



## Performance of Mahatma Gandhi National Rural Employment Guarantee Scheme in Gujarat State

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### ABSTRACT

This paper gives detailed analyses of MGNREG scheme and its performance in Gujarat state from six criteria. The research scholar find study it from various respective and found that the scheme in the initial stage has provided employment to unskilled poor people and thus become successful. After some years the expenditure increased in ascending order. Though the outcome of the study clearly suggests that gradual slowing down in employment and increase in expenditure to unskilled wages every financial year create burden. The expenditure of unskilled wages increased as agreement specified work given to them. This has created more financial burden on the scheme. Which could have been early sorted out by the effective implementation of the scheme.

**Keywords:** Employment, Programme, Provided, Person-day, Household, Budget, Expenditure.

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### 1. INTRODUCTION

The UPA government passed Act of National Rural Employment Guarantee Act in September 2005. The Act guaranties employment to rural poor for 100 days in a year, the day creating employment opportunities to about 5.4 crores rural poor in 200 most backward districts of the country. The district panchayats have been given freedom to plan and execute works. The main aim of the Act was to bring about rural changes in rural areas by providing employment.

The whole MGNREGA Programme is based on using the man power to build and nurture productive infrastructure assets and abolish poverty. The Programme aims of building, tanks, canal works, restoration of water bodies, land development, soil

erosion, contraction of roads and other facilities. The unskilled manual labor is engaged at the minimum wage by the State.

The MGNREGA was first introduced in 200 (6 districts covered by Gujarat State) of the most backward districts of the country in the first phase. It was started with Anantpur district of Andhra Pradesh on 2<sup>nd</sup> February, 2006. Later on it was implemented in additional 130 districts (3 districts in Gujarat State) in second phase in April 2007-08. The third phase was implemented from 1<sup>st</sup> April, 2008 in remaining districts. This programme has the capacity to increase purchasing power of the rural poor, foster social. Economic and gender equality.

## **2. MEANING AND DEFINITION OF MGNREGA.**

The National Rural Employment Act is one such policy of Employment Guarantee Scheme, which is introduced in recent past passed by the Lok Sabha on August 23, 2004 and signed by president of India on September 5, 2005. MGNREGA which was launched in 2006 aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. The ongoing Programme of Sampoorna Gramin Rozgar Yojana and National food for work programme have been subsumed under MGNREGA in these districts; MGNREGA will cover all district of the country within five years. The MGNREGA a demand driven scheme has its focus on works relating to water conservation, drought proofing including a forestation land development, flood control and rural connectivity in all weather roads.

## **3. RESEARCH METHODOLOGY**

This research is based on the performance evaluation of MGNREGA in Gujarat State. The research emphasize on the comparative study of last 10 financial years. This research is descriptive type on the base of last 10 financial year annual report of MGNREGA. It is useful to people who are interested to know about the performance of MGNREGA. Here, six criteria are taken for study.

1. Total employment demanded and provided under MGNREG Scheme from 2006-07 to 2015-16 in Gujarat State.

2. Total person days generate as category wise (SCs, STs, Women and other) under MGNREGA from 2006-07 to 2015-16 in Gujarat State.
3. Total actual expenditure against total available funds under MGNREG Scheme from 2006-07 to 2015-16 in Gujarat state.
4. Percentage of expenditure on skilled wages, material and administration against total actual expenditure too.
5. Total work completion under MGNREGA from 2006-07 to 2015-16 in Gujarat State.
6. Growth rate in unskilled wages from 2006-07 to 2015/16.

#### **4. OBJECTIVES OF THE STUDY**

1. To Study concept, definition and Implementation of MGNREG scheme in Gujarat state.
2. To evaluate its performance evaluation on the six criteria.

#### **5. DATA COLLECTION AND PERIOD OF STUDY**

The researcher has analyzed the performance evaluation of MGNREGA during the study period. The main source of data used for the study is secondary data (varies MGNREGA reports 2006-07 to 2015-16) derived from the website of MGNREGA. Present study covers the performance analysis of MGNREGA for Ten consecutive financial years. The period of the study starts from financial year 2006-07 to 2015-16. Researcher has selected the base year 2006-07. This year is normal for the purpose of analysis and evaluation.

##### **1. Number of households demanded and provided employment**

Table no- 1 show the total demand and provided of employment under MGNREGA from 2006-07 to 2015-16 in Gujarat state. Moreover, it is statistically shown in this table moreover, it is statistically shown in this table.

Table no-1

Years	No. of Total households demanded employment (in lakh)	No. of Total households provided employment (in lakh)	% age of total households provided employment
2006-07	2.26	2.26	100
2007-08	2.90	2.90	100
2008-09	8.50	8.50	100
2009-10	15.96	15.96	100
2010-11	10.97	10.96	99.91
2011-12	8.35	8.20	98.20
2012-13	7.49	6.78	90.52
2013-14	6.43	5.78	89.89
2014-15	5.94	4.99	84.00
2015-16	5.70	4.17	73.16

Source: website:- varies MGNREGA reports 2006-07 to 2015-16.

