

# Evolution of Mahatma Gandhi National Rural Employment Guarantee Act, 2005

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**Abstract** - The Government of India initiated an honest number of Programs/schemes for poverty alleviation and to reinforce the socio-economic status of the agricultural people, especially after attainment of independence. To satisfy the objectives of rural development, wage employment Programs are launched as a technique. However, these Programs have suffered from some deficiencies and due to which Programs have failed to achieve the set objectives. So as to realize sustainable growth and to overcome the deficiencies of earlier development Programs, Government of India (GoI) launched right's based and wage employment guarantee Program namely Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the year 2005 which confers right to employment for 100 days a year to each household, with the last word objective of making public assets and removing poverty in rural areas. The role of MGNREGA is vital in the economic growths of the poor. This paper aims to understand the evolution of the act and the need of the introduction of the act.

**Key Words:** MGNREGA, Rural Development, Urban Planning, Guaranteed employment

## 1. INTRODUCTION

The National Rural Employment Guarantee Act 2005 (NREGA) renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the most pragmatic approach to the problems of rural poverty and unemployment. In fact, the Scheme ensures the economic security of the rural poor by providing guaranteed wage employment. MGNREGA has positive impact on employment pattern of women too. MGNREGA works are largely focused on land and water resources which include: water harvesting and conservation, soil conservation and protection, irrigation provisioning and improvement, renovation of traditional water bodies, land development and drought proofing. The study is an attempt to understand the necessity of such act. The act came into picture after many revisions and modifications in the previously introduced act/scheme/plans.

## 2. Body of Paper

Government of India has haunted various measures to beat the matter of poverty and unemployment and has launched various programs of the poverty alleviation and rural development through wage employment Programs such as **Rural Manpower Programs (RMP)** was haunted in thirty two rural development blocks on pilot basis in 1960-61. It had been first wage employment Program of the country and in 1964-65. The Program was extended to 1000 rural development blocks of the country.

The most objectives of the Program was to supply 100 days employment to at least 2.5 million persons by the top of 3rd plan especially within the areas exposed to pronounced seasonal unemployment and underemployment. The resource

constraints limited the scope of the scheme and only little over 20 percent of the outlay of Rs.150 crore could be provided and therefore the Program was delivered to an end in 1968-69 resulting in generation of 137 million mandays of employment.

In April 1971 another Program namely Crash Scheme for **Rural Employment (CSRE)** with an annual outlay of Rs.50 crore, was launched with an objective of providing employment to at least 1000 persons in each of 350 districts per annum through labour intensive works and creation of durable assets. Although CSRE achieved its immediate objective of providing employment opportunities (actual employment generation was 315.9 million mandays against a requirement of 315 million mandays), the advantages both in term of direct employment and assets creation were found too widely scattered. And there was lack of designing and most of the assets created under the scheme were non-durable in nature. The implementation of RMP and CSRE led to the belief that more concerted efforts got to be made at least in some selected areas to obviously show the impact of the scheme providing for financial condition which successively would give useful reasons for future Programs.

Thus, alongside CSRE, another Program namely **Pilot Intensive Rural Employment Programs (PIREP)** was launched in 1972 and implemented in 15 selected rural development blocks for three years. The essential objectives of the Program was to supply additional employment opportunities to unskilled labourers, creation of assets which have a multiplier effect on meeting new job opportunities on a continues basis, creation of new skills through project work on the sight and attempted some sorts of main power budgeting with regard to wage seeking labour with a view to evolve a comprehensive Program for the remainder of the country. The project completed its term of three years and generated 18.16 million mandays of employment.

**The Drought Prone Area Program (DPAP)** was started as **Rural Works Program (RWP)** in 1970-71 in 54 DPAP units cover 13 States within the country with an aim to mitigate the severity of scarcity conditions by organizing labour intensive and production oriented works so on generate additional employment in rural sector and therefore the Program was renamed as Area Development Scheme during fourth Five Year Plan and was operated in 8 districts and further extended to 160 districts during fifth Five Year Plan.

**Food for Work Program (FWP)** was started as non-plan scheme to reinforce the funds of government for maintenance of structure on which large investments had been made within the past by utilizing available stocks of food grains. The essential objectives of the Program were to get additional gainful employment to variety of men and ladies in rural areas to enhance their incomes and consequently their nutritional levels and to make durable community assets to enhance rural infrastructure. Keeping in sight these objectives a complete employment of 979.32 million mandays was generated during the year 1977-78 to 1979-80. And subsequently Program suffered a setback due to the explanations, first the Program continued on a year to year

basis and due to which uncertainty prevailed the State Governments weren't ready to complete the requisite technical and administrative support for effective implementation.

