

**SHODH SAMAGAM**

**ISSN : 2581-6918 (Online), 2582-1792 (PRINT)**



## **An Evaluative Study of Effectiveness of NREGA (National Rural Employment Guaranteed Rural Employment)**

**Dr. Ashok Kumar Mishra**, Professor, Department of Commerce,  
Guru Ghasidas Central University, Bilaspur, Chhattisgarh, India

**Dr. Bhuvana Venkatraman**, Associate Professor, Department of Commerce,  
Guru Ghasidas Central University, Bilaspur, Chhattisgarh, India

### **ORIGINAL ARTICLE**



Corresponding Author's :

**Dr. Ashok Kumar Mishra**, Professor,  
**Dr. Bhuvana Venkatraman**,  
Associate Professor,  
Department of Commerce,  
Guru Ghasidas Central University,  
Bilaspur, Chhattisgarh, India

shodhsamagam1@gmail.com

Received on : 03/12/2019

Revised on : ----

Accepted on : 10/12/2019

Plagiarism : 09% on 04/12/2019



Plagiarism Checker X Originality Report

Similarity Found: 9%

Date: Wednesday, December 04, 2019

Statistics: 674 words Plagiarized / 2544 Total words

Remarks: Low Plagiarism Detected - Your Document needs Optional Improvement.

An Evaluative Study of Effectiveness of NREGA (National Rural Employment Guaranteed Rural Employment) in India majority of the population resides in rural areas where means of livelihood is difficult. As per 2011 census (Provisional), the rural population of India stands at 833.1 million (68.84 %) of the total population of 1,210.2 million and having 6,40,867 villages.

### **Abstract :-**

In India majority of the population resides in rural areas where means of livelihood is difficult. As per 2011 census (Provisional), the rural population of India stands at 833.1 million (68.84 %) of the total population of 1,210.2 million and having 6,40,867 villages. More than half of the rural population relies on agriculture which fails to satisfy their needs and demand. In addition to this they also requires formal safety nets to reduce their vulnerably and to sustain their livelihoods. Although Government of India has initiated several safety net programme like PDS (Public Distribution System), Public Assistance Programmes and Public Works Schemes earlier, but there is a need to provide social protection programme. To meet this requirement Government of India has passed National Rural Employment Guarantee Act (NREGA) in August 2005. In Maharastra earlier Employment Guarantee Schemes (EGS) has merged into NREGA. In fact, NREGA was officially launched on February 2, 2006 in 200 of India's most backward districts to implement this Act. In October 2009, Mahatma Gandhi (MG) was added as a prefix to the acronym of the NREGA programme and the reacronym now is MGNREGA. This legislation states that each rural Indian household is now entitled by law to 100 days of unskilled work per year on public works programmes and within 15 days of a valid application the government must provide work or an unemployment allowance.

October to December 2019

WWW.SHODHSAMAGAM.COM

A DOUBLE-BLIND, PEER-REVIEWED QUARTERLY MULTI DISCIPLINARY  
AND MULTILINGUAL RESEARCH JOURNAL

IMPACT FACTOR  
SJIF (2018): 4.592

391

Social Audit is one of the important components kept in MGNREGA. NREGA is being considered as the world's largest social security programme so targeting about 45 million poor people. This is not a welfare programme but a development initiative, chipping in with crucial public investments for creation of durable assets, which can provide much-needed momentum to growth in most backward areas of India. Role of Job Card is very instrumental in NREGA. Basically it is free cost and need to be issued by gram panchayat within 15 days after receiving an application, and employment is to be given within 15 days of issuance of job card, failing which unemployment allowance has to be paid as per the norms prescribed by NREGA. The general scenario shows that only 34 % households registered under NREGA received job However in a survey of 1000 NREGAS last year Maharashtra state covers about 9.84% of the total geographical areas of India. In Maharashtra, NREGA was implemented in a phased manner. First phase was started on 2<sup>nd</sup> February, 2006 and covered 12 districts, while second phase covered 6 more districts. Third phase started on 1<sup>st</sup> April 2008, covering all remaining districts. The works undertaken under NREGA in Maharashtra were mainly related to rural irrigation, water conservation and harvesting, draught proofing, land development and water bodies.

### **Key Words :-**

NREGS NREGA.

