

# Notes

## *Overview of MGNREGA*



MGNREGA that is *Mahatma Gandhi National Ruler Employment Guarantee Act*, is the largest social security scheme in the world guaranteeing 100 days of unskilled manual work to all rural households in India. Last year, about 235 crores person-days of work were generated under the scheme. **The MGNREG Act actually gives rural households the right to work making it obligatory for the State to give them work on demand.** Household could actually sue them for not doing so at least on paper. The work is usually on projects to build durable assets like roads, canals, ponds and wells. In reality, there are quite a lot of rules on how the money may be spent. The Act stipulates a minimum wage-material ratio of 60:40. The average wage per day per person in 2016-17 was ₹161.

- **In the act there is a provision for 33% reservation for women of SC/ST and OBC category.**
- **The Indian Parliament passed the Mahatma Gandhi National Rural Employment Guarantee Act on 23rd August 2005.**

Central Government may delegate powers (excluding the power to make rules) to State Governments or subordinate officer by a notification and State Governments can delegate the powers to subordinates

#### **The core objectives of the MGNREGS are:**

- Providing not less than one hundred days of unskilled manual work as a guaranteed employment in a financial year to every household in rural areas as per demand, resulting in creation of productive assets of prescribed quality and durability;
- Strengthening the livelihood resource base of the poor;
- Proactively ensuring social inclusion and
- Strengthening Panchayati Raj Institutions

#### **Rights and Entitlements of wage seekers in MGNREGS.**

- i. Application for registration
- ii. Obtaining a Job Card (JC)
- iii. Application for work and to obtain a dated receipt for the application made
- iv. Choice of time and duration of the work applied for
- v. Getting work within fifteen days of application or from the date when work is sought in the case of an advance application, whichever is later

- vi. Facilities of crèche, drinking water, first aid etc., on the worksite.
- vii. Right to get 10 per cent extra wage in case of employment provided beyond 5 km of radius.
- **The budgetary allocation for Mahatma Gandhi National Rural Employment Guarantee Program (MGNREGA) has been decreased when compared with the revised estimate of FY 2019-20, despite an acute funds shortage faced by the employment guarantee scheme.**

Moreover, the scheme is inclusive with higher participation of women and SC and ST individuals. Today, **about one in two jobs created under the scheme is for women and about 40 per cent for SC/ST.** For many women, it is a first-time earning opportunity as well as a chance at empowerment. Interestingly, the scheme has indirectly enabled households to get freed from the clutches of local money lenders too. Payments under the scheme today are mostly by way of direct transfer into beneficiary accounts which in turn forced people to open 10 crores new bank or post office accounts. The newly opened accounts have aided access to bank credit. Some studies even point to improved education for children in MGNREGA households.

### Conclusion

MGNREGA creates livelihood opportunities for our fellow citizens and sets a minimum wage threshold for low income earners, even in the cities. But with such high allocation to this scheme, one valid question is if the Government is getting the bang for its buck. The scheme forces the Government to offer work, but so far does not measure productivity or durability of the work done. One of the complaints is about the slow pace of work. While there is incentive for workers to turn out as much as is needed to earn the wage rate, there is no incentive to expedite it, or finish the task on time.

There are administrative glitches too. Panchayat Samitis don't meet for months resulting in work sanctioning getting delayed. Only 10 per cent of 4.8 crores households managed to fully benefit with 100 days of work in 2015-16.

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