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## Women financial inclusion through Mahatma Gandhi national rural employment guarantee scheme

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### Abstract

The Government of India passed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREG Act) in September 2005. This Act commenced with effect from 2<sup>nd</sup> February 2006. MGNREGA is a path breaking legislation and a flagship programme for promoting inclusive growth by ensuring a legal guarantee of 100 days of employment to rural poor. Its Rights based framework creates a paradigm shift from earlier wage employment programmes. The Acts' objective is to generate employment opportunities, and regenerate the natural resource basic of rural livelihood through an implementation process that strengthens grass root democratic processes. A large number of projects have been taken up under MGNREG Act in the country that provides employment on a huge scale. Mostly Scheduled Castes, Scheduled Tribes and women workers are volunteering to work under the programme. The Government in Ministry of Finance has also launched a drive for financial inclusion by opening of accounts of households in unbanked and under-banked areas. In order to achieve the twin objectives of financial inclusion and timely and proper payment of wages to the MGNREGS workers this MOU is being entered into. It was mandated that NREGA payments should be done only through banks and the post office system in conjunction. Banks and post offices are being made intermediaries for routing MGNREGP payments through bank accounts to enhance financial inclusion. The channeling of MGNREGA payments through banks and post offices has seen positive results.

**Keywords:** Women financial inclusion, NREGA, MGNREGS

### Introduction

Few other government initiatives have had the sort of potential for rural transformation that Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) does. From ensuring that people do not sleep hungry and reducing exploitation of labour, to creating rural assets, being a source of economic independence for women, revitalizing Panchayat Raj institutions, the promise of this programme remains important today. The pity has been that while MNREGA is a rich area of research, few studies have tried to give a balanced view of its successes and failures in different states.

### Objectives of the study

1. To study the financial process of MGNREGS.
2. To analyze the experiences of women in Mahatma Gandhi National Rural Employment Guarantee scheme.

Consequent upon the passing of the Rural Employment Guarantee Act on 7 September 2005, the National Rural Employment Guarantee (NREG) scheme was launched on 2 February 2006 in 200 backward districts with a view to extend it to all the districts within five years. The scheme sub-names both SGRY and FFW in the districts covered by the NREG scheme. But it was renamed as the Mahatma Gandhi National Rural Employment Guarantee Scheme on 2<sup>nd</sup> October, 2009. It aims at enhancing the livelihood security of the people in rural areas by guaranteeing 150 days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. For the first time in India, it recognizes the right to work as a fundamental legal right.

Besides providing 150 days of guaranteed employment in a financial year to every poor rural household, it also aims at developing rural infrastructure by undertaking the generation of wage employment schemes that address the causes underlying drought, deforestation and soil erosion.

Besides the 200 most backward districts that were notified under the NREG Act (NREGA) on 2 February 2006, 130 additional districts were notified in the financial year 2006-07. The remaining 266 districts had been notified on 28 September 2007, where the scheme had come into effect from 1<sup>st</sup> April, 2008. Adequate funds for this have been made available. The districts to be notified will start preparations to transit to NREGA. The universalisation of the Act ahead of the schedule is a vindication of the positive impact it has had on the rural poor and reflects the government's unflinching commitment of improving the condition of the rural poor.

The implementation of the Act has generated employment for 2.10 crore rural households in the first phase districts during 2006-07, creating 90.50 crore person days of work. Of the total number of beneficiaries, more than 60 percent belonged to the ST and SC groups, and 40 percent were women. With due focus on creating durable assets, eight lakh works were taken up, of which 54 percent pertained to water conservation and water harvesting. As against the employment demanded by 12.79 crore rural households, 4.98 crore households had been provided wage employment during 2013-14. A budget allocation of Rs. 33,000 crore (including NER component) was made for 2013-14 and Rs. 29885.92 crore had been released on 2014.

There is also an increasing evidence of the reduction in distress migration and improvement in land productivity. An amendment to the schedule of the Act now permits works pertaining to land development, horticulture, plantation and minor irrigation on the landholdings of not only SC/ST families but also all BPL families, thereby directly linking wage employment with agricultural productivity.