Secondly there was no attempt by the states to formulate a shelf of projects which could take under consideration the local needs and will also slot in with overall priority for blocks/districts where the Program was implemented and thirdly for want of a provision in many nations to finance the fabric components of the works and also to offer a part of wages in cash, the tendency was to require up Kaccha Roads on an outsized scale, which were of non-durable in nature, which subsequently resulted the revamp and restructure of the Program and accordingly Program was renamed as **National Rural Employment Program (NREP 1980)** with an aim to alleviate poverty through generation of additional wage employment within the villages. And also to expand and improve the agricultural infrastructure as a supportive think about promoting economic process and social betterment.

The entire employment generation under the scheme was 1775.18 million mandays. The mid-term appraisal of the 6th plan acknowledged that tough core rural poverty, particularly concerning employment opportunities for the landless during lean agriculture periods had to be tackled during a more direct and special manner. The funds for this Program were shared 50:50 between Union Government and State Governments.

The most features of the Program were:

a) Works of area people were identified and priorities were to be established within these, 25 Percent of the allocated funds were to be spent on social forestry and 10 Percent were earmarked for works of direct benefits to scheduled castes and scheduled tribes. Only upto 6 Percent might be spent to satisfy the executive expenses.

b) A shelf of projects was proposed by **District Rural Development Agency (DRDA)** and after local consultations about the requirements of the communities and also of the weaker sections.

c) Under the direction of District Rural Development Agency (DRDA) and supervision of **Block Development Officer (BDO)**, the panchayats were expected to execute the projects and as far as possible contractors and middlemen weren't to be involved in it.

An evaluation of the Program conducted by **Program Evaluation Organization (PEO)** of designing Commission indicated that the advantages were by and large getting to the category of poor for whom the scheme was launched. However, certain deficiencies of the Program don't make it so fruitful because the shelf of the project/ works wasn't prepared systematically, contractors were being employed, projects weren't distributed equally in several areas and employment generated was being in need of duration.

Thereafter another Program **Rural Landless Employment Guarantee Program (RLEGP)** was launched in August 1983 to affect the issues of wide spread poverty among economically very depressed class of rural people, the landless workers. The Program was fully funded by Central Government. The essential objective of the program was to enhance and expand employment opportunities for the landless persons with a view to supply employment for a minimum of one member of every landless household for about 100

days during a year and to make durable assets for strengthening and expanding rural infrastructure as a support for economic growth and social development.

The Program was entirely funded by the Union Government. Funds were to be earmarked for social forestry, rural housing (**IAY**) and construction of rural sanitary latrines. Miscellaneous works which could even be undertaken were minor irrigation, exploitation, construction of faculty buildings and link roads etc. The Program met an equivalent fate due to deficiencies like providing of 100 days of employment, mal administrated within the implementation of the Program etc.

Subsequently within the year 1989 (last year of seventh plan) **Jawahar Rozgar Yojana (JRY)** Program was launched by merging NREP and RLEGP. The scheme was being implemented with a funding pattern of 80:20 between Centre and State and just in case of Union Territories the whole funding was provided by Central Government. The scheme has undergone modifications during the years 1993 and scheme was being implemented in three different streams referred to as 1st Phase which operated throughout the country, 2nd Phase which was operated in 120 identified backward districts and 3rd Phase which is project specific.

The 2 sub schemes of the GRY namely **Indira Awas Yojna (IAY)** and **Million Wells Scheme (MWS)** were a part of 1st Phase. The JRY was meant to get meaningful employment opportunities for unemployed and under employed in rural areas through the creation of economic infrastructure and community and social assets and therefore the scheme was again modified in January 1996 with the changes. The evaluation of JRY Program also reveals that variety of defects were notified within the implementation of the Program.

As a result, Government launched a replacement scheme namely **Employment Assurance Scheme (EAS)** on 2nd October 1993 covering 1,752 backward blocks of 257 districts mostly in DPAP/DDP/Tribal and hilly areas where **Revamped Public Distribution System (RPDS)** was operational. The EAS may be a centrally-sponsored scheme with the Central Governmental providing 75 Percent of the funds and states 25 Percent to supply employment within the form of manual add the lean agricultural season. The works haunted under the Program were expected to steer to the creation of durable economic and social infrastructure and address the felt-needs of the people. The first objective of the Program was to supply a gainful employment during the lean agriculture period within the sort of manual work to all or any able bodied adults in country who are in need of employment but cannot find it either in farm sector or in allied operation. It had been envisaged that the first objective of generating additional gainful employment might be achieved through creation of economic infrastructure and community assets. Since its inception EAS was grown in size and strength. As compared to its coverage of 1752 blocks originally in 1993 with small central allocation of 600 crore, it's grown to hide 3206 blocks as on 1st April 1996 with an allocation of Rs.1970 crore for 1996-97.

