The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) - An Overview

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Abstract
Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) was introduced in 2006 by the Government of India to provide 100 days' assurance employment for the poor rural citizen to make their employment security. The Mahatma Gandhi NREGA sponsors various schemes for helping rural people below the poverty line for the construction of wage employment and productive assets, but this scheme has either both advantages and disadvantages due to many reasons; hence, this study reviews the clear perspective of people on this above system. Besides, the purpose of this study is to provide an overview of the MGNREGA scheme for easy access and reference by researchers, which will be supportive for a policymaker to advance the scheme. Keywords: Mahatma Gandhi, MGNREGA, Employment, Rural scheme, Rural employment, Village development

Introduction
India is the second most populated country in the world after China, with its 1,380,004,385 populations. India is a federal union including 28 states and 8 union territories, for a total of 36 entities. The states and union territories are further subdivided into 673 districts where around 69% live in rural areas (Census of India, 2011). A vast majority of the people living in rural areas are dependent on agriculture and related work. Since the share of agriculture and allied sectors in Gross Domestic Product (GDP) continues to drop over the last few decades and currently standpointsis14%, therefore, occupation generation in rural areas constantly has emerged as one of the most critical socio-economic issues in India in recent years M. Mathur (2008). Also, as a signatory to the United Nations Millennium Development Goals (MDG), unarguably, rural occupation is a major concern for the Government of India (GOI) and its policymakers. In this situation, poverty mitigation in rural areas through occupation generation will help to meet the first-millennium development goal (MDG, 2000) of reducing by half the percentage of the people living less than a dollar a day by 2015. In response to the growing poverty and unemployment in rural areas, the Indian parliament passed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 7th September 2005 for the betterment of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment (NREGA, 2005) in every financial year to each household Sugapriyan and S. Prakasam (2015).
After passing the act, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme was launched in 200 particular districts in India in 2006-07 and it was expanded to additional 130 districts during 2007-08. MGNREGA is the largest law-assisted social welfare scheme in the world for employment generation. In the study on empowering lives through MGNREGA, United Nations Development Program (UNDP) exactly mentioned (UNDP, 2011) that “Six years since its commencement, this law has exposed extraordinary promise Nisar Ahmad (2013). It has brought the ‘right to work’ to the front stage of the discussion on social protection MGNREGA symbolizes a significant advance concerning the temporary and emergency-based public works tradition. Ministry of Rural Development, GOI, is the nodal agency for the execution of the scheme. MGNREGA scheme has finished nine years of implementation, during which it has expanded to all 673 districts. MGNREGA guarantees a minimum of 100 days of employment to each rural household whose adult members are prepared for unskilled manual work at a statutory minimum wage rate fixed by the respective state/union territory (UT) governments. Besides they promised to provide guaranteed wage employment to all rural household, MGNREGA also aims to offer sustainable rural livelihood through a renewal of natural resource base, i.e., augmenting productivity and creation of durable physical assets such as rural connectivity to provide them all-weather access roads, flood control and protection works, water conservation and water harvesting, drought proofing, etc. The inexpert works allowed under this scheme seek to address the causes of constant rural poverty like deforestation, soil erosion, and drought so that the employment generation is sustainable. The women workforce partaking under the scheme has already crossed the statutory minimum necessity of 33% and the data suggests an increase in trend at the national level. Since the commence of the scheme, women’s participation has been around 48% (NREGA at a Glance, 2015). The MGNREGA scheme is a centrally sponsored scheme on a cost-sharing basis between the GOI and the respective state Governments Merin S (2013). The GOI takes up all costs except 25% of the cost of material and wages (NREGA, 2005) for semi-skilled/skilled workers, unemployment allowance, and administrative expenses, which are to be generated by the state Government. Since its beginning in 2006, GOI has so far allotted a total amount of $46 bn (approx.). The scheme has generated 18.64 billion person-days of employment covering about 50 million households every year (NREGA at a Glance, 2015). The MGNREGA is the most ambitious and largest social welfare scheme for the rural employment generation. Although the scheme has given out a satisfactory result, there are certain problems related to its performance across different states of the country in generating rural employment, increasing wage earnings, women participation, enhancing productivity and promoting equity, and also differences in spending the allotted money by the states. Comptroller and Auditor General (CAG), supreme constitutional auditor of India, in its performance audit reports (CAG, 2013) of the scheme created some serious concerns such as lack of public awareness, mismanagement, and institutional incapacity associated with the efficient and effective implementation of the scheme Sarabjeed D (2017). GOI is dedicated to addressing these problems regarding the efficiency and resource utilization raised in various performance audit reports.

