



# ROLE OF MGNREGA ON RURAL EMPLOYMENT GENERATION IN J&K: A DESCRIPTIVE STUDY

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**Abstract--**MGNREGA, introduced by the Government of India in 2005, is a revolutionary programme enacted by law which guarantees hundred days of employment in a year to each rural household who is willing to provide unskilled labour. The secondary objective of the programme is creating sustainable assets in rural India which in turn strengthen natural resource management and help to address the issues of chronic poverty in the long run. The programme has created ample opportunity for wage employment among rural masses and set a number of examples in building quality, durable and sustainable asset base in rural India. The MGNREGA was extended to state of Jammu and Kashmir by way of an extension Act, i.e National Rural Employment Guarantee (Extension to J&K) Act, 2007 (23 of 2007). Thus scheme came into force in state of J&K on 6<sup>th</sup> June 2007. In the first phase, three districts, viz. Poonch, Doda and Kupwara were brought within the ambit of this Scheme which has been extended to the districts of Anantnag and Jammu during phase – II and finally to the entire state during the phase III in 2008-09. This paper is an attempt to study the performance of the programme in terms of wage employment generation and asset creation. The present study is based on the official data collected from the Rural Development Department. This paper examines both financial and physical performance of MGNREGA in the J&K by focussing on the issues like, job cards issued, man-days generated, employment provided to households, works taken up and completed. The analysis of the data reveals that performance of the scheme in the State is far from satisfactory and state has to work hard to make the scheme purposeful and goal oriented.

**Key Words:** MGNREGA, Job Card, Man-Days Generated, MGNREGA Households, Gram Panchayat.

## 1. INTRODUCTION

The preamble of the constitution read with Directive Principles of state policy promotes the concept of social justice. Thus Article 38(1) of the Indian Constitution states that “The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, Economic and political shall inform all the institution of the national life”. Similarly in order to eliminate economic disparity Article 38(2) of the Indian Constitution provides: the state strive to minimize the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities not only among the individuals but also amongst groups of people residing in different areas or engaged in different vocations. The Indian Constitution in the Directive Principles of State Policy, has already emphasized that ensuring what is now called “decent work” for all should be crucial focus of state policy. Constitution also provides that “The State shall, within the limits of its economic capacity and development, make effective provision for securing the Right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.”<sup>[1]</sup> Similarly, there is attention to the conditions of work and the level of wages in Article 42 <sup>[2]</sup> and Article 43<sup>[3]</sup>, which state that “The State shall endeavour to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, work at living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities.”

Rights are the condition in which the people get an opportunity for all round development. According to a Political thinker<sup>[4]</sup>. “Rights are those conditions of social life without which no man can be his best self”, Rights create an environment in which individual feels empowered, becomes self confident and develops him or her in the all aspects of life. In this context, India signed the Millennium Declaration in September 2000, which calls for the eradication of extreme poverty and hunger by halving the number of poor people living on less than a dollar a day and those who suffer from hunger. Thus, the Government of India recognized these goals as a legitimate policy commitment and as a result National Rural Employment Guarantee Act (MGNREGA) was enacted in 2005. This act has been hailed as a major initiative in the Government of India’s commitment to providing an economic safety net to India’s rural poor. 71.9% of India’s population still resides in rural areas, therefore the MGNREGA can be thought of as policy to boost rural income, stabilize agricultural production and reduce the population pressure on urban areas.



Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is notified on September, 2005 and implemented all over the country in three phases. The Act was implemented on February, 2006 and is extended to 130 additional districts in 2007-2008. All the remaining rural areas are brought under the purview of the Act with effect from April 1, 2008. The objective of the programme is to provide guaranteed employment on an unprecedented scale, for at least 100 days in rural areas in a financial year, to every household whose adult member volunteers himself for the job, Thus the programme ensures livelihood security for the poor through creation of durable assets, like improved water security, soil conservation and higher land productivity, strengthening drought-proofing and flood management in rural India. The programme thus becomes an instrument of helping in the empowerment of marginalized communities, especially women, Scheduled Castes (SCs) and Scheduled Tribes (STs), through the process of a rights- based legislation, strengthening decentralized, participatory planning through convergence of various anti-poverty and livelihoods initiatives, deepening democracy at the grass-roots by strengthening the Panchayati Raj Institutions (PRIs) and effecting greater transparency and accountability in governance. Besides providing wage employment, its secondary objective is to strengthen natural resource management and addressing causes of chronic poverty as drought, deforestation and soil erosion and thereby to achieve sustainable development. The salient features of MGNREGA are: Self-Selecting, Right based, demand driven approach, bottom up approach, legal guarantee of wage employment, legal provisions for allowances and compensation etc. These distinguish features of MGNREGA make it different from previous employment generation schemes aim to address the rural poverty in India. For rural development, major focus of planning is on absorption of under-employed and surplus labour force of the rural sector.

## 2. SALIENT FEATURES OF THE SCHEME<sup>[5]</sup>

Salient features of the Act are summarized below:

- Adult members of a rural household may apply for employment if they are willing to do unskilled manual work.
- Such a household will have to apply for registration to the local Gram Panchayat, in writing, or orally.
- The Gram Panchayat after due verification will issue a Job Card to the household as a whole. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA. The Job Card with photograph is free of cost.
- A Job Card holding household may submit a written application for employment to the gram Panchayat stating the time and duration for which work is sought. The minimum days of employment have to be fifteen.
- The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- Employment will be given within 15 days of application for work by an employment seeker.
- If employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid. Liability of payment of unemployment allowance is of the states.
- At least one-third of persons to whom work is allotted work have to be women.
- Wages are to be paid according to minimum wages as prescribed under the Minimum Wages Act 1948 for agricultural labourers in the State, unless the Centre notifies a wage rate which will not be less than Rs. 60/- per day.
- Disbursement of wages has to be done on weekly basis and not beyond a fortnight.
- Panchayati Raj Institutions [PRIs] have a principal role in planning and implementation.

## 3. MGNREGA IN J&K

The State of Jammu and Kashmir comprises of three divisions namely, Jammu, Kashmir and Ladakh, and has 22 districts. According to 2011 census the State has a population of 125 lakh. Out of the total population of 125 lakh, 91.35 lakh (72.79 percent) live in rural areas and 34.14 lakh (27.21 percent) live in urban areas as compared to all India level which is 833.1 lakh (68.8 percent) in rural areas and 377.1 lakh (31.2 percent) in urban areas. Jammu and Kashmir like other States of the country is predominantly an agrarian State with nearly

75 percent its population residing in the rural areas and is directly or indirectly linked with this sector for the livelihood.[<sup>6</sup>] Thus, Rural J&K hosts more than 70 percent of the total population, out of which 26.14 percent is below the poverty line (BPL), which in average terms means that out of every four persons, one belongs to the BPL category. Thus, there was obvious need of the programme like MGNREGA in Jammu and Kashmir in order to reduce the poverty level and increase the purchasing power of the rural poor. Recognising this need the MGNREGA was extended to three backward districts (Doda, Kupwara and Poonch) during the first phase in 2006, and was later extended to two more districts (Anantnag and Jammu) during the second phase, and finally to the entire State during the third phase in 2008-09. Initially the National Rural Employment Guarantee Act was not fully applicable in the State until 2007. This was because of the State’s special constitutional status, which does not allow the direct extension of any central Act, unless asked for and approved by the state government. Until April 2007, when the Act was formally extended to the State, the implementation was carried out under the Rural Employment Guarantee Scheme. At present MGNREGA covered 22 districts, 318 Blocks and 4,202 Gram Panchayats (GP).

**4. METHODOLOGY**

This study is descriptive type on the basis of annual report of MGNREGA of various financial years and different independent evaluation studies. The main source of data used for the study is secondary data derived from the website of MGNREGA as well as research studies from different sources. Present study covers the performance analysis of MGNREGA for ten consecutive financial years from financial year 2006-07 to 2016-17 in State of J&K. The performance of MGNREGA is assessed taking into consideration how many jobcards are issued, how many households are provided with employment, total man days of employment generated, works taken up and works completed , the amount of funds available and amount of funds spend.

