

# ECONOMIC DEVELOPMENT THROUGH MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA) : A CRITICAL ANALYSIS

*Dolly Aheer Yadav<sup>1</sup>, Sanjeev Kumar Yadav<sup>2</sup>*

<sup>1</sup>HOD Education, Kruti School of Business Management Raipur

<sup>2</sup>Asst.Prof. Physical Education, Kalinga University Raipur

Email:dollyaheer@gmail.com, sy65082@gmail.com

## ABSTRACT

*It is not possible to have overall development in India without economic development of rural people. In this context, National Rural Employment Guarantee Act (NREGA) enacted by legislation of India on 25 August 2005 and it was renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2nd October 2009 on the birth anniversary of Mahatma Gandhi. Keeping this in mind, The present paper discuss the role of MGNREGA in economic development of rural people of India.*

### 1.Introduction:

Rural development is the process of improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. (Moseley, 2003). Rural development is a comprehensive term. It essentially focuses on action for the development of areas outside the mainstream urban economic system. Rural development aims at finding ways to improve rural lives with participation of rural people themselves, so as to meet the required needs of rural communities (Pellissery, (2012). Sustainable rural development means improving the quality of life for the rural poor by developing capacities that promote community participation, health and education, food security, environmental protection and sustainable economic growth, thereby enabling community members to leave the cycle of poverty and achieve their full potential.

According to Census 2011 nearly 70% of Indian population live in rural areas. Hence in order to enhance their quality of life Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) employment guarantee scheme enacted by legislation on August 25, 2005. MGNREGA was launched. This scheme was renamed as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2nd October 2009 on the birth anniversary of Mahatma Gandhi.

The act aims to remove the extreme poverty and at making villages of country self sustaining through productive assets creation. The Mahatma Gandhi National Rural Employment Guarantee Act. (MGNREGA) was enacted in India with the various multiple objectives of providing employment in a rights-based framework, addressing rural poverty, checking migration, and building rural infrastructure. As such, every year around 15–20 percent of households in India overall and 30 percent in rural India receive some form of employment share under the MGNREGA programme. MGNREGA enshrines the legal right of one hundred days of paid employment to any rural household, on employees demand. Though its scope is nationwide, there have been wide inter-state as well as inter-district variations in the achievement of the objectives of the MGNREGA Act.

## 2. Objective Of This Paper

The main objective of this paper is to analyse the role of MGNREGA in economic development of rural India.

## 3. Methodology

This paper is based on secondary data and it is collected from internet, articles, newspapers, reports, magazines etc.

## 4. Analysis Of Mgnrega In Terms Of Economic Development

The economy of India is the sixth-largest in the world measured by nominal GDP and the third largest by purchasing power parity (PPP). The country is classified as a newly industrialised country, and one of the G-20 major economies, with an average growth rate of approximately 7% over the last two decades. India is also known as an agricultural country, as most of the population of villages depends on agriculture. Agriculture forms the backbone of the country's economy. The agricultural sector contributes most to the overall economic development of the country and therefore the need of development programmes in rural India is substantial. The government of India initiated many employment generating programmes to address development in rural area. The mahatma Gandhi national rural employment guarantee scheme one the of major flagship initiative which enhances the rural development and employment opportunity at rural area, Mahatma Gandhi national rural employment guarantee act aims at to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. This scheme was promoted by Man Mohan Singh government now continued in NDA under Narandar Modi. Budget 2017 allocated Rs. 48000 Cr. Rural Development has different aspect covering long term and short term aspects. Certain activities like sanitation, agriculture, road, electricity, health facility, skill development, market linkage, awareness about basic facilities, digital inclusion etc. Rural population gets wages if drought like situation erupts so it should be continued to stop migration to cities and for rural mass uplift it is necessary. Labour-intensive tasks like creating infrastructure for water harvesting, drought relief and flood control are preferred in MGNREGA which helps the economic development in rural areas.

The MGNREGA provides wages to rural employees against work done for the development of rural areas the various works for the economic development of rural areas are done through MGNREGA are as follows.

1. Water Conservation and water harvesting.
2. Drought proofing, including afforestation and tree plantation.
3. Irrigation canals including micro and minor irrigation works.
4. Irrigation facilities for landowners by households belonging to SC/ST or to land of beneficiaries of the INDIRA AWAAS YOJANA.
5. Renovation of traditional water bodies, including de-sitting of tanks.
6. Land development
7. Flood control and protection of works, including drainage of water-logged areas.
8. Rural connectivity to provide all weather roads.
9. Any other work, which may be notified by the Central government in consultation with the state governments.

## 5. Conclusion:

The description clearly reveal the significant role of MGNREGA on overall poverty reduction and development of rural India. The act and the operational guidelines require the states and the panchayati raj institutions to monitor the implementation of the scheme in a variety of ways Gaps in the envisaged monitoring mechanisms were noticed in a large number of states. There were significant shortages in verification of works by state officials. Quality monitors and vigilance and ineffective to large extent as social audit units had not been established. There were deficiencies in the approval and release of funds by the ministry. The ministry needs to take decisive steps to ensure proper implementation of the scheme. It needs to focus on developing intensive monitoring and evolution systems. An analysis of releases made to states for the period under review and poverty data showed that three states Bihar, Maharashtra and Uttar Pradesh had 46 percent of the rural poor in India, but accounted for only about 20 % of the total funds released under the scheme. This would indicate that the poorest of poor were not fully able to exercise their rights under MGNREGA.

## 6. References :

1. Arunachalam, P., Mahatma Gandhi National Rural Employment Guarantee Programme and Poverty in India, New Delhi: Serial Publication, 2011, pp. 2-3 Arunachalam, P.,
2. Arup, M. 2013. Effect of land acquisition and displacement on education: An anthropological study. *International Journal of Research in Sociology and Social Anthropology* 1 (1): 45-56.
3. Dreze J. (2007). MGNREGA: Dismantling the contractor raj. *The Hindu*, 20th November, 2007.
4. Mahatma Gandhi National Rural Employment Guarantee Programme and Poverty in India, New Delhi: Serial Publication, 2011, pp. 2-3 Gangopadhyay, D. & Mukhopadhyay, A.K. & Singh, Pushpa, *Rural Development: A strategy for poverty alleviation in India*, Delhi: Science and Technology, 2008, Volume-2, p.19 [www.nrega.nic.in](http://www.nrega.nic.in)
5. Moseley, Malcolm J. (2003). *Rural development : principles and practice* (1. publ. ed.). London [u.a.]: SAGE. p. 5.
6. Panda, B. & Umdor, S (2011) *Appraisal and Impact Assessment of MGNREGA in Assam*. North- Eastern Hill University. Shillong.
7. Pellissery, Sony (2012). "Rural Development". *Encyclopedia of Sustainability*. 7: 222–225.
8. Shah, M. (2004). National Rural Employment Guarantee Act: A Historic opportunity. *Economic and Political Weekly*, XXX (39), 5287-5291.