

THE ROLE OF MGNREGA IN ECONOMIC DEVELOPMENT OF INDIA

Abstract :

This paper aims to review the role of MGNREGA in economic development of India. It outlines the implementation of MGNREGA in economic development and MGNREGA Goals, Glimpse of MGNREGA Programme, Growth Potentials of MGNREGA. This paper makes special note on Role of MGNREGA in Economic Development of Rural India, Problem of Rural Areas, and Poverty in India. This paper concludes with some interesting findings along with some policy suggestion. **Keywords:** Growth potential, Economic Development, Rural India, Programme.

Introduction

The role of MGNREGA is crucial to the financial growth of India. The National Rural Employment Guarantee Act (NREGA) has been transformed into an increasing number of pressures during the revision of September 7, 2005. The livelihoods of rural livelihoods by providing at least 100 days of guaranteed employment for 12 months to all families whose senior members volunteer to make inexperienced illustrations. The law came into force on 2 February 2006 and was phased in. The main part was converted into within two hundred retrospective regions of U.S. The Act aims to develop sustainable livelihoods and strengthen the livelihoods of the rural poor. The choice of services advised within the Act addresses the causes of persistent poverty such as drought, deforestation, inclusive soil erosion and so on in order to make the technology recruitment process sustainable.

According to Prakash, (2013), the Mahatma Gandhi National Rural Employment Assure Act (MGNREGA) pursues to expand the livelihoods of families in rural India by providing a smallest of hundred days of guaranteed funded employment per financial year for each family whose members volunteer to do untrained work. MGNREGA has grown into a powerful tool for inclusive growth in rural India through its impact on social protection, livelihood security and democratic

The objectives of the Act include:

- Ensuring social protection for the maximum vulnerable human beings dwelling in rural India through supplying employment possibilities
- Strengthening decentralised, participatory planning thru convergence of various antipoverty and livelihoods projects
- Deepening democracy at the grass-roots via strengthening the Panchayati Raj institutions (PRIs) and
- Effecting more transparency and responsibility in governance.

Implementation of MGNREGA

- Older members of rural communities submit their names, ages and photo address to Gram Panchayat.
- Gram Panchayat registers homes after conducting an investigation and issues a work card containing details of the registered senior members and a photo of him.
- The service will be provided in a 5 km area and if it is more than 5 km an additional salary will be paid.
- If employment under the Scheme is not granted within 15 days of receipt of the application, the daily unemployment benefit will be paid to the applicant.

MGNREGA Goals

A strong social safety net for vulnerable groups by providing a back-up source of employment, where other forms of employment are scarce or inadequate. Through the process of providing employment for the causes of chronic poverty such as drought, deforestation and soil erosion, the Act aims to strengthen the natural resources of rural living and create sustainable livelihoods in rural areas. As an example of grassroots governance based on transparency and grassroots democracy, as a new way to do business, MGNREGA promotes conditions for comprehensive growth from wage protection and rural economic restructuring to a dynamic democratic empowerment program.

Glimpse of MGNREGA Programme

The National Rural Employment Guarantee Act (NREGA) was introduced by law on August 25, 2005 and renamed the Mahatma Gandhi National Employment Guarantee Act (MGNREGA) on October 2, 2009 to provide services and provide services for rural communities. The National Rural Guarantee Act (NREGA) was pressured by 200 Indians on February 2, 2006 for positive discussions and optimism. In 2007, 130 more districts expanded, two of which had two impacts since April 1, 2008, two of which were two and two of which were rural areas of India. Mahatma Gandhi National Rural Employment Guarantee System (MGNREGS) is called India's most ambitious poverty alleviation initiative. The program is legally guaranteed for 100 days each fiscal year for seniors in rural families who want to learn community service skills for a minimum daily wage of \$ 120 per day at a 2009 rate. This prison pledge marks a turning point in India's poverty reduction strategy. The same applies to global poverty reduction strategies, as no one in history has given so many such rights. The project aims to strengthen infrastructure such as roads, irrigation and flood protection measures in the two rural areas by integrating rural development and livelihoods Jha, (2012).

