

## Effectiveness of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) for Rural Development

**Sanjay Kumar Thakur**

*School of Management Studies, Career point University Hamirpur, INDIA*

*E-mail: [sanjaythakur.mba@cpuh.in](mailto:sanjaythakur.mba@cpuh.in)*

*(Received 25 July, 2015; Accepted 31 July, 2015; Published 03 Mar, 2016)*

**ABSTRACT:** As per the census of 2011 about 90 percent of total populations of India reside in villages. The sustainable development of these villages is the prime factor towards the economic growth of the nation. Since independence the Government has launched many programmes for the development of rural areas and the people residing in villages. MNREGA is landmark legislation in this direction since it is the first program that entitles the government to provide employment of 100 days in a financial year when required by the villagers. The primary objective of the Act is to strengthen the rural livelihood by creating durable assets and by providing employment. Since its implementation in the FY 2006-07 there has been many works completed under it. The present paper is an attempt to evaluate the significance of MNREGA by analysing its implementation in parameters like: employment provided, man days generated, women participation and works undertaken etc by conducting study in each block of District Mandi of Himachal Pradesh.

**Keywords:** Rural development; man days; social security; job card and beneficiary

**INTRODUCTION:** Poverty, illiteracy and development of rural areas are the biggest bottlenecks in economic development of India. The government has always focused on framing policies to ensure social and economic security to its residents. A number of development programmes has been started by the Government from time to time in this direction since independence. Some of these programs were like : Rural Manpower Program (1960-69), Food for Work Program (1979-80), and Jawahar Rozgar Yojna (1999-2001) etc. All these development programmes faced some loopholes (Dreze 2007) towards their effective implementation and objective accomplishment. Hence poor people in rural areas were not benefited by them at all and were trapped in the vicious cycle of poverty. To overcome all these concerns MNREGA was introduced by the Government of India on February 6, 2006 in 200 most backward districts of the country. It was a path breaking legislation in the direction of rural development and poverty elimination. Since seeking 100 days of employment in a financial year was guaranteed under the Act and the assets created were meant to increase the agricultural productivity in the rural areas to strengthen the livelihood security of rural people. Further in case of failure to provide the employment the state government is liable to pay unemployment allowances to the concerned persons. Although MNREGA is an innovative piece of legislation having no parallel program anywhere in the world, one of the major concern is whether guaranteed employment is a measure for rural development and poverty elimination. Studies (Khera 2009) have shown

that while head count ration of poverty may not have gone down significantly but there is a considerable effect of program on severity of poverty as the program has increased the income of poor in the rural areas. Further, the Act ensures decentralized planning and participation at the grass root level of its beneficiaries. In this way legislation goes beyond providing a social safety net, towards generating a right to employment and sustainable development of the rural areas.

There has been a spate of studies designed to assess the performance of MNREGA, since its inception. Dreze & Khera, 2009, Mehrotra 2008, Ambastha *et.al.* 2008, Jha *et. al.* 2009 and many other researchers have highlighted many aspects of MNREGA. While some studies have drawn attention to leakage and fudging of muster rolls, others have been enthusiastic over large number of jobs created and the increasing number of beneficiaries from disadvantaged section i.e. SC, ST and Women (Gaiha *et.al.*)

**Potential Benefits of MNREGA:** The workforce program has facilitated the transfer of income to the poor households during agriculture lean seasons. Further the assets created have the potential to generate second round of employment benefits. It is a very effective program in addressing the concerns like: development of rural areas and economy, prevention of rural urban migration, preservation of water bodies, connectivity to rural areas, prevention of unemployment and underemployment in rural areas etc.

