

MGNREGA: An Analysis of Work and Wages Provided to Rural Unemployed

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Abstract

Government of India has taken numerous initiatives to fill the gap between the labor increase and employment generation. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) can be called upon as the harbinger of them all. MGNREGA is the act which provides guaranteed work, along with decent wage to the rural unemployed. It is the first ever employment guarantee scheme of its kind, with such a wide coverage and potential. Present paper endeavors to highlight the achievements of MGNREGA, in providing source of livelihood to the poor and unemployed, in rural areas at their very doorstep. Along with this, it also focuses on the extent and type of work, done under the statute of MGNREGA and how far the scheme has been able to achieve the target of poverty alleviation and its overall impact on the structure of employment of rural areas in India. It also tries, to measure the maxim of work with skill pertaining to the operation of MGNREGA. Present paper also tries to focus on the role and functioning of District Development and Coordination and Monitoring Committee (DISHA) in evaluating the contribution of MGNREGA, in providing employment opportunities to the rural poor and the extent of their reach and working.

Keywords: MGNREGA, DISHA Rural India, Rural Employment, Rural Growth, Poverty Alleviation, Rural Development, etc

Introduction

India lives in its rural areas. It is the land where agriculture is the mainstay of economy, where more than two thirds of its population earns its livelihood. The act of MGNREGA holds the primary objective, of providing work for every poor of rural area, in a guaranteed manner and gives him a decent source to earn his livelihood. Since the inception of independence, India has endeavored to provide employment, to its rural poor and eradication of poverty, prevailing amongst the rural poor. It has initiated numerous programmes for the achievement of the same, but with very little success. It has come up with many other initiatives to eradicate poverty and ensure employment, though many failed without making much mark. Mahatma Gandhi National Rural Employment Guarantee Act initiated in year 2005, is the first ever initiative of the government of India which has led to such a widespread coverage and the first ever statute guaranteeing the provision of work to the people residing in rural areas. This act is one of its kind and is a milestone enactment, which has been passed in the whole history of India. This has made right to work a legal obligation and has provided the much needed employment relief to the rural poor in India. during the time of pandemic, as of now the act has created tremendous job opportunities for the people of rural areas and the people who have migrated to the homelands in the exodus as a result of carnage inflicted by the corona pandemic. But a very imperative question comes to the scenario of employment provision, during the times of corona pandemic, where this act has been able to contribute in limited capacity. The paper explores different viewpoints regarding the operation of the act, in different regions of India and its contribution in different states, in area of employment generation.

Review of Literature

There have been many researches, pertaining to the role of MGNREGS, in providing employment to the growing populations around the world and in India specifically, there has been plethora of research and evidence. Some of the most important and relevant researches are being presented as under in gist:

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Sarala, T. (2015) in her work has highlighted the importance of MGNREGS initiatives to eradicate the problem of poverty and destitution in rural India. She has also studied the effectiveness of lowering the rate of suicide and depressive tendencies in rural unemployed. The initiatives undertaken by MGNREGS help the people, who reside in rural areas and do not have any access to other employment opportunities, by providing them much needed employment, at their very doorsteps. She concluded her research by commending the initiatives of MGNREGS in lowering the rate and magnitude of unemployment in rural areas of India.

Deshbandhu, S. (2015) stated in his work that MGNREGS has gone to every possible extent to provide employment opportunities to the people of rural India and taking care of their wellbeing in every respect. The MGNREGS can be called upon as the real saviors of rural unemployed, as they provide the much needed source of livelihood to people who do not find any respite from the shackles of poverty and destitution and live their lives in doldrums.

Brahmananda, P. (2016) noted in his work that MGNREGS have helped not only the people residing in rural areas but also the system of the country as a whole. It is owing to the initiatives undertaken by MGNREGS that the pressure of government has reduced to great extent. MGNREGS provide employment to rural unemployed and in this manner they help the rural people to remain in their natural habitat and thwart their migration to cities in search of livelihood. This puts off the unnecessary pressure on civic amenities and leads to lesser pressure on local government and the municipal facilities of the cities.