---

### **Introduction :-**

In India about 68.84% of the total population resides in rural areas, where basic safety needs to sustain their livelihood is not satisfactory, which in turn reduces their vulnerability. Although several safety net programmes like public distribution system, public assistance programme, public work schemes meant for self-employment etc. are in practice, but there is a strong need to guaranteed rural employment. Thus, Government of India has passed the National Rural Employment Guarantee Act (NREGA) in August 2005 which states that each rural Indian household is entitled by law to 100 days of unskilled work per year on public works programme and within 15 days of a valid application the government must provide work or an unemployment allowance. On February 2, 2006 the National Rural Employment Guarantee Scheme (NREGS) was officially launched in 200 of India's most backward districts to implement the act, which in April 1, 2008 was extended almost too all districts of India. In October 2009, Mahatma Gandhi (MG) was added as a prefix to the acronym of NREGA programme and currently it is the re-acronym as MGNREGA. NREGA provide a right based framework for wage employment programme and makes government legally bound to extend employment to those who demands it. It also provides a legal framework where state government has the legal liability and central government provides the fiscal guarantee, thus the legislation goes beyond providing a social safety net, and towards guaranteeing the right of employment. Under this Act S/he will get the minimum wage rate notified for agricultural labour in the state until the central government notifies a minimum wage rate, which in any case shall not be less than Rs. 60 per day (changed to Rs. 100 per day for Bihar w.e.f 1<sup>st</sup> April, 2009). Priority shall be given to women. Swaminathan, M.S.(2009) highlighted that the priority works under MGNREGA are important to strengthen the ecological foundations of sustainable agriculture. He further commented that a major weakness was the absence of effective technical guidance and support from agriculture and rural universities and institutes. Yasmeen,S (2009) developed a case study based on field observations in betual district of Madhya Pradesh. She has taken the case of Hemraj Dhava whose barren land was brought into cultivation under MGNREGA in order to provide him with sustainable livelihood. The conclusion of this case study ended

with the remarks of Hemraj who was in the support of continuation of MGNREGA in order to provide better lives of the poor.

### Objectives of Study :-

- To study the economical and the financial aspects of NREGA.
- To study the implication of NREGA on the rural economy.
- To study the effectiveness of NREGA in poverty alleviation and employment generation in rural areas.
- To study the impact of NREGA on the agriculture and wage rate in rural areas.
- To study the variation if any, in the level and also the quality of implementation of NREGA across states.
- To study the various provisions related with the MGNREGA act in different dimensions.
- To highlight various recommendations and strategies for further strengthening of NREGA.

### Summary of NREGA Expenditure & Fiscal Deficit in National Budget of India

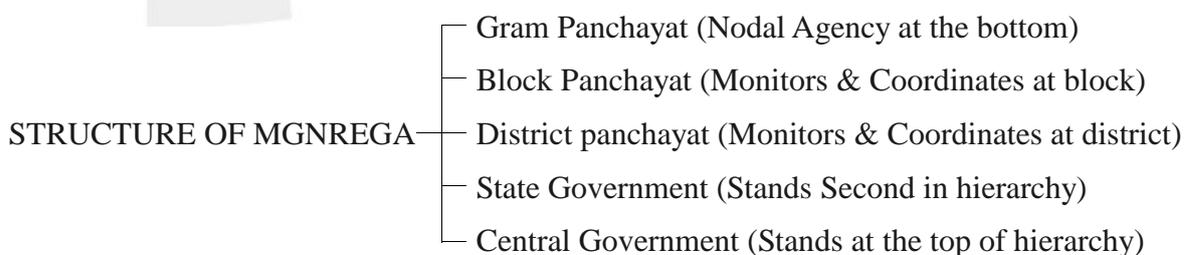
	<b>NREGA Expenditure as %age on Fiscal Deficit</b>	<b>Fiscal Deficit as %age of GDP</b>	<b>NREGA Expenditure as %age of Total expenditure</b>	<b>Rural Employment as %age of Total expenditure</b>	<b>NREGA Expenditure as %age of Receipts</b>
2007-08	10.00	2.69	1.50	1.90	1.90
2008-09	10.80	2.40	1.60	1.60	2.00
2009-10	09.00	5.53	2.80	2.80	2.80

Source: Budget Document, GOI (Chakraborty 2009)

### The Time Line of MGNREGA

<b>AUGUST 2005</b>	<b>FEBRUARY 2006</b>	<b>APRIL 2007</b>	<b>APRIL 2008</b>	<b>OCTOBER 2008</b>	<b>16 FEBRUARY 2009</b>	<b>OCTOBER 2009</b>
NREGA Legalised	Came into force in 200 districts	130 more districts included	Universionalisation of the scheme	Wage transaction through Banks/ Post offices	MOU (Memorandum of Understanding) with the postal Departments	Name changed to MGNREGA

Source: www.nrega.nic.in



## SUMMARY OF MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT, 2005

Total No. of Districts	685
Total No. of Blocks	6865
Total No. of Gram Panchayats (GPs)	2,62,703
<b>JOB CARD</b>	
Total No. of Job Cards issued (In Crores)	12.6
Total No. of Workers (In Crores)	25.02
Total No. of Active Job Card (In Crores)	7.16
Total No. of Active Workers (In Crores)	11.06 SC Worker-20.26%,ST Worker - 6.36%