**Implementation of MNREGA in District Mandi of Himachal Pradesh:** Though the Act was implementation in February 2006. District Chamba and district Sirmaur were the first to be covered under the Act in its first phase of implementation in Himachal Pradesh. While in district Mandi it was introduced in its second phase i.e. on April 2007. Population wise Mandi is the second largest district in Himachal Pradesh after Kangra. The program has achieved significant milestones towards rural development and poverty eradication. After six years of MNREGA implementation, the district have achieved the distinction of being the number one district in the country in terms of largest women participation in the scheme, on April 2013. Some of the major achievement of the Program in

terms of rural development in Mandi district are as such:

**Job cards Issued:** It is the primitive requirement to work under MNREGA. Which is issued by the Gram Panchayat within 15 days of application. Employment is provided only to the job card holders within 15 days of application for work. Job card is used to record number of days for which employment was provided to beneficiaries, wages paid, unemployment allowances received etc. Details regarding the number of job cards issued to the beneficiaries in different financial years with percentage increase or decrease is given in following table :

**Table 1: cumulative job cards issued to households registered under MNREGA in different FY since inception in district Mandi.**

S. No	Block	Financial Years					
		2007-08	2008-09 % Inc/Dic	2009-10 % Inc/Dic	2010-11 % Inc/Dic	2011-12 % Inc/Dic	2012-13 % Inc/Dic
1.	Balh	12700	15528(22.27)	16644(7.19)	18790(12.3)	20336(8.23)	21511(5.78)
2.	Chauntra	13097	13465(2.81)	14580(8.28)	15300(4.94)	16930(10.65)	17492(3.32)
3.	Dharampur	13562	14969(10.37)	16277(8.74)	17356(6.63)	19027(9.63)	20063(5.44)
4.	Drang	9674	12686(31.14)	15408(21.5)	16185(5.04)	17452(7.83)	18301(4.86)
5.	Gohar	12392	14573(17.60)	15448(6.0)	15903(2.95)	16668(4.81)	17764(6.58)
6.	Gopalpur	11133	16680(49.82)	16680(0.0)	16802(0.73)	18040(7.37)	19132(6.05)
7.	Karsog	16217	18569(14.50)	19806(6.66)	20365(2.82)	21368(4.93)	22440(5.02)
8.	Sadar Mandi	21391	25281(18.19)	26358(4.26)	26587(0.87)	28414(6.87)	29915(5.28)
9.	Seraj	16017	20042(25.13)	21391(6.73)	22028(2.98)	23054(4.66)	24368(5.70)
10.	Sunder Nagar	18846	22041(16.95)	23015(4.42)	23170(0.67)	24518(5.82)	25225(2.88)
<b>Total</b>		<b>1,45,029</b>	<b>1,73,834</b> <b>(19.86)</b>	<b>1,85,607</b> <b>(6.77)</b>	<b>1,92,486</b> <b>(3.71)</b>	<b>2,05,807</b> <b>(6.92)</b>	<b>216211</b> <b>(5.06)</b>

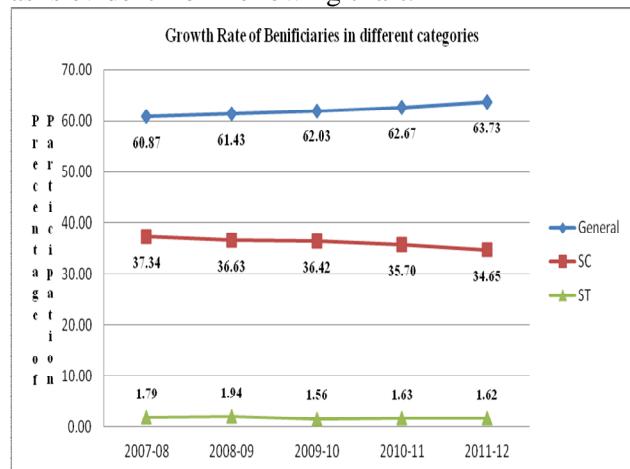
Source: Annual Report of DRDA District Mandi in Himachal Pradesh, [http://164.100.129.6/netnrega/writereaddata/state\\_out/Empstatusall1308\\_1213\\_.html](http://164.100.129.6/netnrega/writereaddata/state_out/Empstatusall1308_1213_.html)

From above table it is quite evident that the number of household to register under MNREGA has increased in the consequent financial years since inception of MNREGA in all the blocks of district Mandi. The FY 2008-09 have witnessed maximum growth in terms of

growth. It was possibly basically because of the facts that people lack awareness in the first year of implementation regarding registration process and the program. people were less aware in Out of the these blocks Drang block have witnessed maximum growth

in terms of job cards issued to households over the years with an average growth rate of 16.37 over the years. While as that of Chauntra block has witnessed the least growth in the same parameter with an average increase of just 6.67 percent over the years.