Jaikumar, M. (2016) pointed towards a very important fact, regarding the working of MGNREGS during the times of crisis in economy where MGNREGS have come up as rescuers by taking care of the rural areas and people residing in them. It is one of the most powerful initiatives undertaken by the government to eradicate poverty from the rural areas and facilitate proper living of people living in rural areas. It has taken care of the rural areas during the times of emergencies and crisis in the economy along with the economic downfalls, which have cropped up from time to time to shatter the economic backbone of Indian economy.

Mathur, Devesh. (2017) emphasized the concept of ease of providing employment by the schemes of MGNREGS in rural areas where people fail to find any respite from hunger and are forced to migrate to cities, in search of food and livelihood. They normally end up living in slums, which are much worse than their condition in rural areas. MGNREGS take care of rural unemployed in the original habitat of unemployed people and reduce their cost of living by preventing their migration to cities in want of food, clothing and shelter.

Tejas, D. (2017) in her research work laid emphasis that more initiatives similar to MGNREGS should be undertaken by the government to make proper utilization of the potential of the demographic dividend that resides in rural areas. If the labor force

of the nation lies unutilized and is not put to some productive work it may lead to creation of negative tendencies among the youth and lead to eruption of their negative thoughts and results in destruction of the democratic machinery that guarantees proper and respectable living for every individual in Indian society and economy.

Objectives of the Study

The paper is humble attempt to throw light on the need and scope of MGNREGS in upping the level of living of rural people by providing them the much needed source of livelihood and wages at their very doorstep. The paper has certain underlying objectives which have acted as guiding torches for the course of study under present paper.

Following objectives have been undertaken to study the role of MGNREGS in providing fruitful jobs to the people residing in rural areas:

1. To study the employment generation capacity of MGNREGS in rural areas.
2. To study the decrease in provision of employment opportunities by MGNREGS.
3. To study the discrepancies in rate of employment generation by MGNREGS during the Corona Pandemic.

Data and Methodology

The study in general uses secondary data from different published resources and websites, for the purpose of analyzing the situation. With the collected data, it discusses how MGNREGS can be utilized to provide employment to rural unemployed, and reduce the pressure on government and the civic authorities by taking the help of MGNREGS initiatives. It also discusses how MGNREGS is generating employment to help economy, fight the corona pandemic specifically and unemployment in general.

Contribution during Corona Pandemic

The carnage inflicted by the corona virus had a devastating impact on almost all the sectors and states of the economy of India along with the whole world. Despite the grim situation in all the states some states could sail safe and maintain good employment rates. The state of Odisha, Tripura and Uttarakhand witnessed a fall in unemployment rates in their economies. According to the economist, Dr Soumya Kanti Ghosh, the low unemployment rates in these states can be attributed to effective implementation of Rural Job Schemes in these states and provision of employment to the people, who migrated from urban to rural areas. The MGNREGS generated 57 percent of the projected person days and in some states like Andhra Pradesh, Chhattisgarh, Odisha, Telangana and West Bengal the ratio is quite high. This amply indicates the effectiveness of MGNREGS in employment generation in these states. As per the data presented by CMIE, barring the state of Telangana all the states saw dip in employment rates from 29.9 percent to 15.3 percent, or remained stable in the period covered during March 2020 to May 2020. The state of Tripura witnessed the sharpest dip in unemployment rates which fell from 29.9 percent to 15.3 percent. The state managed to provide work to 85 percent of its applicants under the MGNREGS.

The economy of Tripura depends majorly on

agriculture and allied activities along with some other activities like, brick kilns, tea garden and small trading activities which resumed after lockdown. People also moved towards fishing and poultry farming, reported the labor official of the respective areas.

In Odisha the unemployment rates raised from 13.1 percent in March, to as high as 23.8 percent, which declined significantly to 9.6 percent in May 2020. More than 5 lakh migrant workers have returned and they found respite in the scheme of MGNREGS. According to Rajesh Patil, director of special projects in Odisha Panchayati Raj Department, "More than 14.5 lakh have been engaged under MGNREGS everyday between April and May."

Jharkhand is the state which has truly borne the brunt of corona pandemic. The unemployment in the state went up from 8.2 percent in March to 47.1 percent in April 2020 and this again increased to reach a high figure of 59.2 percent, because the construction trade and transport activities have virtually come to a standstill in the state (Times of India).