Utmost priority has been given to vigilance and monitoring. Concurrent monitoring of all NREG scheme districts is undertaken through independent monitors, and independent monitoring studies have also been undertaken. Programme processes are sought to be made transparent through social

audits, which actively involve civil society organisations. The Right to Information (RTI) Act has been effectively used for enhancing the efficacy of the NREG schemes. This has created a congenial environment for ensuring public accountability. All critical data has been placed in public domain through a web enabled management information system (MIS). The first time, muster rolls are being placed on the website for citizen scrutiny.

The NREG scheme holds high promise for strengthening the SHC movement synergistic linkages between the NREG scheme and SHG can be mutually beneficial. The implementation of NREG scheme in Andhra Pradesh shows how SHGs can be involved in the preparation of a list of persons available for work, identification of shelf of projects and executing the works under NREGA. Integration of the existing Area Development Programme (ADP) with NREG scheme and facilitating interaction between the NREG scheme and SHG federations would go a long way in promoting people centric approach to poverty reduction.

The space available here does not permit any evaluation of the wage employment programmes launched in India from time to time under different names. It would suffice to say that all these programmes had very little dent of the problem of chronic unemployment in rural areas, particularly the tribal and other backward areas.

## Results and Discussions

### Awareness about the other facilities

Some specific facilities are being included under the MGNREGS to be provided by the concerned officials at the time of executing of different works. They are safe drinking water, shade for children, period of rest and first aid box with adequate material for emergency treatment for minor injuries and other health hazards connected with the work. The information relating to the implementation of these facilities in the study area is presented in table 1.

**Table 1:** Awareness of sample respondents on facilities at worksite in the Ananthapuramu district  
N=150

S. No	Facilities	Opinion	
		Yes	No
1	Safe Drinking Water	120 (80.00)	30 (20.00)
2	Shad for small children and periods of rest	115 (76.67)	35 (23.33)
3	Available First Aid box at work site	145 (96.67)	05 (03.33)

Source: Field Survey

The table 1 clearly shows that, the higher proportion of selected sample respondents (96.67%) are reported that the provision of first aid box is being provided by the concerned officials during the times of execution of MGNREGS works in the study area. Regarding the implementation of the provision of safe drinking water is being providing by the concerned officials during the times of execution of MGNREGA works in the study area are represented 80 percent. It is also found that, in work place shade for small children and period of rest facilities are provided and it's represented 76 percent of sample respondents.

### Source of information

At the outset information relating to the source of information through which the respondents came to know about the implementation of MGNREGS activities in the study area has been ascertained. In this context five important sources are identified. They are neighbors, officials like Filed Assistant, Technical Assistant, Programme Officer (PO), District Project Officer (DPO) who are directly associated with the MGNREGS activities in the selected district, village leaders like Ward Members, and Political leaders, Media like news papers and TV and Sarpanch of the particular selected villages.

**Table 2:** Sources of information to the sample respondents relating to MGNREGA activities

S. No	Source	No. of Respondents	Percentage to total
1	Neighbors	15	10.00
2	Officials	89	59.33
3	Media	12	08.00

4	Village leaders	09	6.00
5	Sarpanch	25	16.67
	Total	150	100.00

Source: Field Survey

The statistical information related to the source of information through which the sample respondents received information about MGNREGS works in the study area presented in the table 2. The table reveals that the concerned officials who are directly associated with the programme became the major source to 59 percent of total respondents. Similarly 16.67 percent of total respondents came to know about MGNREGA through the sarpanch. These two sources emerged as the major sources of information to the respondents. Among other sources 10 percent of the total respondents are aware about the MGNREGA through their neighbors. Others came to know about MGNREGA through their village leaders and media. This analysis shows that, along with the concerned officials and village sarpanchs are playing prominent role in popularizing the ongoing MGNREGA activities in the study area.