**5. PERFORMANCE OF MGNREGA**

An overview of the performance of MGNREGA over the last 10 years in J&K is provided in following table:

**Table 1**

	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>Total Job Card Issued (in lakhs)</b>	<b>4.98</b>	<b>6.70</b>	<b>8.33</b>	<b>10.08</b>	<b>10.78</b>	<b>10.83</b>	<b>11.12</b>	<b>11.45</b>	<b>11.77</b>
<b>Employment provided to household (in lakhs)</b>	<b>2.00</b>	<b>3.578</b>	<b>4.7</b>	<b>6.72</b>	<b>7.2</b>	<b>3,27</b>	<b>3.32</b>	<b>6.53</b>	<b>6.28</b>



<b>Total man days of employment generated (in lakhs)</b>	<b>79.25</b>	<b>131.81</b>	<b>203.00</b>	<b>384.48</b>	<b>415.91</b>	<b>337.83</b>	<b>121.09</b>	<b>316.32</b>	<b>320.33</b>
<b>Funds Available (in crores)</b>	<b>146.52</b>	<b>208.97</b>	<b>424.84</b>	<b>904.38</b>	<b>901.81</b>	<b>503.95</b>	<b>468.15</b>	<b>790.33</b>	<b>862.87</b>
<b>Expenditure (in crores)</b>	<b>86.89</b>	<b>197.42</b>	<b>378.29</b>	<b>776.71</b>	<b>850.64</b>	<b>390.54</b>	<b>393.11</b>	<b>770.67</b>	<b>845.67</b>
<b>Works taken up</b>	<b>13,045</b>	<b>30,239</b>	<b>55,918</b>	<b>97,452</b>	<b>1,31,198</b>	<b>75,286</b>	<b>86,627</b>	<b>76,454</b>	<b>69,941</b>
<b>Works completed</b>	<b>7,168</b>	<b>18,892</b>	<b>35,102</b>	<b>62,546</b>	<b>1,00,470</b>	<b>38,146</b>	<b>47,220</b>	<b>60,060</b>	<b>11,818</b>

Source: *nrega.nic.in*

MGNREGA has been very successful to meet its primary objective, employment generation in rural areas in J&K. In the last 10 years, the programme has lifted lakhs of people out of poverty. In a short span of 10 years, the programme provided employment to 6.48845 lakhs of household and about 330.5 lakhs of man days were generated out of which 5.7% are SCs, 15.13% are STs, 23.11% are women and 79.17% constitute others.<sup>7</sup> The analysis of above data shows that 86.04 lakhs of job cards were issued against which 43.598 lakhs of households were provided employment from 2008-2017. Thus only 50 percent of registered households were given employment. This shows the vast gap between the job cards issued and employment provided to households during the time period. The employment generation increased from 40.04 percent to 66.80 percent from the year 2008-09 to 2012-13, but decreased to 30.15 percent during the year 2013-14. But again in 2016-2017 it has increased from 30.15 to 65 percent. Table further shows that during the time period, the scheme could generate 2,310.02 lakh man-days in the state by spending 4689.94 crore as against Rs 5211.82 crore funds available. Thereby revealing that the employment generation in the state has not shown positive results so far and state needs to put a lot of efforts to increase the employment generation. The State of Jammu and Kashmir has taken up 6, 36,160 works during the time period out of which 3, 81,422 (60.05 percent) works were completed. Further, the target of completed works has never crossed 65 percent mark and only during the year 2012-13 the 75 percent works were completed. Study reveals that there is wide gap between the works taken and works completed in the State. The above made analysis of the scheme hence reveals that the scheme has shown slow progress so far in Jammu and Kashmir State.

