

Mahatma Gandhi National Rural Employment Guarantee Act [UPSC Notes]

What is MGNREGA?

MGNREGA is the short form of Mahatma Gandhi's National Rural Employment Guarantee Act. This act was launched on the 2nd of February 2006. Formerly, this act was called NREGA. MGNREGA covers a total of 708 districts. It provides employment to the non-skilled rural population who have the MGNREGA job card, which is a legal document that allows a worker (18+ years of age) to become entitled to work for the MGNREGA scheme.

MGNREGA Highlights	Details
Full Form of MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MGNREGA scheme officially launched	on 2nd February 2006
MGNREGA earlier called	National Rural Employment Guarantee Act
MGNREGA Act launched	on 23rd August 2005
Key Stakeholders under MGNREGA	Wage seekers, Three-tier Panchayati Raj Institutions (PRIs), Gram Sabha (GS), Programme Officer at the Block level, State Government, District Programme Coordinator (DPC), Civil Society, Ministry of Rural Development (MoRD), Other stakeholders (In line departments, convergence departments, Self-Help Groups (SHGs))
Districts covered under the MGNREGA Scheme	708 districts

Mandate of Mahatma Gandhi NREGS	Provision of at least 100 days of work that provides guaranteed wage in a financial year.
MGNREGA Job Card	document that renders a worker entitled to work under the MGNREGA scheme.

History of MGNREGA

MGNREGA act was launched in August 2005. However, the MGNREGA scheme was launched in February 2006. Initially, it was named as National Rural Employment Guarantee Act, which was later named MGNREGA. Here is a brief history of MGNREGA:

- The history of MGNREGA dates back to 1991 when PV Narasimha Rao proposed a scheme for generating employment for the rural population with a certain set of goals.
- PV Narasimha Rao aimed to generate employment for labour directly related to the agriculture business during the lean session.
- For this, he plans to develop the infrastructure for the labourers and provide them with enhanced management and food security.
- This scheme was known as NREGA till 2005, but in 2009, after an amendment to the National Rural Employment Guarantee Act 2005, its nomenclature was changed and it became MGNREGA.

Objectives of MGNREGA

MGNREGA aims to provide employment to the rural people so that they have a better living. It aims at addressing the causes of chronic poverty through the works that are undertaken and ensuring sustainable development. The MGNREGA Act was introduced with the aim of improving the purchasing power of the rural people, primarily semi or unskilled work to people living below the poverty line in rural India.

The following are the objectives of MGNREGA:

- The first and most important objective of MGNREGA is to provide a guaranteed 100 days of employment to the rural population, especially unskilled labour.
- This is because MGNREGA aims to provide a better source of living to the economically backward section of society.
- MGNREGA took the initiative to reduce the number of migrants moving from rural areas to urban areas and provide job opportunities for them at their place of residence.
- Along with helping the economically weaker sections of society, it also helps to strengthen the Panchayati Raj system of India.

The social security scheme is backed by the Govt of India. It provides employment and livelihood to rural labourers in India. As the person seeking work under the MGNREGA

must be registered under the gram panchayats. Therefore, a person has to first enroll himself in this scheme to obtain the work.

Features of MGNREGA

Mahatma Gandhi National Rural Employment Guarantee Act is a powerful act that covers 708 districts. The Key features of MGNREGA are

- **Decentralized planning:** MGNREGA strengthens Panchayati Raj, and nearly all control is in the hands of Gram Panchayats to manage public-related works. District panchayats manage public-related works. They are even more powerful to accept or reject the recommendations made by district panchayats. Panchayati Raj Institutions are primarily responsible for planning, implementing, and monitoring the works that are allocated and implemented. Gram Sabhas are empowered to undertake the recommendation of the work and at least 50% of the works must be executed by them.
- **Application Procedure:** Adult members of rural households submit their name, age and address with photo to the Gram Panchayat. The Gram Panchayat registers households after making inquiries and issues a job card. The job card includes the complete details of adult members enrolled and his /her photo. A registered person can submit an application for work in writing (for at least fourteen days of continuous work) either to Panchayat or to Programme Officer.
- **Time-bound work allowance or unemployment allowance:** Anyone meeting the criteria to obtain the work, if approaches for getting the work, must be given the work within 15 days of their application, failing which an 'unemployment allowance' must be given.
- **Funding aspects:** the fund is shared between the center and the states. There are three major items of expenditure-
 - Wage- unskilled, semi-skilled, and skilled labour,
 - Material cost,
 - Administrative cost

The central govt has to take care of 100% of the unskilled labour, 75% of the cost of materials, 75% of the cost of semi-skilled and skilled labourers, and 6% of the administrative costs

On 03 June 2021, the Government of India decided to provide **separate budget heads for SC and ST categories under MGNREGS from the financial year 2021-22** for wage payment. However, Workers' rights advocates said this will **complicate the payment system**, and expressed fears that it may lead to a reduction in scheme funding.

MGNREGA Scheme Details

MGNREGA is responsible for ensuring operational guidelines and compliance as well as providing transparency in working styles at all levels.

