

**MGNREGA MARCHING TOWARDS ACHIEVING THE MILLENNIUM  
DEVELOPMENT GOALS-AN ANALYSIS**

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**ABSTRACT**

The Government of India enacted the National Rural Employment Act in the year 2005, to provide 100 days of employment to a registered, demanded household in a year, it came in to force on February 2, 2006 in 200 backward districts and implemented in a phased manner in all Districts. The main and foremost objective of the scheme is to eradicate poverty by providing productive guaranteed wage employment and strengthening natural resource management. This objectives addresses the first, third and seventh MDGs, this paper attempts to assess the achievements of the MGNREGA in addressing the MDGs.

**KEYWORDS:** MDGs, MGNREGA, Environmental Sustainability, Gender Equality,  
Eradication of poverty

**INTRODUCTION**

The Millennium Development Goals (MDGs) and targets come from the Millennium Declaration, signed by 189 countries, including 147 heads of State and Government, in September 2000. The eight (8) Goals are : 1: Eradicate Extreme Poverty and Hunger 2: Achieve Universal Primary Education, 3: Promote Gender Equality and Empower Women , 4: Reduce Child Mortality, 5: Improve Maternal Health 6: Combat HIV/AIDS, Malaria and TB, 7: Ensure Environmental Sustainability, 8: Develop Global Partnership for Development. Even after the dramatic Economic growth and a food surplus, the country is still suffering from alarming hunger and is 78 out of 81 in a developing countries study (IFPRI, 2011). Urgent attention is needed by parliamentarians to drive through reforms which improve and save the lives of millions of people. To reduce poverty and end extreme poverty the symptoms of poverty must be considered and understood and stakeholders must be involved in the decision making process so that the solutions are practical and can be implemented. The majority of the Indian population are dependent on agriculture and therefore special attention has been placed on increasing the amount of money invested in the sector. However, for poverty eradication to accelerate, a combination of measures including providing employment and giving equal opportunities in employment, wages and decision making, which all need to be improved urgently so that the vicious circle of poverty is broken. To achieve this The

National Rural Employment Guarantee Act (NREGA) was enacted on 5<sup>th</sup> September, 2005 and came into force w.e.f. 2nd February, 2006. On 31<sup>st</sup> December, 2009, the Act was renamed by an Amendment as the Mahatma Gandhi National Rural Employment Guarantee Act, 2005. The scheme provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. Thus the Act aims at enhancing the livelihood security of people in rural areas. Thus besides providing employment MGNREGA regenerates the rural sector improving infrastructure and enhancing agricultural productivity.

**Poverty Scenario in India:**

Poverty in India is widespread, with the nation estimated to have a third of the world's poor. In 2010, World Bank stated, 32.7% of the total Indian people fall below the international poverty line of US\$ 1.25 per day (PPP) while 68.7% live on less than US\$ 2 per day. According to a new poverty Development Goals Report, as many as 320 million people in India and China are expected to come out of extreme poverty in the next four years, while India's poverty rate is projected to drop to 22% in 2015. The report also indicates that in Southern Asia, however, only India, where the poverty rate is projected to fall from 51% in 1990 to about 22% in 2015, is on track to cut poverty in half by the 2015 target date.

The Arjun Sengupta Report (from National Commission for Enterprises in the Unorganised Sector), based on data between the period 1993-94 and 2004-05, states that 77% of Indians live on less than ₹20 a day (about \$0.50 per day). The N.C. Saxena Committee report states, on account of calorific intake apart from nominal income, that 50% of Indians live below the poverty line.

