

2. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

I. Background

Evolving the design of the wage employment programmes to more effectively fight poverty, the Central Government formulated the National Rural Employment Guarantee Act (MGNREGA) in 2005. With its legal framework and rights-based approach, MGNREGA provides employment to those who demand it and is a paradigm shift from earlier programmes. Notified on September 7, 2005, MGNREGA aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 130 additional districts in 2007-2008. All the remaining rural areas have been notified with effect from April 1, 2008.

1.1 Salient features of the Act

- **Right based Framework:** For adult members of a rural household willing to do unskilled manual work.
- **Time bound Guarantee:** 15 days for provision of employment, else unemployment allowance
- Upto 100 days in a financial year per household, depending on the actual demand.
- **Labour Intensive Works:** 60:40 wage and material ratio for permissible works; no contractors/machinery.
- **Decentralized Planning**
 - Gram Sabhas to recommend works
 - At least 50% of works by Gram Panchayats for execution
 - Principal role of PRIs in planning, monitoring and implementation
- **Work site facilities :** Crèche, drinking water, first aid and shade provided at worksites
- **Women empowerment:** At least one-third of beneficiaries should be women
- **Transparency & Accountability:** Proactive disclosure through Social Audits, Grievance Redressal Mechanism,
- **Implementation**

Under Sec 3, States are responsible for providing work in accordance with the Scheme. Under Sec 4, every state government is required to make a scheme for providing not less than 100 days of guaranteed employment in a financial year, to those who demand work

- **Funding**

- Central Government -100% of wages for unskilled manual work, 75% of material cost of the schemes including payment of wages to skilled and semi skilled workers.
- State Government- 25% of material including payment of wages to skilled and semi skilled workers cost. 100% of unemployment allowance by state government

1.2 Non Negotiable

- Only Job Card holders to be employed for MGNREGA works
- To provide employment within 15 days of application
- No contractor
- Task to be performed by using manual labour & not machines
- Muster rolls to be maintained on work sites
- Proactive disclosure of information.
- Wage payments to be through accounts in banks/post offices
- Wage material ratio- 60:40
- At least 50% of the works in terms of cost under a Scheme to be implemented through GPs

2. **Programme Implementation and Outcomes in LWE Districts:** The Ministry is also continually reviewing the implementation of MGNREGA in LWE districts. In FY 2008-09, the average persondays of employment per household was 48 days for the year 2008-09 and 2009-10 and 47 days for 2010-11. 93% of rural households have been provided job cards against the national average of 68% upto FY 2009-10 and over 9% households completed 100 days in FY 2008-09, 2009-10 and 2010-11 as compared to 10 %

households in FY 2008-09, 2009-10 and 2010-11. The women participation rate in these districts is 45%. (See annexure 1)

3 Natural Resource Regeneration and impact on agricultural productivity

- i) The works undertaken through MGNREGA give priority to activities related to water harvesting, groundwater recharge, drought-proofing, and flood protection. Its focus on eco-restoration and sustainable livelihoods will lead over time, to an increase in land productivity and aid the workers in moving from wage employment to sustainable employment. Almost 80% works relate to soil and water conservation. MGNREGA works by their very nature place stress on increasing land productivity, recharging ground water and increasing water availability.
 - ii) Recent amendment of the Act to permit MGNREGA works on individual land of small and marginal farmers who constitute 89% of the farming community, in addition to the individual land of SC/ST/BPL/IAY/ land reform beneficiaries will augment the impact on agricultural productivity and household income.
4. In order to appraise the performance and impact of MGNREGA in a selected sample of districts of Chattisgarh, Orissa, Jharkhand, and Andhra Pradesh, the Ministry commissioned a study by Centre Social Development. The main findings of the study are:
- a. Increase in household income: In LWE areas of Chhattisgarh, Orissa, Jharkhand and Andhra Pradesh, income of rural labour households has gone up as a result of this programme.
 - b. Increase in agricultural wages: In LWE areas of Chhattisgarh, Orissa, Jharkhand and Andhra Pradesh, wages in various agricultural operations have gone up as a result of implementation of MGNREGA. This has led to an increase in fertilizer use, and quality seeds
 - c. Reduction in distress migration: In village Besrapal, located in Bastar District of Chattisgarh, village Nawagarh, located in Gumla District and village Mahel, located in Khunti District of Jharkhand, the incidence of out-migration from the village to distant places for manual works had come down as a result of MGNREGA works.