As per a report published in times group MNREGS has 302 percent increases in number of workers, since last year
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In an endeavour of UP government, under the Chief Minister of state, Shri Yogi Adityanath Ji job creation was ordered under the Mahatma Gandhi Rural Employment Generation Scheme (MNREGS). This worked really well for providing employment to multitude of migrant workers returning to UP. The NREGS absorbed more than five lakh worker with the help of five lakh new job cards that were prepared by the scheme.

The scheme has acted as a powerful tool to provide a source of livelihood to millions of migrant workers, during these testing times both for people and government of the respective states. May 2020, saw 302 percent rise in number of workers engaged under the scheme, as compared to the number of workers engaged in the year of 2019.

The state of UP has engaged more than 60 lakh workers, which is more than 18 percent of total employment in the country under MNREGS. Rajasthan contributed to 17 percent with 53.45 lakh workers, followed by Andhra Pradesh which contributed to 12 percent with 36.58 lakh workers, and west Bengal and Madhya Pradesh both contributing 8 percent at 26.72 lakh and 23.95 lakh workers respectively.

Mgnregs Contribution to Employment

Mondays Generated	10 core+
Workers Engaged	60 lakh+
Total Number of Workers to be Engaged	1 crore+
Ups Share Nationally in MNREGS	18 %

The Uttar Pradesh has also tried its hand in other sectors like construction and has signed a MoU with industry for creation of 11 lakh jobs in one year. In Uttar Pradesh, there are 3,083 projects worth Rs. 41,750 crore, operating under PWD where 41,468 workers had been employed

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The CEO of CMIE Mahesh Vyas, said "The big gain in employment is happening in rural India. And, it may see bigger gains in the months to come or at least sustain the current gains." According to him the unemployment rate dropped to 7.26 in rural India in June 2020. This rate of unemployment is lower than what existed in the pre lockdown period. On March 22 the rate was 8.3 percent. He further added that the person days of jobs created in may shot up to 565 million days which is 53 percent higher than the 370 million person days of jobs, created under the scheme in May 2019. It was 2.55 times the average monthly person days of jobs created in 2019-20. He further said that as per the survey in May 2020, 33 million households benefitted from the scheme, this again is higher than the number of households that benefitted a year ago.

Areas That Need Improvement

As per the article published in June 23, 2020 by Subodh Ghidiyal in Times of India, the report generated by a Central Audit, came to some very dismal conclusions about the condition of the work status of MGNREGS. The work generated by the MGNREGS, remains just 50%, of what is entitled to be given to the unemployed, who are supposed to be covered under this scheme. The audit report also provides data pertaining to the functioning of District Development and Coordination and Monitoring Committee (DISHA), which is responsible for overlooking and implementing the Schemes, churned out by the central government, for the betterment of the poor and downtrodden by providing them livelihood opportunities. The committees are virtually dysfunctional and have been recommended to be revived by the audit.

Before the insertion of DISHA the District Vigilance and Monitoring Committee had the oversight mandate, of the schemes which are run by the Rural Development Ministry, which came under the monitoring authority of DISHA, after the year of 2016. DISHA was made accountable for monitoring the 41 schemes introduced by central government. These schemes covered areas such as education and food security to the rural development.

The demand for work is huge among people but MGNREGS is able to provide only half of what is in demand. As per the common revives mission 2019 which was commissioned by the R&D ministry, the average work given per household was just 48 days in comparison to 100 days of annual work, as entitled by the scheme. The work that was provided on average basis per household stood at 50 days in the year of 2018 and 45 days in the year of 2017. Even for the year of 2013 the work stood at 45 days on average basis per household. This lower labor has been attributed to less need for distress labour among rural poor.

The report also brought forward staggering news that the wages provided under this scheme are lesser than the corresponding minimum wages of states (TOI). It says: "A study may be undertaken for reviewing the wage rate under MGNREGS and the reasons why number of days of work provided per

household is less than half of the entitlement despite the fact that in several places visited by Common Reviews Mission (CRM), the demand for more work was articulated.” (TOI)

The report of the Times of India TOI noted on June 3, 2020 that the demand generated by the scheme even in the pandemic hit season was lower than normal. The average work provided on per household basis remained at only 17 person days.

The Common Reviews Mission (CRM) further stated that DISHA has presented a very dismal picture of its operations and its functioning is marred by irregular meetings, poor processes and lack of actions on its recommendations. DISHA even fails in any purposive monitoring and implementation of schemes it is responsible for.