#### 6. CHALLENGES IN IMPLEMENTING MGNREGA SCHEME

Thus we can visualize that MGNREGA has become one of the most abused programmes, as it has become a source of corruption for some of the people monitoring the scheme and depriving the genuine people of its benefits. MGNREGA has received serious criticism on account of misappropriations and leakages of funds allotted under the scheme. The major challenges experienced in implementing MGNREGA are as follows:-

- Un-realistic and improper planning at gram panchayat level.
- Delay in wage payment
- Funds constraints
- Quality, durability and usefulness of assets
- Low awareness of the programme and less public participation
- Lack of outcome based monitoring
- Poor maintenance of records



- Non compliance of transparency and accountability provisions
- Lack of ICT infrastructure
- Inadequate capacity of the functionaries
- Lack of adequate number of technical staff

#### 7. NEW INITIATIVES TAKEN UNDER MGNREGA

However, in order to overcome these loop holes certain new initiatives have been introduced for the effective implementation of the scheme<sup>8</sup>:-

- There has been an effort to make the bank accounts of the beneficiaries and making these linked with AADHAR. This enables them to receive wages through the Aadhar Payment Bridge (APB), a centralized system for electronically channelizing all government subsidies and welfare programme benefits. Through this system MGNREGA wages can be directly credited without the leakages that the cash payments are normally prone to.
- There is also an effort in improving the quality of MGNREGA spending to the nature of assets created on the ground and to integrate MGNREGA with other 'productive' government programmes, especially related to water conservation and natural resource management. In order to emphasise the need to create productive and durable assets there has been focus on the construction on farm ponds/ dug wells, Anganwadi centres, vermi-compost, Individual Household Latrines(IHL) and roadside plantation. Besides there is considerable thrust on individual asset creation like poultry, goatery and cattle sheds, soak pits etc and various kinds of Integrated Natural Resource Management works.
- There will be mobile-based geo-tagging of MGNREGA assets through linking Bhuvan geo-portal with MGNREGA soft. This will enable tracking of assets created under MGNREGA.
- Providing for skill development of MGNREGA workers for placement based employment under Deen Dayal Upadhyay Grammen Kaushal Yojana ( DDUGKY) and various other rural self employment schemes and capacity developments and provisions for promoting multiple livelihoods.
- Steps for strengthening social audit system through proper operational mechanism of Social Audit Units (SAUs), training of SAUs personal with support from National Institute of Rural Development And Panchayati Raj (NIRD&PR) and conducting social audit through villager social audits/ concurrent social audits by involving women self help groups and other community organizations. The steps are also taken for development of training curriculum for the staff of social audit units, State Resource Persons, District Resource Person, Block Resource Person and village Resource Person.
- Some steps have been taken for updating of job cards, maintenance of proper records at Gram Panchayat (GP) and block level including asset register in all GP offices, job cards in the custody of MGNREGA worker, maintenance of muster roll at the worksite, timely measurement and generation of FTO etc.

#### 8. SUGGESTIONS

- Awareness camps should be held in the villages in relation to different provisions of the MGNREGA scheme so that participation of the unskilled manual labourers can be enhanced. The help of print and electronic media can be sought to spread awareness.
- The department should conduct social audits regularly in order to bring transparency and accountability in the scheme.
- A timeframe should be maintained in order to make sure that works taken up must be completed on stipulated time period without delay
- Department must recruit the supportive staff without further delay so that proper implementation of the scheme can take place at the different levels.
- Local Self Government institutions should be made powerful and effective powers must be devolved to them so that scheme can be implemented properly at the grass root level.
- A separate training programme must be organised for Sarpanchs and Panches in order to make them aware about the scheme.



- Government must fill the supportive staff like Programme Officers, Gram Rozgar Sahayaks, Technical Assistants and Social Audit Coordinators for the effective implementation of the Scheme in the State.

#### 9. CONCLUSION

Overall, the programme has been helpful in generating employment in rural India. It has worked as a safety net in rural social fabric by creating employment opportunities for socially excluded categories and checking seasonal forced migration to certain extent. MGNREGA has not only set good examples in rural India in creating opportunities for employment but also created durable assets in many parts of the country which in turn further improved resource base for livelihoods for rural masses. It has also created scope of strengthening PRIs which are primarily responsible to implement the programme. However, various studies reveal deficiencies in effective implementation of the programme in terms of employment generation and asset creation. Government has been taking lessons from different studies and trying to improve the performance by taking innovative actions. Still, there is scope for improvement in yielding better results of the scheme in future.

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