

**MAHATMA GANDHI NATIONAL RURAL
EMPLOYMENT GUARANTEE ACT, 2005 (MGNREGA):
ISSUES AND CHALLENGES**

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ABSTRACT:

According to a recent Indian Government committee constituted to estimate poverty, nearly 38% of India's population is poor. More than 75% of poor people reside in villages. Rural poverty is largely a result of low productivity and unemployment. In order to alleviate rural poverty by generating employment and creation of sustainable assets in Rural India, Government of India brought in the flagship programme called Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005. However, Social security programmes are not free from flaws. So is the case with MGNREGA. This article highlights the issues and challenges being faced by Government while implementing the world's largest employment generating programme and the issues among the people covered under the scheme.

Key words: Creation of sustainable assets, Generation of rural employment, MGNREGA, Rural poverty, Social security.

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INTRODUCTION:

The National Rural Employment guarantee Act, 2005 (No.42 of 2005) having received the assent of the President on 5th September 2005 was published in the Gazette of India on 7th September 2005 and was renamed as MGNREGA (Mahatma Gandhi National Rural Employment guarantee Act) on 2 October 2009.⁽¹⁾ MGNREGA is the largest employment providing scheme in the world.

OBJECTIVE OF THE ACT:

The main objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.⁽²⁾

COVERAGE:

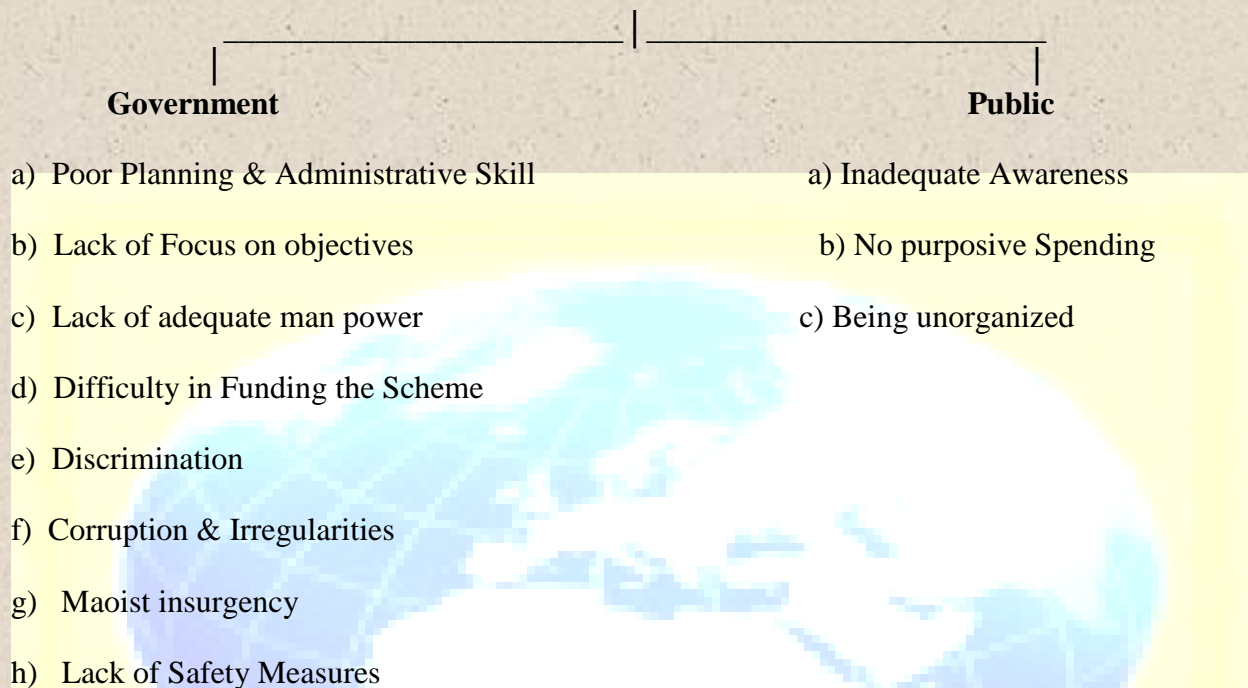
The Act was notified in 200 districts in the first phase with effect from February 2nd 2006 and then extended to additional 130 districts in the financial year 2007-2008. The remaining districts have been notified under the NREGA with effect from April 1, 2008.² Thus, NREGA covers, at present, the entire country with the exception of districts that have a hundred percent urban population.