#### **Sampoorna Gramin Rozgar Yojana (SGRY)**

JGSY and EAS, which aimed toward the creation of employment opportunities in the rural areas were revamped and merged under the new Sampoorna Gram Rozgar Yojna (SGRY) scheme from September 2001 with an annual outlay of Rs.10000 crores with the target to supply additional wage employment Program in rural areas as also food security alongside the creation of durable community, social and

economic infrastructure in rural areas. The scheme was self-targeting in nature with special emphasis to supply wage employment to women, Scheduled Castes and Scheduled Tribes. The ratio of funding was 75:25 of the Centre and State. The Program was implemented in two Phases, first Phase of the Program was implemented at district and intermediate panchayats and 50 percent of the funds were earmarked out of the entire funds available under SGRY and distributed between intermediate and Zila Parishads in ratio of 40:60. Second Phase of the Program was implemented at village panchayat level, 50 percent funds of the SGRY scheme was earmarked for this purpose. The whole funds were released to the village panchayats through DRDA/Zila Prishads. Another Scheme namely **Jawahar Gram Samridhi Yojana (JGSY)** was also launched with two objectives:

(a) Primary objective; creation of demand driven community, village infrastructure including durable assets at village level and assets to enable the agricultural poor to extend the opportunities for sustained employment.

(b) secondary objectives was generation of supplementary employment for unemployed poor in rural areas with special safeguards for weaker section of the community and 22.5 Percent of the annual allocation was earmarked for SC/ST individual benefits schemes. And therefore the wage employment under the scheme was provided to below poverty level (BPL) families and therefore the cost shearing between the Centre and State was 75:25 basis.

All the above Programs aimed toward generating wage employment opportunities within the rural areas. However, they suffered variety of shortcomings like, Low allocation and utilization of funds, Less number of days of wage employment per family, Low rate of girls participation, Creation of inferiority assets, Involvement of contractors and use of machinery was reported in some cases, Use of funds was more in capital intensive activities and less in labour intensive activities.

In addition to figure components the legal aspect was missing altogether the earlier rural employment Programs, which made them inefficient in achieving their goals. Many of us often lived under the mercy of Gram Panchayat rather than asking them for employment as a right. During this way all the Programs failed to achieve the specified objectives. It'll be within the fittest of the items to make a reference that our country signed the Millennium Declaration in September 2000, which involves the eradication of poverty and hunger by halving the amount of poor people living on but a dollar each day and people that suffer from hunger. During this way, the Govt. of India (GoI) recognizes these goals as a legitimate policy commitment. These commitments were recognised by the design Commission as a national common minimum Program to mobilize resources for his or her implementation.

All of those Programs aimed to deal with the problems of poverty and employment but suffered from some major flaws in their implementation as they could not provide Social Security to the agricultural poor. To beat the main flaws and deficiencies of earlier Programs the Govt. of India came up with **National Rural Employment Guarantee Act** within the year 2005 by merging SGRY and NFFWP. The act was made applicable to 200 Districts in 2006-07; another 130 were added in 2007-08 and was extended to whole country from April, 2008 onwards.

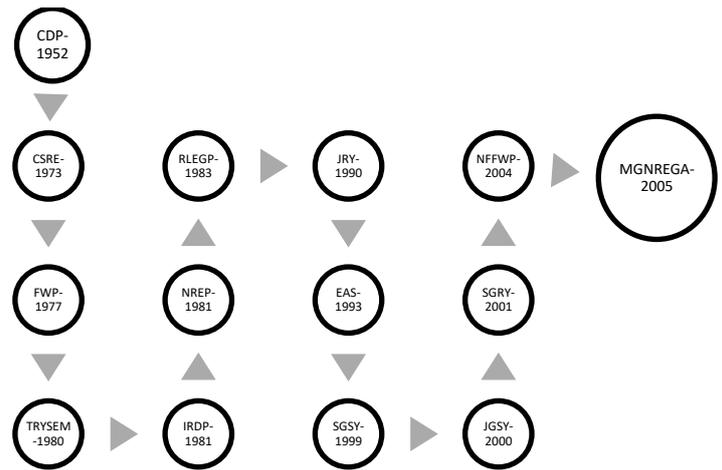


Fig -1: Evolution of MGNREGA-2005

### 3. CONCLUSIONS

Since MGNREGA serves India, MGNREGA is the largest guaranteed employment act across the world. It is specifically beneficiary to the people of our country where majority of the population is dependent upon the agriculture because the lean seasons make the survival difficult for the rural population. Creating social assets using MGNREGA as a tool is the secondary aim of the scheme.

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### BIOGRAPHIES



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