Table 1 also shows the total number household demanded and provided employment under MGNREGA Scheme. The total number of household demanded and provided employment in the year 2006-07 to 2015-16 is given in the chart below:

Figure no-1

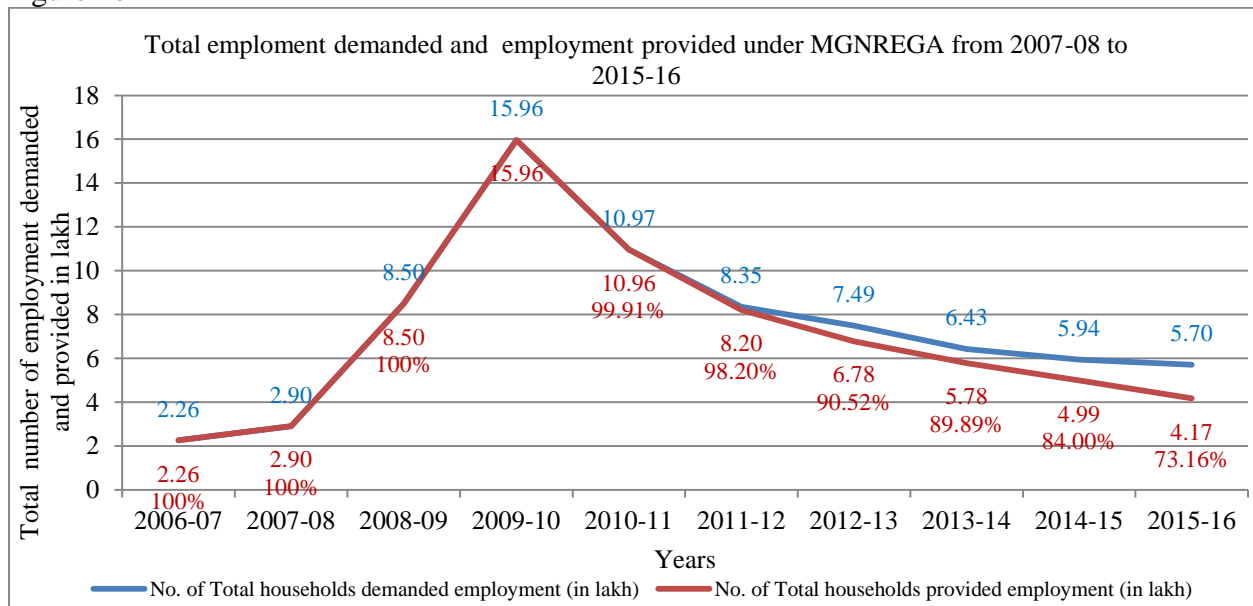


Figure-1 presents the number of total number of household demanded and provided employment in between financial years 2006-2007 to 2015-16 and the percentage of household employed in these years. In the 2006-07 it was 100% and it was found 73.16%. There is a sharp decrease in rate of household employed in every financial

year. This decreasing rate is 87.10% form 2014-15 to 2015-16. That is not a good precursor for this scheme.

**2. Person days generates as category wise (SCs, STs, Women and other)**

Table no- 1 show the total Person days generated as varies category wise under MGNREGA from period 2006-07 to 2015-16 in Gujarat state. Moreover, it is statistically shown in this table moreover, it is statistically shown in this table.