ISSUES AND CHALLENGES:

MGNREGA is perhaps the most ambitious anti-poverty scheme launched anywhere in the world. However, the scheme has shown several anomalies when it comes to implementation in the right manner. An analysis of the issues and challenges of MGNREGA is presented in this article. It may be understood that the problems and challenges are from both, Government and public.

Figure - 1

Classification of Issues and Challenges of MGNREGA with respect to the Government and the public:



Source: Filed Data

ISSUES AND CHALLENGES FACED BY THE GOVERNMENT.

The issues and challenges faced by Government are discussed below:

a) POOR PLANNING & ADMINISTRATIVE SKILL

The representatives of the Central and State governments, as well as NGOs, reviewed the MGNREGA in the month of April, 2011. What emerged was the comment that the annual budget of Rs.40, 000 crore could be better utilized with more effective planning. ⁽³⁾Thus far, the panchayats, barring those in Karnataka and, to some extent, in those in West Bengal, have no experience at all in planning large-scale programmes. Even the report by the Comptroller and

Auditor General (CAG) has highlighted the lack of administrative capacity of the village panchayat members to run this scheme in a designed and decentralised manner.

b) LACK OF FOCUS ON OBJECTIVES

Though Schedule One of the MGNREG Act referred to conservation of natural resources such as rainwater, land, forests, this was not reflected in the works floated for the scheme.³ under this scheme, contractors and machineries should not be used. But in some work places, contractors were allowed and machineries were involved. And the erring officials claim that the works were done as if they were completed by workers and not by machines

c) LACK OF ADEQUATE MANPOWER

Another issue is the deficiency of adequate administrative and technical manpower at the Block and Grama Panchayat (GP) Levels, especially at the level of programme officer, technical assistants, and Employment Guarantee Assistant Level etc. The lack of manpower has adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of the stipulated records at the block and GP level. The CAG report points out that besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency.⁽³⁾

d) DIFFICULTY IN FUNDING THE SCHEME

Being one of the largest initiatives of its kind in the world, MGNREGA was started with an initial outlay of Rs.11, 300 crore in the year 2006-07 (almost 0.3% of GDP) and now fully operational, the annual budget for 2010-2011 is about Rs.40, 000 crore. The total outlay for the programme is increasing by leaps and bounds every financial year as exhibited in **Table – 1**. It is possible through improved tax administration and reforms. But the TAX-GDP ratio has actually been falling. There are fears that the programme will end up costing 5% of GDP.⁴

Table - 01**Increase in the amount for funding the scheme**

Year	Total Outlay	Wage expenditure (% of Total Outlay)
2006 – 07	\$ 2.5 bn	66
2007 – 08	\$ 2.6 bn	68
2008 – 09	\$ 6.6 bn	67
2009 – 10	\$ 8.68 bn	70
2010 - 11	\$ 8.91 bn	71

Source: www.mgnrega.nic.in**e) DISCRIMINATION**

MGNREGA has provided a unique opportunity to people from rural India to earn their own income without any discrimination of caste or gender. The most remarkable feature of MGNREGA is that it pays women the same as men, something that was virtually unimaginable in Rural India. However, cases of discrimination against women and people from backward groups are reported from several regions of the country.⁵ Some states such as Kerala and Andhra Pradesh have registered high percentage of women workers getting enrolled in the scheme whereas others have registered a very low percentage of women availing benefit under MGNREGA. It has been reported that in some regions only a few job cards are issued when the applicants are women, or there are delays in the issue of cards. Women are sometimes told that manual labour under the MGNREGS is not meant for women and they could not participate in ongoing works as it entailed digging and removing soil. In some states, the powerful groups among the work force get large number of job cards.

f) CORRUPTION & IRREGULARITIES

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Statistics clearly indicate that the poverty alleviation programmes have had a minimal effect on poverty levels in India due to corruption. The actual funds that reach the beneficiaries are very little compared to the funds allocated for welfare schemes. Former Prime Minister, Rajive Gandhi had once said that out of every 100 paisa allocated for public welfare only 14 paisa reaches the targeted people.⁶

Further concerns, include the fact that corruption of the local governments leads to the exclusion of specific sections of the society. Local governments have also been found to claim that more people have received job cards than people who actually work in order to generate more fund than needed, to be then embezzled by local officials. Bribes as high Rs.50 are paid in order to receive the job card.⁷ A multi-crore fraud has also been suspected where people have been issued under the MGNREGS card who is either employed with another Government job and who are not even aware that they have a job card. There are several cases of fake muster roll entries, over writing, false names and irregularities in job cards. Even the names of dead people who have not registered often feature in the muster rolls.