The news published in TOI on June 24, 2020 reported that according to the figures published by the Centre for Monitoring Indian Economy (CMIE), for the post lockdown period, the unemployment rates fell back to the rates which prevailed in pre-lockdown period in March the rates of unemployment in India, stood at 8.75 percent which went up to 23.5 percent in April and May and were at peak with a figure of 27.1 percent on May 3, 2020 (TOI). In a report published in Times of India, Rural to Rescue: CMIE, following figures pertaining to unemployment were presented.

1. Unemployment rates dropped from 17.5 percent to 11.6 percent, in the first three weeks of June 2020 and have come down to 8.5 percent.
2. The urban joblessness rate stood at 11.2 percent during the above mentioned period.
3. Rural joblessness rate dropped to 7.3 percent lower than the pre-lockdown period, which ended on March 22, 2020, when it was 8.3 percent. The person days of jobs created by MGNREGS, in May 2020 shot up to 565 million, 53 percent higher than the 370 million person days, under the scheme in May 2019.

Findings

The paper has studied the real nature and extent of employment provided by the MGNREGA initiatives. It has also studied the role played by MGNREGS in reducing the rate of employment in India's rural areas and reducing the magnitude and extent of poverty and hunger which is crippling the masses living in rural areas. The paper has derived certain findings which are given as under:

1. The MGNREGS has been the best ever initiatives, undertaken by the government of India which promise guaranteed work and wages to unemployed in rural areas and provide them source of livelihood in their nearby vicinity of their homes.
2. MGNREGS has reduced the pressure on local and the central government by providing employment to people and thwarting their motives to migrate towards cities to end up in urban slums.
3. The MGNREGS has reduced the need for capital resources, which is still not available to India in required quantity. There is lesser need for capital resources to create industries and employ unemployed people.

4. The MGNREGS has been providing guaranteed employment opportunities to people living in rural areas and has worked towards the betterment of rural people and has contributed towards elevating their quality of life.
5. In recent times MGNREGS has been unable to operate at the extent which they are capable of and are operating at nearly fifty percent of their capacity.
6. DISHA which acts as the monitoring authority for the employment initiatives, undertaken by the government has been in effective.

Suggestions

Present paper has endeavored to highlight the magnitude and extent of employment opportunities provided by the MGNREGS initiatives. The MGNREGS has been one of the best acts which have provided employment opportunities, to the people living in rural areas and has done service in lowering the level of incidence of poverty in those areas. Still there have been shortcomings and loopholes in its operations, which if plugged can lead to far better results, available at present.

Given below are certain suggestions which if adopted, can improve the quality and quantity of employment opportunities provided by the MGNREGS in rural area and make the best utilization of resources devoted towards the scheme:

1. There should be an agency to overlook the working of MGNREGS and report the working to some other authority which monitors the working of this act.
2. Random checking of the sites should be done, to check the number of workers working on the proposed site.
3. Authorities who are designated as in charge of particular region should be held responsible for and type of underlying discrepancy.
4. Strict action should be taken, for any type of discrepancy if found and social disgrace should be inflicted upon the very authority, for misusing the post and the resources which are meant for the poor unemployed youth of rural areas.
5. Funds should be directed towards providing onsite technical support to people who come to work on different sites of employment, so that they get skilled in a better manner and work with better efficiency and dexterity.
6. Authorities should also look into, the possibility of providing technical training and self employment workshops, so that they become trained and capable and try to open some small venture of their own and create employment for them and provide employment to others who are unemployed.

Conclusion

The paper highlights the effectiveness of the initiatives undertaken by the act of MGNREGA. The paper basically looks in to the extent and magnitude of work opportunities provided by MGNREGA and eradication of poverty and destitution from the rural areas. It is a matter of great relief that policies like MGNREGA are active in providing employment to the people of rural India. The working of MGNREGS

ensures huge amount of employment to the labors residing in rural areas and who are planning to drift towards the urban habitats, just to find them up in another ditch of poverty and hunger, in the form of rural slums. It also throws light on the fact that the MGNREGS have been able to provide lesser number of jobs in recent times and they are struggling hard to make it possible for everyone to get source of employment in rural areas.

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