5. In order to address constraints like timely measurement of works, preparation of shelf of works, and delays in wage payments, the Ministry has taken the following initiatives:

a) Timely measurement of works: Recognizing the need for adequate human resource for timely measurement of work, the Ministry took the following initiatives:

- All activities required to process payment of wages must invariably be completed as per timelines given in the circular of the Ministry dated 29th Oct 2010. This includes; closure of muster on 6th day, MB to be brought to appropriate authority on 8th day or before and so on. Penal provision (Sec 25 of the Act) should invariably be invoked for delays.

A flow chart with time schedule has been suggested to the States.

- I. Closing of muster roll by 6th day after start of the work.
 - II. Bringing muster roll measurement book by 8th day.
 - III. Entry of muster roll in MIS and generation of pay orders by 9th and 10th days.
 - IV. Submission of pay order at the Block post office/bank, generation of information wage slip transfer of pay order at the village post office/bank within 11th and 12th day.
 - V. Deposit of wages in the account of wage earners 13th day.
 - VI. Entry of disbursement of wage into MIS within 16th day.
- As mentioned in operational guideline (section 6.4.4) Mates/Barefoot Engineers who would work under the guidance of the Technical Assistants to help out with the technical surveys and readings, worksite layouts and maintenance of technical records.
 - Executive instructions on deployment of personnel: The Ministry has issued a circular on recruitment of personnel within this 6%. The circular recommends recruitment of 1 Panchayat Development Officer in select Panchayat, 1 technical assistants for every 6000 HHs.

b) Timely wage Payment

- The Ministry is also instructing the states to operationalize the BC model and report regularly on progress. The states are to identify unserved areas for BC model and discuss with banks. The Ministry has also issued executive instructions for appointment of Business correspondent (BC) system
- Many Post Offices do not keep adequate cash amount. Ministry has issues instruction to State that the District Administration should place adequate amounts with all the post offices to facilitate payment;
- District Administration should facilitate transport and security for carrying cash
- Alternate Institutions like SHG Federations, LAMPS, Non-Scheduled Commercial Banks and Private Banks like Cooperative Bank, RRBs, Gramin Banks etc, JFM Groups of proven track records and others could be authorized to act as BCs.
- Pending complete roll out of BCs / Post offices, alternative arrangements such as mobile banking etc should be provided.

C: Social Audits

- Social Audits enable the rural communities to monitor and analyze the quality, durability and usefulness of MGNREGA works as well as mobilize awareness and enforcement on their rights. Social Audit is an important tool by which the people can improve and devise strategies to enhance the quality of implementation of MGNREGA. The Ministry has accorded utmost importance to the organization of Social Audits by the Gram Panchayats and issued instructions to the States to make necessary arrangements for the purpose. The Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011 have been formulated and shared with States/ UTs for Action.

D: work on individual land permitted under MGRNEGA

- Amendment of the Act to permit MGNREGA works on individual land of small and marginal farmers who constitute 89% of the farming community, in addition to the individual land of SC/ST/BPL/IAY/ land reform beneficiaries will augment the impact on agricultural productivity and household income. Following works can be taken up –

Irrigation facility: Construction of Dug well, Farm ponds, Tanka, Ground water recharge structure, Construction/ lining of water courses/ Irrigation channel etc

Land development facilities: Construction of contour/ graded bund, land leveling & shaping, reclamation of saline/ alkaline land, construction of drainage channels, waste land by transporting silt from nearby tank, development of waste land/ fallow land.

Horticulture, Plantation: all activities related to horticulture including nursery raising.

E: District Level Ombudsman

- District Level Ombudsman for effective grievance redressal: The Ombudsman will be appointed by the State Government on the recommendation of the selection committee. Ombudsmen will be well-known persons from civil society who have experience in the field of public administration, law, academics, social work or management. Ombudsman will be an agency independent of the central or state government. The Ombudsman will receive complaints from MGNREGA workers and others on any matters consider such complaints and facilitate their disposal in accordance with law

F: Leveraging MGNREGA for sustainable development through convergence

- In view of the inter-sectorality of MGNREGA, the need to create durable assets and improve livelihood security and the common target groups of certain development programmes with MGNREGA, the Ministry has developed and disseminated convergence guidelines with different Schemes and specific programmes viz. Indian Council of Agricultural Research, National Afforestation Programme and other schemes of the Ministry of Forest & Environment, Schemes of the Ministry of Water Resources, PMGSY (Department of Rural Development), SGSY (Department of Rural Development), Watershed Development Programmes (Department of Land Resources, Ministry of Rural Development) , Ministry of Agriculture and Fisheries and schemes of Ministry of Agriculture. These convergence initiatives have been documented and shared among States.