A study by the Oxford Poverty and Human Development Initiative using a Multi-dimensional Poverty Index (MPI) found that there were 650 million people (53.7% of population) living in poverty in India, of which 340 million people (28.6% of the population) were living in severe poverty, and that a further 198 million people (16.4% of the population) were vulnerable to poverty. 421 million of the poor are concentrated in eight North Indian and East Indian states of Bihar, Chattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal. This number is higher than the 410 million poor living in the 26 poorest African nations. Estimates by NCAER (National Council of Applied Economic Research) show that 48% of the Indian households earn more than ₹90,000 (US\$1,638) annually (or more than US\$ 3 PPP per person). According to NCAER, in 2009, of the 222

million households in India, the absolutely poor households (annual incomes below ₹45,000) accounted for only 15.6% of them or about 35 million (about 200 million Indians). Another 80 million households are in income levels of ₹45,000– 90,000 per year. These numbers also are more or less in line with the latest World Bank estimates of the “below-the-poverty-line” households that may total about 100 million (or about 456 million individuals) In its Ninth Five-Year Plan (1997–2002), BPL for rural areas was set at annual family income less than Rs. 20,000, less than two hectares land, and no television or refrigerator. The number of rural BPL families was 650,000 (6.5 lakh) during the 9th Plan. The survey based on this criterion was again carried out in 2002 and the total number of 3,87,000 (3.87 lakh) families were identified. This figure was in force until September 2006. The poverty line was originally fixed in terms of income/food requirements in 1978. It was stipulated that the calorie standard for a typical individual in rural areas was 2400 calorie and was 2100 calorie in urban areas. Then the cost of the grains (about 650 gms) that fulfil this normative standard was calculated. This cost was the poverty line. In 1978, it was Rs. 61.80 per person per month for rural areas and Rs. 71.30 for urban areas. Since then the Planning Commission calculates the poverty line every year adjusting for inflation. The poverty line in recent years is as follows - (Rs.per month per head) 328 rural and 454 urban in 2000-2001 and 368 rural and 560 urban in 2005-06.

### **MGNREGA OF INDIA**

The Mahatma Gandhi NREGA has become a powerful instrument for inclusive growth in rural India through its impact on social protection, livelihood security and democratic governance. The Act came into force on February 2, 2006 and was implemented in a phased manner. In Phase I it was introduced in 200 of the most backward districts of the country. It was implemented in an additional 130 districts in Phase II 2007-2008. The Act was notified in the remaining rural districts of India from April 1, 2008 in Phase III. (All rural districts were covered under Mahatma Gandhi NREGA) Mahatma Gandhi NREGA is the first ever law internationally that guarantees wage employment at an unprecedented scale. The primary objective of the Act is augmenting wage employment. Its auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and so encourage sustainable development. The process outcomes include strengthening grass root processes of democracy and infusing transparency and accountability in governance.

**Salient Features of the Act.**

(a) Adult members of a rural household willing to do unskilled manual work, may apply for registration either in writing, or orally to the local Gram Panchayat (GP) (b) The unit for registration is a household, each household is entitled to a 100 days of employment every year. (c) After due verification of place of residence and age of the member/s (only adult members are eligible for employment), the registered household is issued a Job Card (JC) within 15 days of registration. Job Card forms the basis of identification for demanding employment. (d) A written application seeking work is to be made to the GP or Block Office, stating the time and duration for which work is sought. (e) The GP will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates, in case employment is not provided within 15 days, the state (as per the Act) will pay an unemployment allowance to the beneficiary. (f) Work is provided within 5 kilometres (kms) radius of the village, in case, work is provided beyond 5 kms, extra wages of 10 per cent are payable to meet additional transportation and living expenses. (g) Priority is awarded to women, such that at least one-third of the beneficiaries under the Scheme are women. (h) At least 50 per cent of works, in terms of cost, are to be executed by the GPs. (i) The cost of material component of projects including the wages of the skilled and semi-skilled workers taken up under the Scheme shall not exceed 40 percent of the total project costs. (j) Contractors and use of labour displacing machinery are prohibited. (k) Work site facilities such as crèche, drinking water, shade have to be provided. (l) Wages are to be paid as per the State-wise Government of India (GoI) notified MGNREGA wages, Wages are also to be paid according to piece rate, as per the Schedule of Rates (SoRs), payment of wages has to be done on a weekly basis and not beyond a fortnight in any case, payment of wages is mandatorily done through bank/post office beneficiary accounts. (m) Water Conservation and water harvesting including contour trenches, contour bundst, Drought Proofing including plantation and afforestation, Irrigation canals including micro and minor irrigation works, Renovation of traditional water bodies including desilting of tanks, Land Development, Flood control and protection works including drainage in water logged areas construction of storm water drains for coastal protection works were given importance while selecting the works.