**Growth rate of beneficiaries:** Since the inception of MNREGA in state there have been an increased number of registered households in the upcoming financial years. But this increase has been depicted only by the households of general category as is evident from following chart.



As is evident from the above figure the households of general category has increased from 60.87 in FY 2007-08 to 63.73 in FY 2011-12 with an average increase 1.15% in every financial year. While as that of households in SC category depicted a constant decline in issuance of job cards with an average decline of -1.85% in the upcoming years up to 2011-12. The households from schedule tribe category depicted an increase of 8.79% in the FY 2008-09. While as that of for the FY 2009-10 they witnessed a decline of -19.89%. On an average the members of ST category depicted a decline of -1.76% in the issuance of job cards from the inception of MNREGA till FY2011-12.

**Employment generation:** The primary objective of MNREGA is to enhance the livelihood security of people in rural areas by guaranteeing 100 days of employment in a financial year to a rural household who wish to do unskilled manual work. The act further aims at creating durable assets and strengthening the livelihood resource base of rural people. The choice of work suggested in the Act addresses the causes of chronic poverty like: draught, deforestation, soil conservation and land development etc. So that the process of employment generation is on sustainable basis. The basic aim behind employment generation is to provide an alternate source of income in the agriculture lean seasons and to provide minimal live-

lihood security to the rural people who have no other income source than MNREGA. Since inception of the Act an increasing pattern have been observed in terms of employment generated under the Act. An average growth rate of 1.88 percent has been witnessed in terms of employment provided since the inception of Act in the district. Altough Balh block has witnessed maximum growth in employment generation with an average annual increase of 30.63 in district Mandi. The factor of employment generation is attributed to the active participation of ward members and people of that area.

**Average Person days Generated:** It is the sum total of days for which the employment is provided on an average to a job card holder. Although the objective to provide 100 days of employment is still a challenge. Since very few proportion of job card holders are completing full 100 days of employment under the Act. The major reasons for not being able to provide 100 days of employment are like : dependency on ward members for providing the job. Majority of the rural households still believe that the work will be available only when member of their ward intimate them and ask them to apply for the job. They are not aware of the fact that providing 100 days of employment is a legal mandate and they can claim for employment at any point of time at their discretion. Secondly none of them collect the dated receipt for employment demanded, since they are unaware of the process to claim for unemployment allowance and the grievance handling mechanism through web site is like a convoluted concept for them. Moreover for most of the beneficiaries MNREGA is like an alternate source of income, hence they prefer to work under the scheme only when it is available in their vicinity. Although Seraj block have witnessed maximum average growth of 30.69 percent in terms of person days generated since the inception of program.

**Table 2: Number of Households provided employment since inception of the Act in district Mandi.**

Block Wise Performance of MNREGA (in terms of HH Provided Employment) from FY 2007-08 to 2012-13									
Blocks	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	Percentage Growth Rate (2007-08 to 12-13)	Avg growth Rate	
Balh	3,263	8,461 (159.30)	9,737 (15.08)	7,505 -(22.92)	9,002 (19.95)	9,260 (2.87)	183.79	30.63	
Chauntra	10,184	8,602 -(15.53)	6,650 -(22.69)	8,630 (29.77)	10,015 (16.05)	9,028 -(9.86)	-11.35	-1.89	
Dharampur	12,363	10,369 -(16.13)	11,550 (11.39)	10,122 -(12.36)	11,737 (15.96)	11,872 (1.15)	-3.97	-0.66	
Drang	9,674	8,334 -(13.85)	6,285 -(24.59)	8,802 (40.05)	10,366 (17.77)	11,553 (11.45)	19.42	3.24	
Gohar	12,167	9,723 -(20.09)	11,461 (17.88)	10,863 -(5.22)	10,931 (.63)	12,256 (12.12)	0.73	0.12	
Gopalpur	11,421	12,305 (7.74)	10,182 -(17.25)	9,274 -(8.92)	8,974 -(3.23)	9,151 (1.97)	-19.88	-3.31	
Karsog	11,912	11,296 -(5.17)	14,646 (29.66)	11,550 -(21.14)	13,613 (17.86)	13,753 (1.03)	15.46	2.58	
Sadar	13,001	20,204 (55.40)	14,875 -(26.38)	15,429 (3.72)	17,255 (11.83)	17,938 (3.96)	37.97	6.33	
Seraj	15,960	19,625 (22.96)	19,725 (.51)	18,683 -(5.28)	20,120 (7.69)	21,050 (4.62)	31.89	5.32	
S.Nagar	18,312	17,634 -(3.70)	19,069 (8.14)	13,441 -(29.51)	15,666 (16.55)	15,342 -(2.07)	-16.22	-2.70	
Total	1,18,257	1,26,553 (7.02)	1,24,180 -(1.88)	1,14,299 -(7.96)	1,27,679 (11.71)	1,31,563 (3.04)	11.25	1.88	