GNREGP constitutes more than half the ministry’s outlay of total expenditure. In the 2018-19 budget, more than 45 percent of the Rural Development Department’s expenditure is estimated to be on this flagship program. The Government allotment for GNREGP increased from Rs.33,000 crores in 2013-14 to Rs.55,000 crores in 2018-19. GNREGP accounts for the highest allotted in rural development schemes executed by the government of India during the last ten years.

Through MGNREGA, the government of India has effectively included a sustainable rights-based poverty reduction program into the Indian Constitution Pahari, M. (2017). The program has been improved rapidly in a short space of time and now reaches over 50 million households (since its commencement in 2006) in 691 districts in the country.
MGNREGA and Gender Justice

Asymmetry in gender relations at household and society levels in social, economic, and political spheres in rural India has been a serious issue for all their development occupations. It has become a critical obstacle in achieving the declared goal of economic growth with social and gender justice. Gender discrimination persists in many sectors resulting in fewer economic opportunities, less job security, and lower pay than men Panda, B. (2017). In rural areas, the vast majority of women earn money in small-scale agriculture, lack secured access to land and credit markets and affected by a denial of social security benefits. Discrimination holds back socio-economic progress and it is one of the major reasons for non-achievement of the Millennium Development Goals (MDGs). Investment and thrust on the gender equality dimension in all the development programs and projects predict the dual advantage of addressing widespread social and economic dissimilarity and accelerating the overall growth and development with justice Bravo-Baumann (2000).

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) (2005) is involved in the labor market with built-in gender bias. The Act aims at improving the livelihood security of households in rural areas by promising them at least one hundred days of guaranteed wage employment in a financial year to each household whose adult members volunteer to do unskilled physical work. The scale of finance, the universalization in targeting, and the minimum one-third coverage of women are expected to make a significant dent in the gender-related problems.

The study carried by Goetz A. (2007) points out that in a patriarchal society, achieving gender justice is a herculean task. Social progress and inclusive economic growth are essential for improved gender relations. The public interventions, more so the rights-based and gender-sensitive ones, high sex ratio, and gender-sensitive delivery system, can pave the way towards a socioeconomic environment that can decrease gender injustice. Awareness about interventions such as MGNREGS and active participation in planning and organization has proved to be efficient in learning and asserting the rights of women workers. The women with a high share in MGNREGS employment and also a high share in household profits could access resources and obtained control over the same.

MGNREGA for Rural Women

The introduction of the MNREGA program should lead to greater labor force participation of women, either on the extensive or intensive margin or Afridi et al., (2012). A rise in women’s labor force participation can enhance women’s say in the intra-household distribution of resources. Now women are likely to have different uses of their time than men. An increase in women’s earned income is likely to translate into greater weight being attached to their preferences in resource allocation decisions of the household. However, in a sharply divided society across caste and religion, the benefits of participation in the labor force for women might not be even across caste and religion. Usually, Women face different kinds of family problems, cultural restrictions on mobility, and social interactions Trishna Kalita (2010), Mahapatra (2010). Women belong to “upper caste” (UC) face more of social or religious custom prohibiting on mobility than women belong to “scheduled caste” (SC) community. Greater poverty implies a higher dependence on female earnings Kapadia, (1997). As a result, SC women face fewer social restrictions due to their financial crisis and, they are allowed to earn in different occupations, and enjoy greater financial independence from their husbands, and increased control over household financial decisions relative to UC women Mencher, (1988). Notably, these restrictions on female independence among UCs are not limited to the wealthy Eswaran et al., (2009). Relative to Hindus, Muslims in India place more restrictions on women’s contact with those outside the sphere of kinship Field et al. (2010). In general, the return from participation in MNREGA will be highest for those women whose mobility and social interaction are least impeded by conservative social norms. Field et al. (2010) have challenged this view. They argued that if any intervention enhances knowledge base, or challenge traditional norms of gender, then return from that intervention may be highest for those women impede most by conservative social norms. It may be interpreted as
a non-monotonic effect of restrictedness across caste and religion.

A study carried by Arghya Kusum Mukherjee, (2018) specifies the similarity in the household’s socio-economic characteristics across social groups; the difference across the groups in their response to MNREGA participation is severe. One possibility is that MNREGA has attracted a highly selected UC women sample who were especially responsive to MNREGA. If social restrictedness becomes an obstacle for gaining knowledge, and participation in MNREGA allowed UC women to challenge existing gender norms to increase their agency, then why Muslim women, who are most restricted by social norms, did not react more to the MNREGA than SC women. One explanation of the result is non-monotonicity in the effect of social restrictions. Participation in MNREGA helped women whose agency had been held down by social restrictions, but women subject to great oppressions had too little agency to change aspirations or deeds. Anthropological studies show a different relationship between gender inequality and caste inequality. However, some recent studies have unmasked the concept of so-called more autonomy of low caste women. Low caste women are deprived of financial assets. There are numerous constraints on their safety, autonomy, and dignity Deshpande, (2000). This is evenly true for the women of the Muslim community. Women are placed within households, and households are placed within the macro environment. If there are policies, like equal wage across gender, equal rights on the paternal asset, reservation for women in different public bodies, making the macro environment more favorable for women, then the bargaining axis will be tilted toward women within the household. The dignity of a woman also depends on the perception of the society for women, which is most inflexible to alter.