Growth Potentials of MGNREGA

The MGNREGA's immediate benefit is the era of employment opportunities in the country's rural economic system. The projects initiated for the provision of rural employment aid in the creation of long-term industrial resources, such a challenge entails the construction of social capital in a variety of areas. MGNREGA's introduction of social capital fits with Ragnar Nurkse's two thesis of constructing social capital in capital-starved overpopulated international locations through the use of surplus labour on a variety of tasks, such as irrigation, drainage, roads, railway housing, and so on. Large amounts of human labour can be absorbed in rural areas through properly planned projects under the MGNREGA, namely

- Soil and water conservation
- Rain water harvesting
- Irrigation and Drainage works
- Flood control
- Watershed development
- Distillation and maintenance of numerous bodies of water, both artificial and natural, and ambitious reforestation programs.

Role of MGNREGA in Economic Development of Rural India

India's economy is the sixth largest in nominal GDP and the third largest in purchasing power parity (PPP). With an average growth rate of about 7% over the last 20 years, the country is one of the emerging economies and one of the G20's major economies. India is also known as an agricultural country because agriculture employs the majority of villagers. Agriculture contributes the most to the country's overall economic development; there is a significant need for development programmes in rural India. To address rural development, the Indian government launched a slew of job-creation initiatives. The Mahatma Gandhi national rural employment guarantee scheme is a major flagship initiative that promotes rural development and job opportunities. The Mahatma Gandhi national rural employment guarantee act aims to improve livelihood security in rural areas by providing at least hundred days of assured wage employment in a economic year to every household whose adult members volunteer to do untrained manual labour. This scheme was promoted by the Manmohan Singh government and is now being carried on by the NDA under Narendra Modi. The budget for 2017 allotted Rs. 48000 Cr. Rural development includes both long-term and short-term goals. Specific activities such as hygiene, agriculture, roads, electricity, health care, skills development, market collaboration, basic facility awareness, digital inclusion, etc.

If a drought-like situation occurs, the rural population receives wages, which should be maintained to prevent migration to cities and to help the rural masses. MGNREGA prioritises labour-intensive tasks such as building infrastructure for water harvesting, drought relief, and flood control, which aids rural economic development. The MGNREGA pays rural employees for work done for rural development. The following are the various works done for rural economic development through the MGNREGA.

1. Conservation of water and water harvesting
2. Drought mitigation, which includes afforestation and tree planting.
3. Irrigation canals, which include micro and minor irrigation works.
4. Irrigation facilities for landowners belonging to SC/ST households or to land of INDIRA AWAAS YOJANA beneficiaries.
5. Renovation of traditional water bodies, including tank de-sitting
6. Development of land
7. Flood control and work protection, including water-logged area drainage
8. Providing all-weather roads in rural areas.
9. Any other work that the Central Government may notify in consultation with the state governments.

The MGNREGA has played a key role in infrastructure development in rural India through these development projects. MGNREGA has resulted in visible changes in rural development in India, such as the development of roads, irrigation canals, and rural housing, among other things. The two main goals of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are to provide 100 days of paid work to all households in need and to create durable goods to enhance the lives of the poor in rural areas. That is. In this regard, legal and operational policies establish some requirements for the work to be performed.

1. The ratio of wages to material costs must be at least 60:40 (Appendix 1 of §9 Law).
2. The list of priority-wise permissible works which can be taken up under MGNREGA should be as indicated in the Act .
3. No use of contractors or machines is permitted (Sections 11 and 12 of Annex 1 of the Law)
4. At least 50% of the work is assigned to the GP for execution (Section 16 (5) of the Law)
5. Administrative and technical approval of all pre-procured works by December of the previous year.

Problem of Rural Areas

As you know, 6070% of India's rural population lives in a primitive state, and more than 66% of the country's workforce is engaged in agriculture. Between 2011 and 2012, about 22 percent of India's rural population fell below the poverty line. People living in rural areas face many problems. Most of them depend on the farm. This is their main source of income, also due to the low level of basic and manufacturing industries. Lack of employment and investment opportunities are other major issues in these areas. Without investment opportunities and equipment, many farms and small businesses will die. Therefore, in the current scenario, a rural development program is urgently needed.