- The programs initiated under the MGNREGA scheme are mostly based on demand and have legal provisions which can be appealed in court as a case if work is not provided or in case of delayed payment.
- There is always a constant check on the working progress of the scheme. For this, the central and state governments are directly responsible for auditing the work undertaken.
- There are two bodies named EGC and SEGC, which stand for Central Employment Guarantee Council and State Employment Guarantee Council, respectively, which prepare the annual reports to be audited by central and state governments.
- **Work-site facilities:** Under the MGNREGA working ambience, there is a provision of all work site facilities such as creches, drinking water, and first aid.

Work under MGNREGA

India is administratively divided into States and Union Territories. Each state has districts, then within districts there are blocks and within blocks have wards. Under this scheme employment related to public work at the block, the level is given. The funds are released by the central govt to the states. States then give the funds to local bodies i.e. gram panchayats. All the labourer's accounts are registered with the gram panchayats.

MGNREGA work allocation is directly linked to the Agriculture and allied activities. Majorly works are allocated concerning Publics work relating to Natural resource management, community assets or individual assets, and common infrastructure works. Variety of permissible works which can be taken up by the Gram Panchayaths:

- Raising a block plantation in community lands i.e. planting of trees.
- Maintenance and building of check dams. Check dams are the small dams that are created in small reservoirs to check the flow of water.
- Building farm ponds
- Water absorption trenches at foothills to reduce soil erosions
- Digging of soak pits
- Restoration of irrigation ponds
- Construction of anganwadis, roads, etc.

All these kinds of public works are given under the scheme. MGNREGA provides “Green” and “Decent” work. MGNREGA focuses on the economic and social empowerment of women. The Gram Sabha is the principal forum for wage seekers to raise their voices and make demands. It is the Gram Sabha and the Gram Panchayat which approves the shelf of works under MGNREGA and fix their priority.

Implementation of MGNREGA

Social audits are conducted by gram sabhas to enable the community to monitor the implementation of the scheme. It is a way of measuring, understanding, reporting, and improving an organization's social and ethical performance. Also, it helps to narrow the gap between vision, goal, and reality. Other measures include

- **National electronic Fund Management System (NeFMS):** At the Panchayat level officials have been given training in using the electronic system developed by the National Informatics Centre (NIC). NeFMS is meant to reduce the delay in funds to the workers to meet their daily needs. Aadhar card is linked so the chances of corruption are less. Under the NeFM system, the workers will get the payment within 48 hours from the moment gram panchayats generate an order.
- **Grievance redressal mechanism:** State-level officers have been designated to monitor the disposal of complaints in the state. Also, complaint boxes at district levels have been installed.
- **State quality monitor:** It includes govt officials at the district level supervising the utilization of funds under the scheme.
- **National level monitors:** It consists of retired as well as serving civil servants to monitor the policy and implementation of the program at the national level.

Role of Gram Panchayats in MGNREGA

Various institutions like Gram Panchayats, Gram Sabhas, and State Governments have played a very crucial role in making the MGNREGA scheme successful. Let's have a look at the roles performed by them-

Gram Panchayat.	Gram Sabha.	State Government.
It is entitled to receive the job applications and verify them.	The main role of Gram Sabha is to note down the priority of work in specific localities.	It prepares the rules and responsibilities for the state with respect to this scheme.
It keeps the record of all the households in the village.	It is authorized to keep a check on the work performed within the gram panchayat.	It installs the unit of state employee guarantee Council and state employee guarantee fund.
It is responsible for distributing the MGNREGA job cards to the applicants.	It is the primary junction to perform the social audits.	It ensures that the gram Rojgar Sahayak PO and staff at the state level, district level, and village level two properly

		execute the MGNREGA scheme.
It distributes the work to the applicants within 15 days of application.	Apart from all these things Gram Sabha is also a big help desk for all the queries related to the MGNREGA scheme.	
It is authorized to prepare the reports from time to time to cover the achievement of the scheme.		

Challenges in MGNREGA

Although MGNREGA is a great scheme that works for the benefit of the rural population, there are some challenges to it:

- Although the highest budget allocation is made for the MGNREGA scheme, because of the decreasing GDP and lack of funds, even the state government could not meet the constant demand for employment under the scheme.
- Another major challenge to this scheme is that governments failed to distribute the payments to the labourers in 15 days, and they were not even compensated for the delayed payment. As a result, the labourers started to lose interest in working as well as in the MGNREGA scheme.
- Due to lack of attention and inspection, a lot of work remains incomplete that has been allocated under the MGNREGA scheme.

Impact of MGNREGA on the Indian Economy

With the implementation of MGNREGA, reports suggest that there have been significant changes in social fabric such as a reduction in distress migration, higher participation by SCs and STs population, and improvement in their purchasing power, an increase in average wages, equal wages for men and women economic empowerment of poor women, improvement in a rural environment and sanitation, etc.

Over the years, MGNREGA has also caused a major financial drain on India's economic resources. The actual benefits of this scheme do not reach the rural labourers. In the process of funds transfer, there are a lot of irregularities that cause funds to shrink before it reaches their beneficiaries. Article 243 (G) empowers an MLA to decide whether or not Panchayats need to be empowered. This provision sometimes makes it difficult for fund allocation.

NREGA has also been criticized for leakages and corruption implementation. But with the introduction of the Direct Beneficiary Transfer (DBT) system introduced by the central government, wherein, the workers get their payment directly into the bank account, the chances of corruption have gone down to great extent.