MGNREGA and Water Management

The MGNREGA is a novel departure from conventional welfare schemes of the GOI, with an inclusive approach to livelihood generation through the establishment and restoration of natural resource financing and the improvement of rural infrastructure and the economy. The rationale of this massive and holistic mission was to serve the unserved habitations in terms of basic infrastructural needs. The list of permissible works, which comprises eight thrust areas, was initially adopted in 2005 and later expanded by many other schemes during 2013 (Ministry of Rural Development, 2012; NREGA, 2013). Water conservation and management, Drought proofing mainly through irrigation canals, including micro and minor irrigation works, afforestation, Irrigation facility to lands owned by the underprivileged, Renovation and de-silting of traditional water bodies, Land development, Flood control, as well as drainage in waterlogged areas and Construction of all-weather rural roads, including culverts.

However, Initially, the expectations from the MGNREGA were not completely realized because the returns from the assets were not uniform throughout the country. The gains were positive in favorable pockets, but they were marginal in disadvantageous situations, the reasons being mostly generic. During the last six years, the work taken up by MGNREGA has opened up greater livelihood opportunities for both genders without any inequalities through the increased availability of wage income. Still, the issues related to physical assets and their performance levels are not enough. Most of the constructions are non-durable, mainly due to inadequate time frames and a lack of fund utilization Bassi and Kumar, (2010) for essential maintenance of the facilities. The inappropriate selection of work is one of the main reasons for the partial success and cost overruns. For example, the selection of the plants’ verities for drought-proofing will be incorrect. Inadequate management during execution has added to this problem, and the main aim of the MGNREGA has been lost Pankaj, (2012).

The study carried by Banhi Chakraborty (2014) indicates that the planning and functioning of developmental interventions under the MGNREGA have progressed a long way in transforming into a sustainable one from the declining economy in the last years. The project has brought many positive modifications to the rural environment through the investment of nearly INR 400 million a year for building several productive stocks. Still, the main drawback of this project is that it failed to bring an
effective return. The incorporation of schemes was necessary, but these suffer from a lack of prudence in completing. A substantial number of examples of uncontrolled numbers of water structures without adequate catchment area, inadequate sizes leading to insufficient storage capacities, and planting of non-indigenous plant species causing additional depletion of water reserves in water-scarce areas can be found, eventually resulting in low rates of return. Dreze and Khera, (2009). The building of sound rural assets would have been a significant achievement if a plan having negligible scientific approaches were designed well in advance based on principles usually adopted in modern construction practices. Here, the concern is more about customization based on local requirements than on cutting-edge design or construction techniques. For example, the minimum customization measures adopted for road construction under PMGSY of 2000 could have been considered by the MGNREGA to generate better results. In brief, it is argued that a more diversified intervention with due flexibility or adjustability in an application at the micro-level is expected to bring about the novelty of the MGNREGA program.

MGNREGA and Politics

The call for bringing politics back in development studies often resurfaces in both academic and donor’s circles (Hickey, 2008; Leftwhich, 1994, 2005; UNDP, 2002; Whitehead & Gray-Molina, 2003) and today, there is wide acceptance that development is “an inescapably political process” (Leftwhich, 2005) and that it “cannot be understood, analyzed, or managed without clear recognition of the roles of politics and institutions in shaping what happens” (Reich & Balarajan, 2012). In fact, in recent years, an increasing number of works appeared, linking politics and development (Harris, et al., 2004; Manor, et al., 2012; Mosley, et al., 2012). A great deal of attention has been given to the state’s role (Corbridge, et al., 2005) and, more generally, to how institutions shape development processes (Houtzager & Moore, 2003). Far less attention has been given to the influence that powerful political actors implement on such processes, showing how the actions and interactions of the state’s institutions (both formal and informal) on the one hand, and the interaction of political dynamics and political leaders’ agency on the other, influence the execution of India’s Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the prime antipoverty scheme in the world.