**Issuing of job cards**

**Table 3:** Distribution of sample respondents by issuing of job cards in the study area

S. No	No. of Days	No. of Respondents	Percentage to total
1	<10	122	81.33
2	11-20	18	12.00
3	21-30	10	06.67
	Total	150	100.00

Source: Field Survey

The statistical information regarding the number of days accounted to issue the job cards are presented in table 3. From the table, it can be noticed that a higher proportion 81.33 percent of total respondents received their job cards in less than ten days, which reflects the success of the programme. It is reported by 12 percent of the respondents are received their job cards in between 11-20 days. The proportion of the respondents who had received job cards in more than 20 days is found negligible (06.67%).

**Selection of works**

According to the norms of MGNREGS the work to be undertaken under MGNREGS in a particular village has to be decided in Gramsabha. However, either the Gram panchayat or Gramsabha should not participate directly in the execution of MGNREGA works. The entire MGNREGS works has to be executed and the works have to be assigned to the workers only, by the concerned officials like field assistant and programme officers. In the study area statistical information is obtained from the respondents about the selection of works to extend and the information is presented in table 4.

**Table 4:** Distribution of respondents by selection of work according to norms of MGNREGS in the study area

S. No	Work allotted	No. of Respondents	Percentage to total
1	Gram Panchayat	05	03.83
2	Programme Officer	07	04.67
3	Field Assistant	138	92.00
	Total	150	100.00

Source: Field Survey

The table shows that, 92 percent of the works are being allotted by the concerned officials relating to the MGNREGS. Particularly, by field assistant who is ultimately responsible for execution of MGNREGA works this is against the stipulation that Panchayat Raj institutions should decide the nature of work to be exempted. This analysis revealed that the MGNREGS work are allotted to the workers purely by the concerned field assistant and the intervention of Panchayat Raj institution (PRI) and other institutional sources is found to be negligible.

**The frequency of payment of wage**

In case of MGNREGS, workers are to be paid weekly or in any case not later than a fortnight. Payment of wages is to be made directly to the person concerned in the presence of independent persons of the community on pre-announced dates. The information, nature of payment of wages in the study area are collected and presented in the table 5.

**Table 5:** Distribution of sample respondents by the frequency of payment of Wages in the study area

S. No	Source	No. of Respondents	Percentage to total
1	Weekly	118	78.67
2	Fortnightly	32	21.33
	Total	150	100

Source: Field Survey

It is found that a higher proportion (78.67%) of the respondents received wages through weekly payment. The remaining workers received their wages in fifteen days. This analysis showed that the concerned officials of the MGNREGS in the study are trying their level best to provide the stipulated weekly payment of wages.

**Distance between work place and native place**

Following the norms of MGNREGS work is to be provided within a radius of five kilometers of the applicant's residence if possible and in any case within the block. If work is provided beyond five kilometers travel allowance has to be paid. The information relating to the implementation of this provision in the study area is presented in the table 6.

**Table 6:** Distance between native places to work place of sample respondents

S. No	Distance (in Km)	No. of Respondents	Percentage to total
1	<0.5	55	36.67
2	0.5-1	68	45.33
3	1-2	12	08.00
4	2-3	15	10.00
	Total	150	100.00

Source: Field Survey

It can be noticed from the table 6, that all the works executed under MGNREGS in the study area are taking place below the radius of five kilometers. Among the table sample, 45 percent of the sample respondents reported that the work spot is below one kilometer, the proportion of respondents reported the distance is below half kilometer are

recorded 36 percent of the respondents. Only 18 percent of the sample respondents reported that their distance between one to three kilometer in the study.

### **Conclusion**

The direct transfer of wages into workers' bank accounts is a substantial protection against embezzlement, provided that banking norms are adhered to and that workers are able to manage their own accounts. MGNREGA workers had a fairly positive attitude towards bank payments, and an interest in learning how to use the banking system. While the rushed transition to bank payments (in 2008) created a certain amount of confusion and chaos, the prospects of effective use of banks as a payment agency for MGNREGA seems reasonably good. Further MGNREGA wage payment through bank and post office also helps to speed up financial inclusion and it could create wonderful impact in the rural areas, provided it is properly implemented with maximum participation of the local people.

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