Source: [http://mnregaweb4.nic.in/netnrega/all\\_lvl\\_details\\_dashboard\\_new.aspx](http://mnregaweb4.nic.in/netnrega/all_lvl_details_dashboard_new.aspx)

Financial Programs	2013-14	2014-15	2015-16	2016-17	2017-18
Total Centre Release (In Crores)	32,746.2	32,139.1	35,974.6	47,411.70	47,004.60
Total Availability (In Crores)	42,103.8	37,588.0	43,380.7	57,386.60	54,467.00
Total Expenditure (In Crores)	38,552.6	36,025.0	44,002.5	58,525.40	48,324.60
Percentage Utilisation (In %)	91.5	95.8	101.4	101.90	88.70
Wages (In Crores)	26,491.2	24,187.2	30,890.9	40,787.50	33,383.00
Materials (In %)	26.79	28.03	25.8	26.60	28.30
Administrative Expenses (In Crores)	6.14	6.71	5.37	4.950	3.56
Average Cost per day per person (In Rs)	183.4	206.1	202.4	224.70	239.70
Payment generated within 15 days (In %)	50.09	26.8	36.9	43.60	85.40

Source: [http://mnregaweb4.nic.in/netnrega/all\\_lvl\\_details\\_dashboard\\_new.aspx](http://mnregaweb4.nic.in/netnrega/all_lvl_details_dashboard_new.aspx)

### **NREGA legislation (NREGA 2010b) :-**

All adult members of a rural household, resident in the area, willing to do unskilled manual work can apply for employment under the act. One important feature of this legislation is that even if already a person is employed in work, s/he has the right to demand employment under NREGA with the note that priority should always be given to women and at least 1/3 of the beneficiaries shall be women who have registered and requested for work under the scheme. Registration process is that a household who is interested in availing itself of NREGA has to apply themselves in a prescribed form or orally which are free of cost. Such application for registration has to be made to **Gram Panchayat** (Village level Authority) whose role is to authenticate the registration by verifying the applicant's residential status of that village and is also an adult. The acknowledgement of the application is issued by Gram Panchayat. The unit of registration is the household and **Job Card** which are issued to the applicant by Gram Panchayat. After registration this card becomes the basic legal document that enables the registered household to demand guaranteed employment. The Job Card should be issued within 15 days of application and is valid for 5 years. The entitlement of 100 days can be shared within household; more than one person within household can be employed simultaneously or at different times. The Gram Panchayat should send letters to the applicants informing them where and when to report for work. However, if the job seeker does not get employment within 15 days of submitting the application or from the date when work is sought, whichever is late, a daily allowance has to be paid as per act. In addition to these, if the applicant does not report to work within 15 days of being notified, then She will not be entitled for unemployment

allowance. The applicant can however, re-apply for work. The work should be provided within 5 km of the applicant's residence, however if it is beyond 5 km radius then she is entitled to 10% additional wages towards transportation and living expenses. Basic facilities like safe drinking water, shade for children, first aid box etc. should be provided. However if there are more than 5 children below 6 years of age then a person should be engaged to look after them. An over all 60:40 wage material ratios have to maintain in the work section. Wage should be paid either on daily wage or a piece rate, but should be paid every week or in case not later than a fortnight after the date on which such work was done. In case of any delay in the payment of wages, labourers are entitled to compensate as per payment of wages act without any gender bias. Accountability of the programme functionaries are maintained through external and internal evaluators. Social Audit and village level monitoring committee is to set up by Gram Sabha to oversee each work. Moreover, any contravention of the act shall, no conviction, be liable to fine which may extend to Rs.1000. A grievance redressal Mechanism should also be set up at the block, district and state level.

Section 17(1) of the Mahatma Gandhi NREGA, 2005 mandates the monitoring of the works within Gram Panchayat by the Gram Sabha and the conduct of regular social audits of all types of the project under the scheme taken by the Gram Panchayat. The Act mandates that the gram panchayat shall make available all relevant documents including the muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of account and papers to the Gram Sabha for the purpose of conducting social audits”

In terms of financial independence, the Ministry directly releases 0.5 % (1/12 parts of admin charges) of the total annual expenditure for meeting the cost of conducting social audit of MGNREGA to the bank account of respective social audit unit of the state under the state allocation.