### **Review of Literature**

Nair K.N et.al(2009) observes that wage rate for women workers in agricultural works has shot up from Rs. 80 to Rs. 110 for a full day's work. Even though many new workers are coming into the rural labour market as a result of the NREGA, many of them are young workers, who are not willing to work in the agricultural sector. The unwillingness of workers to come for agricultural works is mainly due to low wages with more efforts in agricultural works. Rebecca Holmes( 2010)et .al Survey finds that MGNREGA has improved economic status and decision-making power slightly for some women in some households, mostly in terms of their own decision making on what food items they prefer to be bought for household consumption. Rakesh Tiwari et,al,(2011) records that desilting has provided several sustained environmental services, including a rise in the groundwater level, an increase in irrigated area and better soil fertility, thereby increasing food production, and contributing to water and food security in the villages of drought-prone Chitradurga district In Chitradurga, about 62% of the total cultivable land is dry land. Only about 9% of cropland (63,631 ha) is irrigated. Further, 79% of the irrigated land is dependent on tube wells, 9% each on tanks and canals and 3% on open wells. Among the 20 sample villages, this activity was studied, the study revealed that the construction of percolation tanks and check dams under the NREGA in Chitradurga district enhanced environmental services through recharging shallow aquifers, increasing the water available for agriculture, and locally reducing soil erosion by trapping soil in check dams. The direct and major benefits of these structures will be arresting run-off rates and improving percolation. The percolation potential of the villages studied improved by 1,000-28,000 cubic meters a year. A.P. Palanichamy (2011) done a case study on 100 respondents and the chi-square value is less than 0.05, and the researcher concluded that there is Relationship between annual income before joining MGNREGP and annul income after joining MGNREGP. Thus it may conclude that the total annual income progressively changes in the family because of MGNREGP. Hence there are significant changes in income before and after implementing MGNREGP .At the same time he further reports that there is a gap in getting job in MGNREGP and says that all the respondents (100) got employment only for 15 days. HARSIMRAN SINGH (2012) Reports that Women's empowerment was not among the original intentions of the National Rural Employment Guarantee Act (NREGA), and is not among its main objectives. However, provisions like priority for women in the ratio of one-third of total workers (Schedule II (6)); equal wages for men and women (Schedule II (34)); and crèches for the children of women

workers (Schedule II (28)) were made in the Act, with the view of ensuring that rural women benefit from the scheme in a certain manner. Provisions like work within a radius of five kilometres from the house, absence of supervisor and contractor, and flexibility in terms of choosing period and months of employment were not made exclusively for women, but have been conducive for rural women. Nevertheless, women have availed of the paid employment opportunity under MGNREGA in large numbers. S.Krishnan et.al (2012) finds that 77 percent of the respondents spent more than 50 percent of their MGNREGA earned income for food consumption and also reported that they are in a position to fulfil their basic needs from this income. 80 percent of the respondents reports that they save less than 25 percent of their MGNREGA earnings due to their poor economic conditions, he further reports that the water conservation works undertaken under this scheme has directly provided employment and increased area of paddy cultivation from 54 hectares to 71 hectares and pave the way to improve the livelihood and food security of the villagers.

### **Methodology**

The present study follows descriptive and diagnostic method which are sought to examine the current status, interior prospects and performance of MGNREGA scheme in achieving the MDGS. The study is mainly based on secondary data available in the Ministry of Rural Development and [www.mgnrega.in](http://www.mgnrega.in) website, by using simple percentage, standard deviation and coefficient variation. The objective of the study is (i) to analyze the quantum of productive employment generated and their contribution towards increasing the income and reducing the poverty in India. (ii) to assess the Gender equality both in wages as well as in provision of employment Women and gross root democracy in deciding the nature of works to be taken under MGNREGA (iii) to analyze the durable assets created for sustainable Environment of the village economy.