The Indian Parliament approved the MGNREGA unanimously in August 2005, after a complex and somewhat peculiar policy process (Chopra, 2011; Dreze, 2010). It was the Congress party-led United Progressive Alliance’s flagship scheme. The program was launched in February 2006 in the 200 most backward districts and by 2008 progressively expanded to the whole country. As the name suggests, the MGNREGA is a legal assurance of employment. Each adult residing in rural areas has the right to demand and acquire employment in local public works within 15 days of the demand and is paid a (relatively) decent minimum wage. Every household is entitled to up to 100 days of employment per year. Practically every investigation, the scheme, although marked by some significant ambiguities, has had a profound impact on rural India, significantly ameliorating the living circumstances of the rural poor people (Ministry of Rural Development, 2012). MGNREGA is an example of a “post-clientelistic” policy (Manor, 2010), namely, a government. The MGNREGA contains the toughest transparency and accountability measures a poverty scheme has ever seen; it bans contractors. By not putting an upper limit on expenses, it makes employment a non-excludable good, thus drastically reducing the role of political brokers in guaranteeing the poor’s access to the scheme, in other schemes that are insulated to a significant level from intrusions by politicians seeking to diverge public resources and distribute them through their patronage networks. As such, it contrasts to a great extent with anti-poverty policies of the past, whose object was often the opposite, i.e., oiling patronage networks down to the local level in the absence of effective party organizations. As this paper will show, the MGNREGA is a “post-clientelistic” policy does not mean that the program is completely isolated from politics. Not surprisingly, the MGNREGA had few supporters from the Congress party itself. As Congress’s Vice President, Rahul Gandhi, put it in a confidential conversation, “why should my MPs from Uttar Pradesh support the
MGNREGA when they are all contractors?” To win the “battle for employment guarantee” Khera (2012), a huge amount of political energy was used by the supporters of the act, which includes few politicians, many civil society activists, and some bureaucrats.

A study was done by Diego Maiorano (2014) conclude the crucial importance of the commitment of the political leadership for development schemes to have a chance of achievement. More particularly, in the case of Andhra Pradesh - as well as in other establishing countries Manor et al., (2012), it is the commitment of the political leaders at the apex of the system (the chief minister in our case) that is extremely critical. His backing was crucial for the administrative apparatus to have the necessary autonomy, authority, and resources to affect the scheme, sometimes against the wishes of the state’s political class. Further, the chief minister’s actions were crucial to change the very perception of the state’s welfare schemes, from a way to amass wealth by powerful actors to a device to re-win elections. If one compares the MGNREGA’s performance with that of the Food for Work scheme (also known as the “Loot for Work” scheme), it is difficult not to conclude that the shift was radical. The path dependency literature has highlighted how such shifts from a path to a new one often occur in times of crisis Houtzager & Moore, (2003). Here the crucial element seems to be the election result and the subsequent establishment of a chief minister who used his prominence within the party and in the government to bring about considerable change in the way development policies are executed. Or, in other words, to abandon a path and commence a new one, which will be politically very expensive to dump, as the two chief ministers that succeeded YSR understood. Second, it is important to stress that YSR was re-elected in 2009; this is an extraordinary political achievement Elliot, (2011). Between 1980 and 2008, more than 75% of the current governments in India faced defeat at the elections. YSR put in place a very simple and yet, very smart political strategy.

On the one hand, he invested massively in Rural Development schemes in financial resources and political energy. He made sure that these remained clean and reached the planned beneficiaries. On the other hand, he did not renounce to loot the public exchequer and share the profits with his accolades. As a result, his popularity among the rural poor increased while he was able to amass huge wealth for himself and his party.

Conclusion

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the world’s largest social welfare scheme in India for poverty alleviation through rural employment generation. It may be worth mentioning here that social and economically weaker sections (SC&ST population) and women are the priority groups in this scheme. Social development and inclusive economic growth are necessary for improved gender relations. Public interventions, more so the rights-based and gender-sensitive ones, high sex ratio and gender-sensitive delivery system, can pave the way towards a socioeconomic environment that can reduce gender injustice. It can be concluded that mobilization, education, and organization of poor women would help in making effective demands on the delivery system and making it more responsive and responsible. These are the necessary and important conditions for achieving the objectives of MGNREGS good governance and gender justice.

The building of sound rural assets would have been a significant achievement if a plan having minimal scientific approaches were designed well in advance based on principles usually adopted in modern construction practices. Here, the concern is more about customization based on local requirements than on cutting-edge design or construction techniques. For example, the minimum customization measures adopted for road construction under PMGSY of 2000 could have been considered by the MGNREGA to produce better results. In brief, it is argued that a more diversified intervention with due flexibility or adjustability in an application at the micro-level is expected to bring about the novelty of the MGNREGA program.

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This review is useful to guide policymakers and governments to identify the sources of inefficiency in the MGNREGA scheme and to fix optimal targets to improve their performances in the future. It can also be used as a policy document to accomplish well in the future.

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