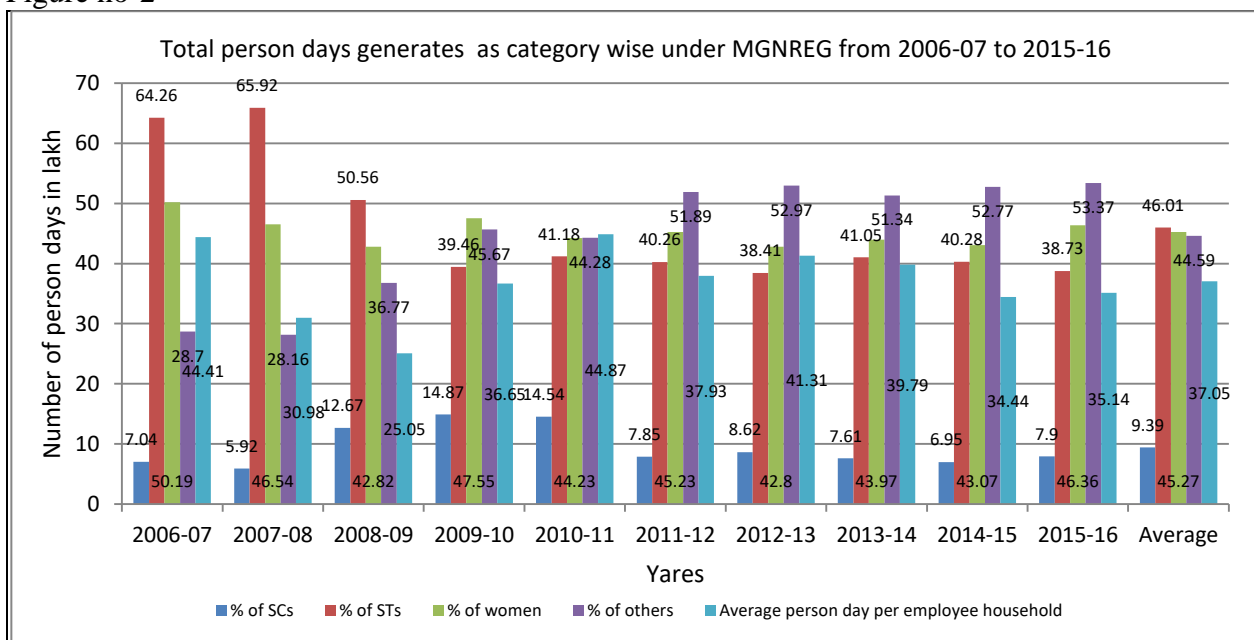
Table no-2

Years	% of SCs	% of STs	% of women	% of others	Average person day per employee household
2006-07	7.04	64.26	50.19	28.70	44.41
2007-08	5.92	65.92	46.54	28.16	30.98
2008-09	12.67	50.56	42.82	36.77	25.05
2009-10	14.87	39.46	47.55	45.67	36.65
2010-11	14.54	41.18	44.23	44.28	44.87
2011-12	7.85	40.26	45.23	51.89	37.93
2012-13	8.62	38.41	42.80	52.97	41.31
2013-14	7.61	41.05	43.97	51.34	39.79
2014-15	6.95	40.28	43.07	52.77	34.44
2015-16	7.90	38.73	46.36	53.37	35.14
Average	9.39	46.01	45.27	44.59	37.05

Source: website:- varies MGNREGA reports 2006-07 to 2015-16.

Table 2 also shows the total number household demanded and provided employment under MGNREGA Scheme. The total number of household demanded and provided employment in the year 2006-07 to 2015-16 is given in the chart below:

Figure no-2



The percentage of employed in MGNREGA as category wise (SCs, STs, Women and other) from the last 10 financial years 2006-07 to 2015-16. It is found that the average of SCs, STs, Women and Other category in this financial year was 9.39, 46.01, 45.27 and 44.59 respectively.

The act stipulate that priority shall be given to women is such a way that a minimum of one –third of the beneficiaries are women who have registered and have requested for work. The percentage of women employed during this period increased up to 46.36 percentages under MGNREGA in financial year 2015-16. This is a very good performance for this programme.

This period of providing average percentage of employment to members of SCs and STs Household in these financial years the figure stood at nearly 55.40 during the study period. The average person days per employee households came 37.05 percent during this period. This is very much less than the guaranteed days. 100 days decided by the MGNREGA act 2005. It points towards the inefficiency of responsible authorities in implementing this scheme.

### 3. Total Actual Expenditure again available Fund:

In table no-3 year wise information is given about the amount allotted, total available fund including O.B and actual expenditure in every year in MGNREG scheme between 2006/07 to 2015/16.

Table no-3

Years	Budget Outlay (in lakh)	Total Available fund including OB	Actual expenditure	
			In lakh	% against available
2006-07	6745	12375	8585.03	55.26
2007-08	4975	12681	8184.24	58.22
2008-09	16419.20	28126.75	19600.65	69.69
2009-10	155459.38	175910.52	73935.72	42.03
2010-11	127874.84	165548.08	78822	47.61
2011-12	32429	83779.01	64948.51	77.52
2012-13	47441	87326.63	62924.21	72.06
2013-14	33530	46714.80	519920.01	111.30
2014-15	35443	37233.58	50094.76	134.54
2015-16	19416	21373.17	35409.50	165.67

Source: website:- varies MGNREGA reports 2006-07 to 2015-16.

Table no-3 shows of the funding allocated by central government per financial year for MGNREG scheme. In 2006-07 it was 6745 lakh rupees and it respectively rose to 155459.38 lakh rupees in 2009-10. In last year it was founded in decreasing order and it became in 2015-16 rupees 19416 lakh.

Total expenditure percentage year by year is shown in table under the column, percentage against available fund. The average percentage of total expenditure against total available fund during this period is 83.39 percentages.

**4. Share of Total Expenditure (wages, material and administrative) from 2006-07 to 2015-16.**

Table no- 4.20 shows the amount spent year wise during 10 years. It also gives statistical details of the amount spent on wages, material and administrative of total expenditure.