Poverty in India

However, nearly 300 million people continue to live in chronic poverty on less than a dollar per day. Recent Suresh Tendulkar Committee poverty assessments place 37% of the population below the poverty line. Meanwhile the 1970s, the number of poor in India has decreased from around 5 per cent of the population to approximately one-fourth of the population today World Bank, (2011). With a population of over 1.2 billion Census of India, (2011), the number of poor people remains very high. India is classified as a very vulnerable country when measured by purchasing power parity (PPP) as a percentage of the population living on less than \$ 2 a day and as a percentage of workers employed in the informal sector.

ILO, (2010).

The informal sector employs up to 93 percent of India's total labour force, or approximately 370 million people (GESS official website). Workers are vulnerable to exploitation because they are unrecognised and unprotected by law, and there are no unions. Furthermore, over 70% of the labour force is educated below the primary level or is illiterate. In India, the quinquennial rounds of the national sample survey (NSS) of consumption expenditure have been useful in estimating the head count ratio.

The Task Force Report on Minimum Needs and Effective Consumption Demand Forecast Government of India, (1979) investigates dietary requirements specific to age, gender and activity, with 2400 calories in rural areas and 2100 calories in urban and grasslands. The per capita monthly expenditure (MPCE) of 49.09 rupees in rural areas and 56.64 rupees in urban areas was calculated as the poverty line in 1973/74. A group of experts on estimating the proportion and number of poor Government of India, (1993) proposed using independent poverty lines for each state and updating them based on state-specific price fluctuations. This served as the basis for the Ministry of Planning's official poverty estimation. It begins by critically discussing some recent literature. Second, it examines how the extent of poverty will change across states and union territories. It also attempts to bring the potential consequences of these changes on state poverty reduction efforts. Third, it estimates the proportion of the poor, the depth, and the severity at numerous levels of disaggregation such as states, NSS regions, social groups, and occupational categories.

Conclusion

The evidence and observations presented above unambiguously show that the MGNREGA has a visible impact on overall poverty reduction and rural development in India. India is a growing economy with the world's second largest population of more than 120 cores, one-fourth of whom will be poor World Bank (2011). With a population of over 1.2 billion people Census of India, (2011), the number of poor people remains extremely high. The high ratio of people living in poverty indicates a lack of access to government schemes and practices designed for the rural poor, who are the most socially and economically excluded people, and preparing them for inclusion in the scheme. MGNREGA has narrowed the gap between the rich and the poor. The government implemented MGNREGA for people living below the poverty line in order to empower them to meet their basic needs in society. According to the study findings, the scheme had a significant impact on the rural labour market, creating employment opportunities for rural residents and lowering poverty levels in rural areas, particularly among the oppressed and socially excluded.

Reference

1. Azhaiah R, Socio-Economic Determinants of Unskilled workers of MGNREGS: Some, Evidence from Puducherry, India, ISBR Management Journal, Volume1, Issue1, May 2016.
2. N. Nagaraj et al., Impact of MGNREGA on Rural Agricultural Wages, Farm Productivity and Net Returns: An Economic Analysis Across, SAT Villages, Ind. Jn. of Agri. Econ. Vol.71, No.2, April-June 2016.
3. Harish, N. "A Study on the Performance of MGNREGA in Karnataka." Shanlax International Journal of Management, vol. 7, no. 3, 2020, pp. 13–27.
4. Roshni Pandey, MGNREGA and Its Role in Rural Development, International Journal of Scientific and Research Publications, Volume 7, Issue 11, November 2017 198 ISSN 2250-3153.
5. Sarbajit Paul, Role of MGNREGA on Rural Employment Generation and Development: A Descriptive study, RAY: International Journal of Multidisciplinary Studies, Volume I, No. 1, April, 2016, pp. 26-39.
6. Saraswati Majhi, Role of MGNREGA in Rural Development, The Researchers' - Volume III, Issue II, December-2017 ISSN : 2455-1503, International Journal of Research, ISSN : 2455-1503, UGC Journal No. – 64379.
7. P. MARIYAPPAN et al., ROLE OF MGNREGA IN TRANSFORMING RURAL LIFE, Asia Pacific Journal of Research, ISSN (Print) : 2320-5504 ISSN (Online) : 2347-4793, July 2016.
8. Rajiv Ranjan, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Critical appraisal of its performance since its inception, Volume 8 Issue 2, July - December 2016.