### **MGNREGA and Eradication of Poverty**

The mandate of the act is providing one hundred days of guaranteed employment to each household, wage as per minimum wages Act 1976. The MGNREGA has provided employment to 29.95 crore households in the rural areas and generated 1348.15 crore man days of employment from its inception. So far, 13.66 lakhs Households were provided 100 days of employment that helped these families to come out of poverty. The following table shows the achievements of MGNREGA from 2006-07 to 2012-13.

Performance of Mahatma Gandhi NREGA in Providing Employment (2006-07 to 2012-13)

Item	Year 2006-07 (200 Dist.)	Year 2007-08 (330 Dist.)	Year 2008-09 (615 Dist.)	Year 2009-10 (619 Dist.)	Year 2010-11 (626 Dist.)	Year 2011-12 (626 Dist.)	Year 2012-13 (632 Dist.) UP to 31.12.12
Job card issued	3.78	6.48	10.01	11.25	11.98	12.39	12.54
Employment provided to households (in crore)	2.10	3.39	4.51	5.26	5.49	5.04	4.16
Person days (in crore)							
SC	22.95 (26%)	39.36 (27%)	63.36 (29%)	86.45 (30%)	78.76 (31%)	47.70 (22%)	31.42 (22%)
ST	32.98 (36%)	42.07 (29%)	55.02 (25%)	58.74 (21%)	53.62 (21%)	39.59 (18%)	22.14 (16%)
Others	34.56 [38%]	62.16 [43%]	97.95 [45%]	138.40 [49%]	124.78 [48%]	129.06 [60%]	87.10 [62%]
Total	90.5	143.59	216.32	283.59	257.15	216.34	140.66
Women	36.40 [40%]	61.15 [43%]	103.57 [48%]	136.40 [48%]	122.74 [48%]	103.81 [48%]	74.74 [53%]
Person days per household	43	42	48	54	47	43	34

Source:www.nrega.nic.in

### Gender Equality and Empowerment of women

Women Empowerment is not among the original intensions of the MGNREGA, and is not among its main objectives. However, provisions like priority for women in the ratio of one-third of total workers (Schedule II (6)); equal wages for men and women (Schedule II (34)); and crèches for the children of women workers (Schedule II (28)) were made in the Act, with the view of ensuring that rural women benefit from the scheme in a certain manner. Provisions like work within a radius of five kilometers from the house, absence of supervisor and contractor, and flexibility in terms of choosing period and months of employment were not made exclusively for women, but have been conducive for rural women. From the beginning onwards the participation of women in the scheme is more than 30 percent, in 2006-07 it is 40% and raised to 43% in 2007-08, 48% continuously for another four years and 53% during 2012-13. This overwhelming participation of women happened only because of the equal wage. The wage rate notified per year is increased from Rs.47 (2006-07 in Maharashtra lowest) to Rs 100 (2011-12 in Maharashtra) and Rs.99 (in Haryana 2006-07 Highest) to Rs 173 (2011-12). This wage induced to raise in the prevailing agricultural wages in the villages and sometimes it has helped to break the monopolistic wage fixation to women in the villages.



Percentage of Participation in MGNREGA(2006-07 to 2012-13)

Year	Average Man days provided per HH	Average wages paid per person days	SC (% of mandays)	ST (% of man days)	Others (% of man days)	Total	Women (% of man days)
2006-07	43	65	25	37	38	100	40
2007-08	42	75	28	29	43	100	43
2008-09	48	85	29	26	45	100	48
2009-10	54	90	30	21	49	100	48
2010-11	47	100	31	21	48	100	48
2011-12	43	115	22	18	60	100	48
2012-13	45*	130	22	16	62	100	54
Average	46	-----	27	24	49	-----	47
Standard Diviation(S.D)**	3.85	-----	3.46	6.72	8.04	-----	4.10
Coefficient of Variation(C.V)	8.36	-----	12.81	28.0	16.0	-----	8.72

\*Computed for 12 months, Source:www.nrega.nic.in \*\* Computed value by the Author.