#### **NORMS FOR THE COST OF RECRUITING MINIMUM CORE STAFF**

<b>SOCIAL AUDIT UNIT- STATE LEVEL</b>	
<b>Major Heads</b>	<b>Remuneration/ Cost Per Month</b>
Director	Rs. 60,000
Social Development specialist	Rs. 40,000
Social Audit Experts	Rs. 20,000
Travel Allowances	10% of remuneration
Office Expenses	Rs. 10,000
Training / Orientation	Rs. 1,000 per month (12 days a year)
<b>SOCIAL AUDIT UNIT- DISTRICT LEVEL</b>	
<b>Major Heads</b>	<b>Remuneration/ Cost Per Month</b>
Travel Allowances	Rs. 5,000 per month
Training / Orientation	Rs. 500 per month (12 days a year)

Source: Annual Master Circular FY- 2017-18

The financial support provided by the ministry will be Rs.28lakh per year per block for three years period and the cost breakup are remuneration @Rs.2.16 lakh, other expenses such as travel @ Rs.4.3 Lakh and miscellaneous @ Rs.2.1 lakh. It is in the hand of civil society organization/community based organization to internally allocate this budget within the budget.

As far as percentage of expenditure under MGNREGA during 2008-2013is concerned, it was observed that maximum percentage expenditure was incurred on wages (72.35%), while

in 2012-13 it was 31.64% on material. There was an increase in expenditure on wages from 66.7% in 2008-09 to 72.3% in 2012-13 and have shown a decreasing trend on materials from 29.7% in 2008-09 to 27.6% in 2012-13.

As per survey done by National Survey Office and a household-level, of four villages in Andhra Pradesh and Telangana, secondary data indicates that MGNREGA scheme has a number of direct and indirect benefits in both rural Andhra Pradesh and Telangana. Women's participation in MGNREGA has been very encouraging and beneficial. **(Economic & Political Weekly- vol 52, Issue no.32, 12 Aug, 2017)** The agricultural sector has performed worse than the other sector over years. Non-agricultural employment and output share has shown an increasing trend, but 70% of the agricultural household cannot meet their low consumption needs even after the diversification of sources of income. In regard to rural economy budgetary provisions analysis indicates that government has not done enough to address some of these well documented problems and even they does not have a required vision to substantially increase rural employment opportunities. **(Economic & Political Weekly- vol 52, Issue no.9, 04 March, 2017)**

**(Economic & Political Weekly- vol 51, Issue no.19, 04 MaY, 2016)**

More than 1,00,000 wells were sanctioned for the construction under MGNREGA in Jharkhand during the last few years. Study states that the outcome of this well construction drive is through a survey of nearly 1,000 wells in 24 randomly selected gram panchayats. A majority of sanctioned wells (60% with parapet and 70% without) were completed at the time of survey. Nearly 95% of the completed wells are being utilized for irrigation, leading to a near tripling of agricultural income of those in the command area. The real rate of return from these wells in Jharkhand is estimated to be close to 6%, a respectable figure for any economic investment.

### **Suggestions and Recommendation :-**

- Awareness among the workers of NREGA were low, hence there is high need to conduct more awareness campaigns to educate the people about the importance of the programme.
- Worksite facilities are very poor on most of the places which is to be taken due care to provide a congenial environment to work.
- Adequate steps should be taken to bring uniformity in wage payment so that delay in the payment will be prevented.
- In the drought-prone area government should implement the schemes relatively a higher number of days without any ceiling/restrictions on the number of days.
- In case of agriculture sector long term consequences must be taken into consideration so as to support livelihood of farmers and to prevent suicide cases.
- Gram Sabha should be made compulsory and effective participation of the rural households especially women and other marginalized groups.
- Government should provide authority to ground zero officials so that they could take relevant decisions regarding work as they are familiar with the ground situations.
- Greater participation of the women officialal should be involved in the implementation of machiney so that women workers can interact them very freely without fear and favour.

## References :-

1. <http://nrega.nic.in>
2. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1941959&rec=1&srcabs=1000215&alg=1&pos=3](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1941959&rec=1&srcabs=1000215&alg=1&pos=3)
3. <http://www.gov.in>
4. <http://www.nrega.net>
5. <http://www.nrega.nic.in/guidelines.htm>
6. [http://nrega.nic.in/nrega\\_guidelines.pdf](http://nrega.nic.in/nrega_guidelines.pdf)
7. Verma, G. (2009) 'NREGA becomes MGNREGA', *DNA India*, (New delhi) 3 Oct (online, available: <http://www.dnaindia.com/india/reportnrega-becomes-mgnrega>)
8. Shah, M. (2004). *National Rural Employment guarantee Act: A historic opportunity*, *Economics and political weekly*, Vol XXX (39), pp:5287-5291.
9. NREGA (2010b) *National home Page, Circulars and Data*, ministry of rural development, GOI, New delhi (online, available: [www.nrega.nic.in](http://www.nrega.nic.in)).
10. MGNREGA (2013), *operational guidelines*, 4<sup>th</sup> edition.
11. <http://www.epw.in/tags/mgnrega>

\*\*\*\*\*