Source: Annual Report of DRDA District Mandi in Himachal Pradesh.

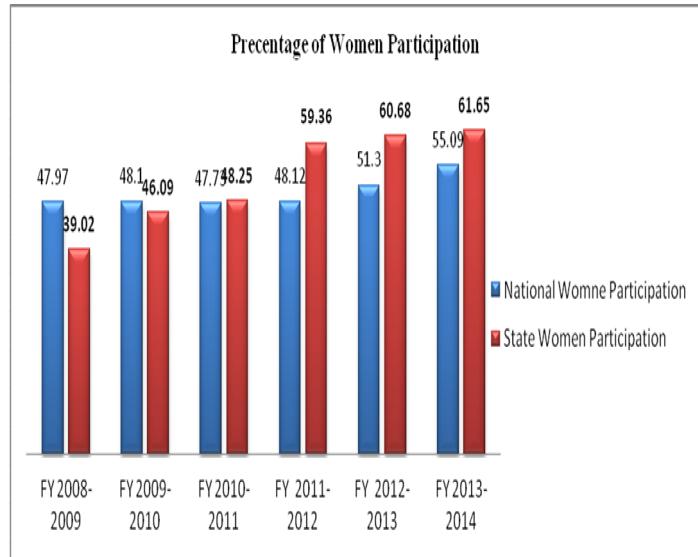
**Table 3: Person days generated since the inception of MNREGA in district Mandi.**

Block Wise Performance of MNREGA (in terms of Person days generated ) from FY 2007-08 to 2012-13													
Blocks	FY 2007-08	FY 2008-09		FY 2009-10		FY 2010-11		FY 2011-12		FY 2012-13		Percentage Growth Rate (2007-08 to 12-13)	Avg Growth Rate
Balh	68	46	-(32.58)	52	(13.29)	60	(15.89)	56	-(6.49)	51	-(10.18)	-25.65	-4.27
Chauntra	22	34	(54.01)	43	(26.71)	35	-(18.39)	52	(46.07)	41	-(20.59)	84.73	14.12
Dharampu r	19	32	(65.43)	54	(66.88)	51	-(5.25)	51	-(.51)	53	(3.96)	170.56	28.43
Drang	18	42	(127.59)	76	(82.37)	43	-(43.47)	50	(16.87)	54	(6.53)	192.12	32.02
Gohar	45	53	(19.57)	52	-(3.58)	51	-(.39)	60	(17.65)	59	-(3.13)	30.89	5.15
Gopalpur	17	26	(53.45)	39	(47.66)	33	-(13.33)	39	(17.34)	46	(16.51)	168.50	28.08
Karsog	36	41	(15.33)	52	(26.51)	33	-(36.93)	50	(52.77)	49	-(1.83)	38.00	6.33
Sadar	50	41	-(16.70)	54	(30.95)	54	(.00)	56	(3.66)	55	-(1.44)	11.45	1.91
Seraj	26	59	(125.64)	62	(4.74)	38	-(38.46)	67	(75.51)	74	(11.31)	184.16	30.69
S. Nagar	21	52	(149.61)	49	-(4.28)	59	(19.00)	58	-(.64)	55	-(5.39)	167.28	27.88
<b>Total</b>	29	44	(51.92)	53	(20.80)	46	-(13.92)	55	(20.78)	56	(.59)	91.92	15.32

Source: Annual Report of DRDA District Mandi in Himachal Pradesh.

