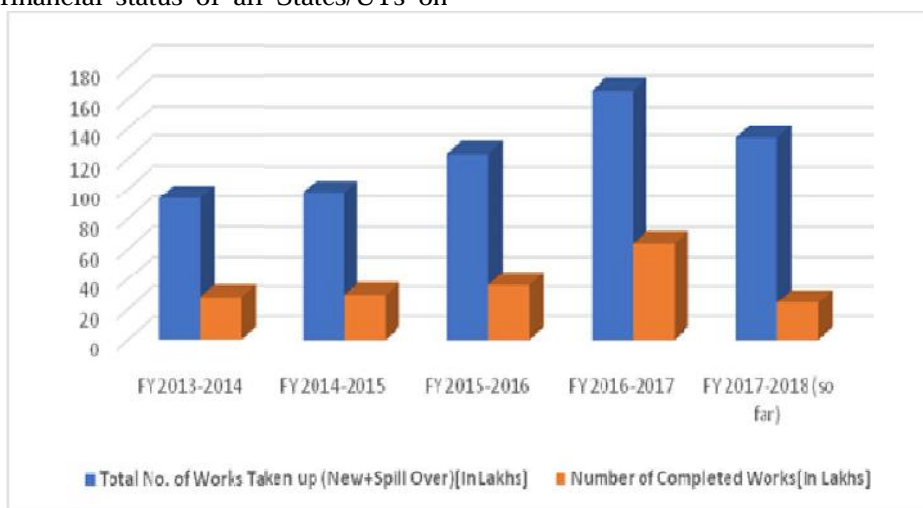
Additionally, intense monitoring and fixing accountability for delays in payments has shown significant result in the current financial year. Around 85% of the wages are being paid to the workers in time.

This is almost double the percentage in comparison with last FY as can be seen in the graph below



All efforts are being taken by the Ministry to further improve the situation. FTOs for Andhra Pradesh and West Bengal are pending for payment for specific reasons. Internal Audits conducted by the Ministry in the recent past in both the States have detected irregularities in implementation for which the States have been asked to take appropriate steps to rectify the situation. Funds will be released to them once complete and sufficient response is received. The Ministry reviews the financial status of all States/UTs on

daily basis and the issue of release of further funds to the States/UTs wherever FTOs are shown as pending is under examination. It is pertinent to mention that around Rs. 36500 Cr (76% of total allocation) have already been released in this financial year, leading to timely payment of wages in 85% cases. Close to 1.5 Cr works are taken up every year under MGNREGA. In the last FY, strong push towards work completion led to the highest work completion of 62 Lakhs.



These completed works have been geo tagged and made available in public domain improving and enhancing transparency in programme management. More than 2 Cr assets have been geo tagged so far. Now, the Ministry has made it mandatory to geo tag three stages of an asset creation.

In order to optimize public investments, adequate focus is also being laid on convergence of MGNREGS with other schemes. A good example of convergence is houses being constructed under PradhanMantriAwas Yojana (PMAY). While 33 Lakhs houses were constructed in FY 2016-17 with Rs. 18000 from MGNREGS as unskilled wage labour

Contribution to every house, the current financial year's target is 51 lakh PMAY houses. Besides, MGNREGA provides Rs. 12000 for construction of household

Latrines in every PMAY house. Through such examples of convergence, the Ministry is trying to ensure gainful and proper utilization of funds along with provision of wage employment seeking work.

### **CONCLUSION**

The experience of the National Rural Employment Guarantee Act (NREGA) suggests that effective anti-poverty programmes play an increasingly important role in Indian elections and are therefore here to stay. Programmes like NREGA represent a quiet revolution in India's poverty alleviation strategy. Corruption in government programmes

has remained a serious concern, and NREGA has been no exception.

According to recent estimates, wage corruption in NREGA has declined from about 50% in 2007-8 to between 4-30% in 2009-10. Availability of funds is not a constraint for the implementation of the program. The Government is committed to provide funds for implementation of MGNREGA.

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