

# Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Critical Analysis of Its Performance since Its Inception

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**Abstract – Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was implemented and came into force on Groundhog Day, 2006. It had been the primary act of its kind within the world wherein an economic safety net is provided to around 2/3rd of the population through a right to figure. The size on which it's been provided is simply mindboggling, engaging around 1/10th of the entire world population. It had been second during a series of right based policies Government of India has unrolled within the past decade. It's clear that the program is not any bright side but have several clouts related to it.**

**Keywords: MGNREGA, Policy Evaluation, Objectives, Design, Consistency, Effectiveness.**

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## INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was implemented and came into force on Groundhog Day, 2006. It had been the primary act of its kind within the world wherein an economic safety net is provided to around 2/3rd of the population through the proper to figure. The size on which it's been provided is simply mindboggling, engaging around 1/10th of the entire world population. It had been second during a series of right based policies Government of India has unrolled within the past decade. The others are the proper to Information (RTI) Act, the proper to Education (RTE) Act, the proper to Food Act etc. passed in 2005, 2009 and 2013 respectively.

It was implemented during a phase wise manner; with the primary 200 most backward districts covered in phase I clinical trial i.e. 2006-07. The phase II clinical trial included 130 additional districts and therefore the final phase covered the remaining rural districts. However, questions are raised about the timing and purpose of the act, its design and structure, about the logic of state intervention in labour market in an era of liberalization, likely impacts of the programme on asset creation and economy and its overall success.

## AN ANALYSIS OF ITS DESIGN, OBJECTIVES & MODIFICATIONS

The Gandhi National Rural Employment Guarantee Act (MGNREGA) was approved by the parliament in its 2005 monsoon session on September 5, 2005. It had been within a year of the formation of the UPA-I

government at the centre and marked the start of the pre-election promise fulfillment of the Congress led UPA-I government regarding measures to strengthen rural India. It had been implemented during a phase wise manner, with the primary 200 most backward districts covered in phase I clinical trial beginning Groundhog Day, 2006. The phase II clinical trial beginning on April 1, 2007 included 130 additional districts and therefore the final phase beginning on April 1, 2008 covered the remaining rural districts. The Act currently covers all the 645 rural districts throughout India. It emerged during a context wherein there was economic process without wider reach, when poverty and unemployment were increasing, and agriculture and rural economy were in distress (Sharma,2010).

## OBJECTIVES OF MGNREGA

The primary objective of the act is to supply a minimum level of household security to the agricultural households by providing right to figure on demand i.e. a minimum of 100 days of unskilled labour. The gazette document of MGNREGA (2005) outlines the first objective of the act as:

"An Act to supply for the enhancement of livelihood security of the households in rural areas of the country by providing a minimum of 100 days of guaranteed wage employment in every fiscal year to each household whose adult members volunteer to try to unskilled manual work and for matters connected therewith or incidental thereto."

MoRD (2014) outlines the opposite objectives of the Act, which include creation of productive

assets both of prescribed quality and sturdiness by providing wage employment, strengthening the livelihood resource base of the agricultural poor, proactively ensuring social inclusion of girls SCs and STs, and strengthening the Panchayati Raj Institutions (PRIs). The PRIs perform a lively part in formulation, implementation and monitoring of the scheme. MoRD (2012, 2010) also stated the auxiliary objective of the act as strengthening natural resources management (NRM) through works that address causes of chronic poverty like drought, deforestation and erosion to make sure sustainable development. Moreover, strengthening grass root processes of democracy and infusing transparency and accountability in governance were also mentioned as process outcomes. MoRD (2014) doesn't mention these auxiliary objectives and process outcomes.

### **PERFORMANCE TILL DATE: AN ASSESSMENT**

The performance of MGNREGA has been wiped out accordance to the objectives outlined in NREGA (2005) and MoRD (2014). it'll be assessed on the parameters of the power of the program to supply employment to the agricultural poor resulting in their livelihood security; its ability to make sure social inclusion of the marginalized especially women, SCs and STs; its performance on financial grounds; and its performance on works taken and completed resulting in asset creation for the agricultural areas. Table 3 depicts the performance of MGNREGA on the utilization provided to the agricultural poor for ensuring their livelihood security. The entire number of job cards issued has shown a rather increasing trend from 2009-10 onwards after covering all the agricultural districts. The work card issued is for a period of 5 years. From 2009-10 to 2013-14, under MGNREGA a complete number of 61.24 crore job cards are issued, which is nearly 50% of the Indian population. The size of coverage of MGNREGA has been remarkable.

From 2009-10 to 2013-14, the entire employment provided has been 24.6 crores, which is 40.17% of the entire job cards issued. The figure are often only 40.17% due to two reasons, first, several persons whom the work card was issued belonged to an equivalent household and second, the government's inability to supply employment to the people that demanded jobs under MGNREGA. Such a coffee figure indicates inability on the a part of the govt to supply for employment under MGNREGA to several people.

### **DISCUSSION & CONCLUSION**

There are several intended also as unintended impacts of the MGNREGA program on the economy both at the regional level also as at the national level. There are regional variations within the impact also with the Act proving a boon for states of Bihar and Jharkhand, two of the foremost

backward states of the country while having negative impacts on agricultural economy of states like Punjab, which depend tons on migrant laborers for his or her peak agricultural seasons. At the national level, on one hand it are often seen as a financial condition strategy and on the opposite an enormous burden on the fiscal expenditure. Mann & Pande (2012) & Ghosh (2009) however argue that it's served asan effective instrument for distribution and reduction of income disparity.

This section examines the impact of MGNREGA on rural areas and therefore the local economy. It discusses impact of the scheme on rural wages, agrarian economy, aspects of community assets creation and challenges in making it productive, women employment, distress migration etc. Sinha & Mukherjee (2010, 2013) determine positive impact of MGNREGA on the income of the poor. JPMorgan (2011) validates an equivalent by showing a big increase in rural wages post-MGNREGA. Shah and Jose (2009) discuss aspects of asset creation both in terms of opportunities and challenges. They note that the enhancement of wages with coupling of productive asset creation may be a common path taken by employment programs both in India and out of doors. Their argument is that increase in wages including capital enhancement within the rural economy can step up both demand also as productive capacities having positive impacts on poverty reduction also as overall economic process of the country. This is often very true for a rustic like India where agriculture provides livelihood to most of the population. They conclude that while MGNREGA has the potential of accelerating the productive capacities of the agricultural economy, there must be sync between planned economic process and MGNREGA to possess positive impact on local economy.

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