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## The status of MGNREGS at national level

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### Abstract

Since India's Independence various measures have been taken up to create large scale employment opportunities in rural areas. But, these steps are mainly in the nature of relief works and not in the nature of permanent creation of job opportunities. These programmes failed to yield desired goals. As such the UPA government which came to power in 2004, in its Common Minimum Programme promised to provide guaranteed 100 days employment in a financial year to the unskilled rural poor. To keep up the promise the UPA government initiated and enacted Mahatma Gandhi National Rural Employment Guarantee Act in 2005, under which 100 days employment was guaranteed to the rural poor. The programme was formally launched on 2<sup>nd</sup> February 2006. Under the scheme there are provisions for average minimum wages, wage and material ratio. There is a specified institutional mechanism for the implementation of the scheme from Central level to Village level. Initially the scheme was launched in 200 districts of the country. At present the scheme covers all rural districts in the country. In this paper an attempt is made to study the phase-wise and state wise coverage of districts under Mahatma Gandhi National Employment Guarantee Act at national level. The job card and work details, working status of different categories under MGNREGS at national level and financial inclusion efforts under MGNREGS at national level were also covered in this paper.

**Keywords:** Households, work status, financial inclusion, bank accounts, women

### Introduction

As the earlier programmes did not yield satisfactory results in eradicating rural poverty, a new programme was convened to mitigate rural poverty. The Parliament under UPA Government enacted a law to provide minimum 100 days of employment in a financial year to rural poor. The National Rural Employment Guarantee Scheme (NREGS) was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in February, 2009, on the eve of completion of four years. Now this has emerged as one of the important tools for rural development and for combating hunger, poverty, unemployment and under employment. MGNREGS is being appreciated as the boon for rural transformation in India. Its main objective is not only to reduce rural poverty and unemployment but also to enhance the livelihood security of people in rural areas by generating wage employment through works that develop the infrastructure base of that area. The social security measures make the right to work as a fundamental right for the first time in India. The scheme provides an indispensable lifeline to the millions of poor in rural areas. The government, through this scheme, aims at removing poverty in rural areas. The MGNREGA is lauded as the 'path breaking' and the most important piece of legislation in free India. After 4 years of its completion many states have achieved minimum to moderate success.

### Origin of MGNREGS

The launch of MGNREGS by the Union Government is guided by the successful implementation of the Maharashtra Employment Guarantee Scheme (MEGS), which has been implemented for three decades in Maharashtra, where the demand for unskilled wage work is not declined. The MGNREGS is not a new wage employment programme. There are several such programmes before this Scheme. But the previous employment programmes were not adequate in fulfilling the demands of rural poor. The experiences gained in implementation of different wage employment programmes like National Rural Employment Programme (NREP: 1980), Rural Landless Employment Guarantee Programme (RLEGP: 1983), Jawahar Rozgar Yojana (JRY: 1989), Employment Assurance Schemes (EAS: 1993),

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Jawahar Rozgar Yojana (JRY: 1989), Employment Assurance Schemes (EAS: 1993), Jawahar Gram Samridhi Yojana (1999), Sampooran Grameen Rozgar Yojana (2001) and National Food. For Work Programme (NFFWP 2004) during the past three decades, were also taken into account while formulating the Act. With the launch of the National Rural Employment Guarantee Act (NREGA) on 2<sup>nd</sup> February 2006, entire NFWP programme was subsumed into it. SGRY programme in 200 districts was also subsumed into NREGA in the first phase in 2006-07. SGRY

programme in additional 130 districts was subsumed into NREGA in the second phase in 2007-08. The entire SGRY programme was subsumed into NREGA with effect from 1<sup>st</sup> April, 2008.

#### Coverage of Districts

Table 1 gives a clear picture of the state-wise coverage of districts under three phases of MGNREGs implementation. In all the three phases, 625 districts were covered.