**Women participation:** District Mandi have the distinction of being the best district in India on the basis of maximum percentage of women participation under the program in the FY 2012-13. The increased participation of women is attributed to the factors like : a respectable job for them in their locality, since there are no contractors and for most of the times ward member who supervise them is a female itself. Secondly the provision for works like : land development and rural connectivity do not require excessive labour and these works can be accomplished easily by ladies themselves. Most of the worksites witness 100 percent of female workforce which make the working environment conducive and encouraging for them.

The average participation of women in the district is 5.56% higher than the percentage of women participation at the national level, which is a clear indication of the popularity of program among women contributing towards their betterment and empowerment in the district. Women participation have witnessed the average growth rate of 9.93 % since the inception of program in district Mandi in the FY 2008-2009.



Source : <http://nrega.nic.in>

**Table 4: Progress of Works Undertaken**

Financial Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
No of works undertaken	4280	8621 (101.4)	12945(50.2)	1129 (-12.8)	13082(15.8)	14512(10.93)
No of works completed	1177	3914 (232.5)	6669 (70.4)	5030 (-24.6)	6471(28.7)	6856(5.95)
Percentage of works completed to works undertaken	27.5%	45.4%	51.5%	44.5%	49.5%	47.23%

**CONCLUSION:** The different aspects of functioning of MNREGA in district Mandi of Himachal Pradesh has been taken into consideration. It was analysed that in Mandi, there is universal awareness about the schemes as a provision for employment. There has been an increasing trend in terms of job card issued, participation rate of beneficiaries from different categories, employment provided and person days generated since the inception of Act in the district. The real question is that whether the rural employment is actually happening or it is merely an eye wash for most of the rural people. It has been observed that majority of population in rural areas are still unaware of the basic provisions of MNREGA. Having no idea to claim for unemployment allowance, health insurance, social audit and significance of gram Sabha meetings for them. Their heavy dependence on ward members for availing job and having no idea about the grievance handling

raised a concern about the success of MNREGA in rural areas. Although the provision like payment through banks have curbed the practices of corruption to some extent. To make the program a successful one the dissemination of information and awareness of rights available under the Act to every stakeholder is a crucial factor for its success. The involvement of NGOs and other bodies like Sarva Saksharta Abhiyan, college students may play a determinant role in dissemination of information. The real potential of MNREGA will be realised when rural people become self dependent by engaging themselves in agriculture related activities and need not employment guarantee programmes any more to sustain their livelihood. To achieve this objective the dissemination of information and its ultimate objective is needed to be realized by each villagers in the rural areas.

**REFERENCES:**

1. Annual reports of District Rural Development Agency District Mandi, Himachal Pradesh.
2. Khera R. (2008) Employment Guarantee Act, Economic and Political Weekly, Vol.45, No.XLVII. pp : 48-52
3. Bhatia Bela & Dreze Jean (2006) Employment Guarantee in Jharkhand: ground realities, Economic and Political Weekly, Vol. XXIV, 3198-3102.
4. Dreze J. (2007) NREGA: Dismantling the contractor raj The Hindu, 20th November 2007.
5. Jha, R. et al (2009) Capture of Anti Poverty Program: An Analysis of the National Rural Government Program in India”, Journal of Asian Economics : doi 10.10.16/J.a scio.
6. Basu, A.K. et al(2009) A theory of Employment Guarantee : Contestability, Credibility and Distribution Concerns, Journal of Public Economics, Oct 2009, 482-497
7. K.Ritika and N.Nandini (2009) Women Workers and Perception of the National Rural Employment Guarantee Act”, Economic and Political Weekly, Vol. XLIV, No. 43, pp: 49-57
8. Sameeksha, Ministry of Rural Development, Government of India, 2013.
9. <http://nrega.nic.in>.