g) MAOIST INSURGENCY

Less than 9% of households in the 60 districts most affected by Maoist militancy found the required 100 days of employment under the country's rural jobs programme in the year ended 31 March. The National average of households that have completed 100 days under the job guarantee plan last fiscal was also poor at 10.1% compared with 8.8% in the districts hit by the Maoist insurgency. The percentage of women employed under the programme in the insurgency hit districts in the same period was 44% compared with the national average of 48%.⁸ The poor performance of the scheme in these areas has prompted the Rural Development Ministry to boost the implementation of social and economic development programmes in the 60 Integrated Action Plan (IAP) districts in nine states, including Orissa, Jharkhand, Chhattisgarh, Bihar and West Bengal.

h) LACK OF SAFETY MEASURES

Around one-third of the stipulated work force under MGNREGS is women. Therefore, Crèches have to be set up so as to enable women carrying their children to the work site to do their work without much apprehension about their children.⁹ It is seen at the work place that women workers lay their children in cradles tied around tree branches. In the absence of this facility women may hesitate to come forward to demand for work. One of the objectives of the Scheme to strengthen women empowerment may go unrealized.

Secondly, there must be a first-aid box available at the work site to provide medical assistance to the needy workers at the work sit if they get injured while at work. Importantly, life saving medicines must be kept at the work site because workers may get bitten by poisonous reptilians while clearing bushes.

ISSUES AND CHALLENGES AMONG THE POPE

Following are the issues and challenges among the people covered under the Act.

a) INADEQUATE AWARENESS

MGNREGA provides the rural poor a right to demand for work for 100 days in a financial year. But people's efforts to get jobs under this scheme have been stymied by the fact that Governments have done nothing to encourage people to register demands.

The fact is that the national average for workdays generated under the scheme is less than half of the entitlement of 100 days per household, per year. Even in 2009-2010, a severe drought year, only 54 days of work per household were generated. In 2010-2011, this number decreased to 46.79 days.¹⁰ Due to lack of awareness about the provisions of the Act, People are unaware of their basic entitlements under MGNREGA such as Job Cards, Minimum Wage Amount, Unemployment Allowance. The receipt for the application which is the basic record for claiming unemployment allowance. There is a widespread ignorance about how to avail the unemployment allowance; some times even the officials deliberately do not give out this information as they fear punishment for not providing jobs and poor awareness not only leads to corruption but also to poor management of the scheme and thus true potential of the MGNREGA is not being realized.⁽¹⁰⁾ The Government must carry out an intensive training and awareness

building programme to make the officials and citizens fully aware of all the details of the programme. People at the grass roots level must be made aware of RTI Act and encouraged to use it.

b) NON-PURPOSIVE SPENDING

MGNREGA has obviously, increased the earning capacity of the rural people. But the spending pattern of the workers assumes significance because there is hardly any saving out of the wage earned from MGNREGS. For example, payment to the workers under MGNREGA is made in cash in Tamilnadu state instead of through banks or post office accounts.¹¹ Raw cash in the hands leads to non-purposive spending. Lack of awareness on the impact of inflation and illiteracy level among the rural poor are the reasons for not saving part of their income from this scheme. In some cases, Men workers have the tendency of spending considerable portion of their earning from this scheme on drugs and liquor related products. Therefore, the chance of creating financial inclusion is missing and the idea of saving is wiped out of the minds of the rural poor

c) BEING UNORGANIZED

In spite of large number of provisions under MGNREGA being in favor of workers, they could not enjoy their entitlements, such as getting work for the stipulated 100 days, unemployment allowances and basic amenities at the work site, on account of being unorganized. It seems to be a setback for the workers under the Act. Facing dipping demand for works under the scheme, the Jharkand State Government has decided to form unions of workers that will persuade people in villages to ask for more work.⁽¹²⁾ This will help in streamlining the village planning process as well. But, it is still unclear under which laws, the proposed unions will function.

CONCLUSION:

Large scale social security programmes like MGNREA are subjected to undergo several stumbling blocks. Government and NGOs must study the impact of MGNREGA in rural areas so as to ensure that this massive anti-poverty scheme is not getting diluted from its actual path and to see that the disparity in terms of socio-economic condition among people in rural and urban areas is reduced to considerable extend.

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