**Table 1:** Phase-wise Districts notified under Mahatma Gandhi National Employment Guarantee Act

S. No.	Name of the Region	Phase I (2006)	Phase II (2007)	Phase III (2008)	Total
1	Madhya Pradesh	18	13	19	50
2	Odisha	19	5	6	30
3	Bihar	23	15		38
4	Andhra Pradesh	13	6	3	22
5	West Bengal	10	7	2	19
6	Jharkhand	20	2	2	24
7	Chattishgarh	11	4	3	18
8	Maharashtra	12	6	15	33
9	Gujarat	6	3	17	26
10	Rajasthan	6	6	21	33
11	Dadra and Nagar Haveli	0	0	1	1
12	Goa	0	0	2	2
13	Meghalaya	2	3	2	7
14	Arunachal Pradesh	1	2	13	16
15	Nagaland	1	4	6	11
16	Manipur	1	2	6	9
17	Mizoram	2	2	4	8
18	Tripura	1	2	1	4
19	Sikkim	1	2	1	4
20	Assam	7	6	14	27
21	Himachal Pradesh	2	2	8	12
22	Uttar Pradesh	22	17	32	71
23	Uttaranchal	3	2	8	13
24	Jammu & Kashmir	3	2	17	22
25	Karnataka	5	6	19	30
26	Kerala	2	2	10	14
27	Tamil Nadu	6	4	21	31
28	Andaman and Nicobar Islands	0	0	3	3
29	Lakshadweep	0	0	1	1
30	Puducherry	0	0	2	2
31	Punjab	1	3	16	20
32	Haryana	2	2	17	21
33	Daman and Diu	0	0	2	2
34	Chandigarh	0	0	1	2
	Total	200	130	295	625

**Source:** Ministry of Rural Development, Government of India.

The MGNREG Act is applicable to the areas notified by the Central Government. In the first phase, it was notified in 200 districts across the country. In the second phase, the Act was notified in the financial year 2007-08 in an additional 130 districts, bringing the total number of districts covered by MGNREGA to 330. In these districts, pre-existing wage employment programmes, the National Food for Work Programme (NFWP) and the Sampooran Grameen Rozgar Yojana (SGRY) were merged with MGNREGA. The remaining rural areas of the country were notified on 28th

September, 2007 and MGNREGA came into force w.e.f. 1st April, 2008

The progress of the scheme with special reference to total households applied for job card, total job cards issued, total job cards (sc), total job cards (st), total job cards (non-sc/st), total households demanded work, total persons demanded work, total households allotted work, total persons allotted work, total households worked, total persons worked and total households reached 100 day limit from 2011-12 is presented in table 2.

**Table 2:** Job Card and Work Details under MGNREGS

Particulars	2011-2012	2012-2013	2013-2014	2014-2015
Total households applied for job card	122164046	127241056	125553978	125104045
Total job cards issued	121507478	126083760	123918399	123358972
Total job cards (SC)	24717580	26424065	26172378	25907028
Total job cards (ST)	17406047	18023976	18208651	18100413
Total job cards (non-SC/ST)	79383851	81635719	79537370	79351531
Total households demanded work	47311815	46826956	50609142	45287403
Total persons demanded work	75099661	73367554	78971769	69420956
Total households allotted work	47276206	46800064	50557548	45206397
Total persons allotted work	75048230	73301459	78873816	69228197
Total households worked	49739898	48555177	47072935	40622010
Total persons worked	79359305	76222858	71084152	59787672
Total households reached 100 day limit	4103885	5000596	4458726	2335874

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

It is evident from table 2 that the percentage of household issued job card among applied household is 99.46 percent in 2011-12. It is 99.09 percent, 98.70 percent and 98.61 percent in 2012-13, 2013-14 and 2014-15 respectively. Among the total job cards issued the share of Scheduled Caste households' ranges between 21.12 percent (2013-14) to 20.34 percent (2011-12). The share of Scheduled Tribe households who got job cards among total households is 14.33 percent in 2011-12, 14.30 percent, 14.69 percent and 14.67 percent in the next three consecutive years respectively. The non-SC/ST households share ranges between 64.19 percent to 65.33 percent. During 4 years more that 99 percent of households were allotted work. In

the same way, more than 99 persons were also allotted work. The total households worked are gradually decreasing year by year. The total household reached statutory 100 days of employment also showing downward trends except 2012-2013.

The details with regard to total persons with disability, total households worked (non-sc/st), total person-days worked (non-sc/st), total sc households worked, total person-days worked by scs, total st households worked, total person-days worked by sts, total land reform/iay households worked, total person-days worked by women, total person-days total sc households over 100 day limit and total st households over 100 day limit from 2011-12 is presented in table 3.

