

MGNREGA

The **Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA)** was notified on September 7, 2005. The mandate of the Act is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work.

The Act was notified in 200 districts in the first phase with effect from February 2nd 2006 and then extended to an additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from April 1st 2007, and 17 districts in Uttar Pradesh (UP) were notified with effect from May 15th 2007). The remaining districts have been notified under MGNREGA with effect from April 1, 2008. Thus, the MGNREGA covers the entire country with the exception of districts that have a hundred percent urban population.

In India, over 70% of the population lives in villages and the rural economy depends heavily on agriculture. Consequently, there is a major problem of seasonal employment and large numbers among the rural population migrate in search of work to other regions during the slack season.

The MGNREGA plays a significant role in this regard by providing a legal guarantee of 100 days of employment in every financial year to adult members of all rural households willing to do public work-related unskilled manual work at a minimum wage. According to the provisions of the Act, work needs to be provided to a person who registers for it within fifteen days of the date of demand, failing which they are eligible to receive an unemployment allowance from the state government. Therefore, the Act acts as a social safety net, provides employment to the poorest and aims at inclusive growth and strengthening of the rural economy.

Objectives of MGNREGA

- The MGNREGA has given rise to the largest employment programme in human history and is unlike any other wage employment programme in its scale, architecture and thrust. Its bottom-up, people centred, demand-driven, self-selecting, rights-based design is distinct and unprecedented.
- The MGNREGA provides a legal guarantee for wage employment.
- It is a demand-driven programme where provision of work is triggered by the demand for work by wage-seekers.
- There are legal provisions for allowances and compensation both in cases of failure to provide work on demand and delays in payment of wages for work undertaken.
- The MGNREGA overcomes problems of targeting through its self-targeting mechanism of beneficiary selection, that is, a large percentage of poorest of the poor and marginalized seek employment under the Scheme.
- The Act incentivises States to provide employment, as 100 per cent of the unskilled labour cost and 75% of the material cost of the programme is borne by the Centre.

- Unlike the earlier wage employment programmes that were allocation-based, MGNREGA is demand driven and resource transfer from Centre to States is based on the demand for employment in each State. This provides an additional incentive for States to leverage the Act to meet the employment needs of the poor.
 - There is also a concomitant disincentive for failing to provide work on time, as the States then bear the cost of the unemployment allowance.
 - Gram Panchayats(GPs) are to implement at least 50 per cent of the works in terms of cost. This order of devolution of financial resources to GPs is unprecedented.
 - Plans and decisions regarding the nature and choice of works to be undertaken, the order in which each work is to be triggered, site selection etc. are all to be made in open assemblies of the Gram Sabha(GS) and ratified by the GP. Works that are inserted at Intermediate Panchayat(IP) and District Panchayat(DP) level have to be approved and assigned a priority by the GS before administrative approval can be given. The GS may accept, amend or reject them.
 - These decisions cannot be overturned by higher authorities, except to the extent of ensuring conformity with the provisions of the Act and its Operational Guidelines.
 - This bottom-up, people-centred, demand-driven architecture also means that a great share of the responsibility for the success of the MGNREGA lies with wage-seekers, GSs and GPs.
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- MGNREGA also marks a break from the relief programmes of the past towards an integrated natural resource management and livelihoods generation perspective.
 - Social audit is a new feature that is an integral part of MGNREGA. Potentially, this creates unprecedented accountability of performance, especially towards immediate stakeholders.
 - An Annual Report prepared by the Central Employment Guarantee Council (CEGC), on the outcomes of MGNREGA is required to be presented annually by the Central Government to Parliament. Likewise, the annual reports prepared by State Employment Guarantee Councils (SEGC) are to be presented to State Legislatures by the State Governments, facilitating oversight by elected representatives.
 - The radically new character of the programme, requires innovative approaches for effective implementation. This will ensure that the novel elements of the MGNREGA are realised appropriately on the ground; at the cutting-edge level of its implementation. These Operational Guidelines have been issued to facilitate this compliance.