The above table shows the coefficient variation on SC, ST and others are much higher, it is much lesser (8.72) on women than others elicit clearly that the scheme is more beneficial to women.

### **Green Jobs of MGNREGA**

Greening rural development refers to a variety of activities that regenerate and conserve the natural resource base, innovate and use clean materials, technologies and processes to create environment-friendly products, livelihoods, enterprises and jobs. Soil is a primary resource for generation of most renewable natural raw materials for production systems. Natural resources such as farmlands, pastures, forests and water sources (surface and ground water) are subject to degradation and loss of productivity. Satellite data showed that in 2005-2006 about 15 percent (47.22 mha) of India's land mass were wasted or under-productive lands.<sup>37</sup> Such degradation is an important factor in the loss of livelihood assets and income poverty in rural India. The MGNREG Act therefore proposes large investments in works like soil and water conservation, land development and afforestation that address the causes of chronic rural poverty. It also lays stress on creating durable assets. These key elements of the Act -- productivity enhancement and sustainability of the rural natural resource base - strengthen its potential for green outcomes. In fact, since the initiation of MGNREGA more than 50 percent projects are related to water through implementation of water conservation works, flood control, irrigation, drought proofing, renovation of traditional water bodies and micro-



irrigation. A study of MGNREGA projects in Punjab, Haryana and Himachal Pradesh reported that 62 percent of the sampled panchayats in Sirsa district (Haryana) and 75 percent panchayats in Sirmour district (H.P.) reported increase in crop productivities. There is also emerging evidence that some MGNREGA projects can have global green impacts. Activities like soil conservation, fodder development, afforestation and drought proofing works help sequester carbon. It has been estimated that tree planting activities over an area of 2,341 ha in Chitradurga district could lead to sequestration of 93 tons of carbon per ha over a 30-year period.<sup>48</sup> There are also several innovative MNREGA projects going beyond the routine activities with significant green results in the country.

Total works taken up and completed under MGNREGA (2006-07 to 2011-12)

Sl.No	Type of works	No of Works completed(2006-07 to 2011-12) in Lakh	Ongoing works	% of total works taken up from(06 - 07 to 11-12)
1	Water Conservation and Water harvestig	19.5	36.4	25
2	Flood control and production	3.9	5.9	4
3	Drought proofing,Tree plantation,afforestation	5.2	13.0	9
4	Irrigation canals(macro and micro-irrigation)	5.7	9.5	6
5	Renovation of traditional water bodies(desilting of tanks etc.)	6.6	9.8	7
6	Works on lands of SC/ST/BPL/SMF/IAY Beneficiaries	13.0	19.9	14
7	Land Development(contour bunds,Field bunds)	13.9	18.8	13
	Total works on generate Green Jobs	67.8	113.3	79
8	Rural connectivity	16.0	28.3	19
9	Other works (Bharat Nirman kendras)	2.8	4.6	3
	Total	86.6	146.3	100

Source: [www.nrega.nic.in](http://www.nrega.nic.in)

The MGNREGA is the world largest ecological security programme and ensure the Millennium Development Goal of Environment sustainability. From the above table it becomes clear that the maximum number of works completed is the water conservation (19.5 Lakh) and works on lands Development (13.9 Lakh ).While analysing the ongoing works 36.4 lakh works on water harvesting, 19.9 lakh works on lands on SC/ST/BPL families. 79 percent of total taken up works were to create green jobs to the rural poor.

## CONCLUSION

MGNREGA is India's policy and programme commitment to achieve Millennium Development Goals and efforts are on towards total eradication of poverty by 2015. Even though there are some problems, MGNREGA is the most successful poverty eradication programme introduced in India. It provides the money in the hands of poor, particularly women directly without any middlemen, even their husbands were not have the rights to receive it. So the visible and invisible effects of MGNREGA on women are high, it facilitated an increase in the levels of savings of women. It alleviated their fear of hunger and poverty, the majority of women workers are now actively participating in the social activities. Their increased credit worthiness and social status facilitated a change in their attitudes towards life, work, friendship, economic independence and political leadership. The acute shortage of farm labourer can be solved by introduction of wage subsidy.

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