**Table 3:** Working Status of Different Categories under MGNREGS at National Level

Particulars	2011-2012	2012-2013	2013-2014	2014-2015
Total persons with disability	360591	397503	422428	352400
Total households worked (non-SC/ST)	29954191	28887656	27572120	23640672
Total person-days worked (non-SC/ST)	1244585142	1315711036	1257378863	952070975
Total SC households worked	11000524	10799038	10509734	8815985
Total person-days worked by SCs	455877098	481851307	476117405	347467767
Total ST households worked	8794211	8868495	8991081	8165353
Total person-days worked by STs	468308133	451734357	431931911	297411030
Total land reform/IAY households worked	1585269	1551293	1616255	1523345
Total person-days worked by women	1011398001	1124122121	1118120977	861320462
Total person-days	2169307194	2249296692	2165428179	1596949772
Total SC households over 100 day limit	635602	1080117	950516	486190
Total ST households over 100 day limit	1062072	968195	829670	470341

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

It is evident from table 3 that the persons with disability working under MGNREGS gradually increased during first 3 years of study. The total non SC/ST household worked showing downward trends during 4 years of study. The total persons days worked by non SC/ST households gradually decreasing from 2012-13 onwards. The number of total SC households worked also declining over the years. The total number of ST households worked increased during first 3 years of study. The total land reform households worked is not evenly distributed. The total person days worked by women is also gradually declining from 2012-13 onward. The SC and ST households availing 100 days of employment is also not encouraging.

### Financial inclusion

Financial inclusion is the expanding outreach of banking or financial services at an affordable cost to a vast section of disadvantaged groups of society which may provide them a financial cushion for their sustenance as well as social empowerment. In India where women constitute

approximately 48.53 percent (2011 census) of total population majority of them are denied to opportunities and rights because of their financial dependence. Through disbursement of funds by various methods of financial inclusion like self-help groups and microfinance by Banks an attempt has been made by the Govt. to provide women economic independence and self-confidence, as well as achieve more respect in their socially defined roles. Considering the importance of financial inclusion for the economy of the country the Government of India (Ministry of Finance), Reserve Bank of India and NABARD are adopting different measures for the financial inclusion. As such it is essential to know what the main causes for financial exclusion of women are. It is equally essential to have a clear idea on financial inclusion and empowerment. So in this chapter an attempt is made to study the causes and effects of financial exclusion. Besides an attempt is made to understand the meaning, importance and approaches for financial inclusion and meaning and definitions of empowerment, historical background of women

empowerment in India and measures for estimating women empowerment. The role of MGNREGS in financial

inclusion of rural people is presented in table 4.

**Table 4:** Financial Inclusion Efforts under MGNREGS at National Level

Particulars	2011-2012	2012-2013	2013-2014	2014-2015
Total bank accounts	43267636	54266341	62619484	74626699
Total individual bank accounts	35376930	45325682	52332516	63413712
Total joint bank accounts	7890706	8940659	10286968	11212987
Amount disbursed to bank accounts	93200000000	100000000000	66000000000	167000000000
Total post office accounts	34367514	35353512	35864555	32739454
Total individual post office accounts	28341461	30776360	31814803	29387918
Total joint post office accounts	6026053	4577152	4049752	3351536
Amount disbursed to post office accounts	72543404336	73402622349	61650787288	46719261576

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

It is clear from table 4 that the total bank accounts as well as individual and joint bank accounts are gradually increasing during 4 years of study. The amount disbursed through the banks is also showing upward trends. The individual post-office accounts increased during 2011-2012 to 2013-2014, but they declined in 2014-15. The number of joint post office accounts is gradually declining over the years. The same trends are visible in case of amount disbursed through post office accounts.

### Conclusion

Under MGNREGS good number of districts were covered under third phase of its expansion in the country. The scheme covers all the rural districts in the country. It is quite disappointing to note from the study that the number of households availing statutory 100 days of employment is gradually declining in the country. The access of poor to the formal financial institutions is quite laudable as good number of workers opening bank/post office accounts. The expenditure incurred for the implementation of the scheme is gradually increasing.

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