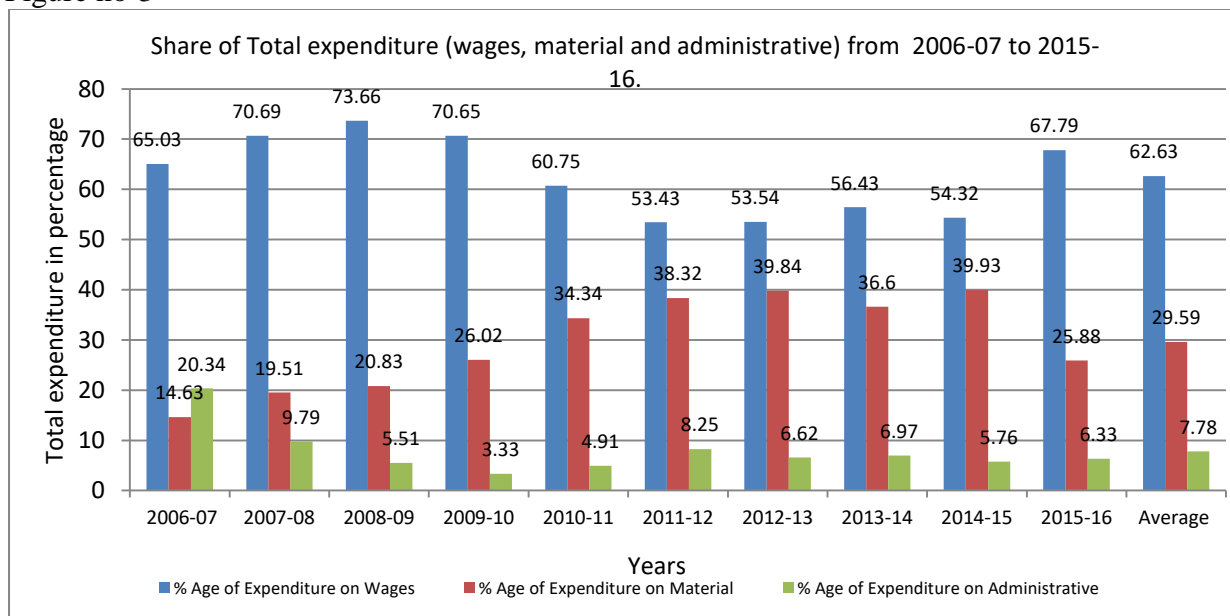
Table no-4

Year	% Age of Expenditure on Wages	% Age of Expenditure on Material	% Age of Expenditure on Administrative
2006-07	65.03	14.63	20.34
2007-08	70.69	19.51	9.79
2008-09	73.66	20.83	5.51
2009-10	70.65	26.02	3.33
2010-11	60.75	34.34	4.91
2011-12	53.43	38.32	8.25
2012-13	53.54	39.84	6.62
2013-14	56.43	36.60	6.97
2014-15	54.32	39.93	5.76
2015-16	67.79	25.88	6.33
Average	62.63	29.59	7.78

Source: MGNREGA various reports.

Table 4 also shows the distribution of wages, materials and administrative of total Expenditure under MGNREGA Scheme. The distribution of total expenditure under MGNREGA Scheme the year 2006-07 to 2015-16 is given in the chart below:

Figure no-3





The Study of the figure 3 reveals that the highest expenditure was made in wages in MGNREGA. It was last 10 years on average 62.63 percent expenditure in wages during the period 2006/07 to 2015/16. And average expenditure for material was 29.59 percent and average expenditure for Administrative was only 7.78 percent during the years 2006/07 to 2015/16.

The study of MGNREG scheme shows the fact that its main aim is to provide employment to poor rural people and that aim is rather fulfilled become from the total expenditure in MGNREG scheme, the highest expenditure was made for wages which shows the success of this scheme.

### 5. Work completed:

In table no-5 year wise information is given about the Total work completed in every year in MGNREG scheme between 2006/07 to 2015/16.

Table no-5

Years	Total Works taken up	Works completed	% age of works completed
2006-07	8557	3165	36.99
2007-08	21604	14579	67.48
2008-09	46657	32530	69.72
2009-10	296717	263651	88.86
2010-11	85094	45158	53.07
2011-12	35612	138874	29.12
2012-13	115531	39972	34.60
2013-14	93011	21203	22.80
2014-15	133389	33496	25.11
2015-16	136176	11996	8.81
Average	---	---	43.66

Source: website:- varies MGNREGA reports 2006-07 to 2015-16.

Table 5 also shows the percentage of total work completed under MGNREGA Scheme. The percentage of total work completed under MGNREGA Scheme the year 2006-07 to 2015-16 is given in the chart below:

Figure no-4

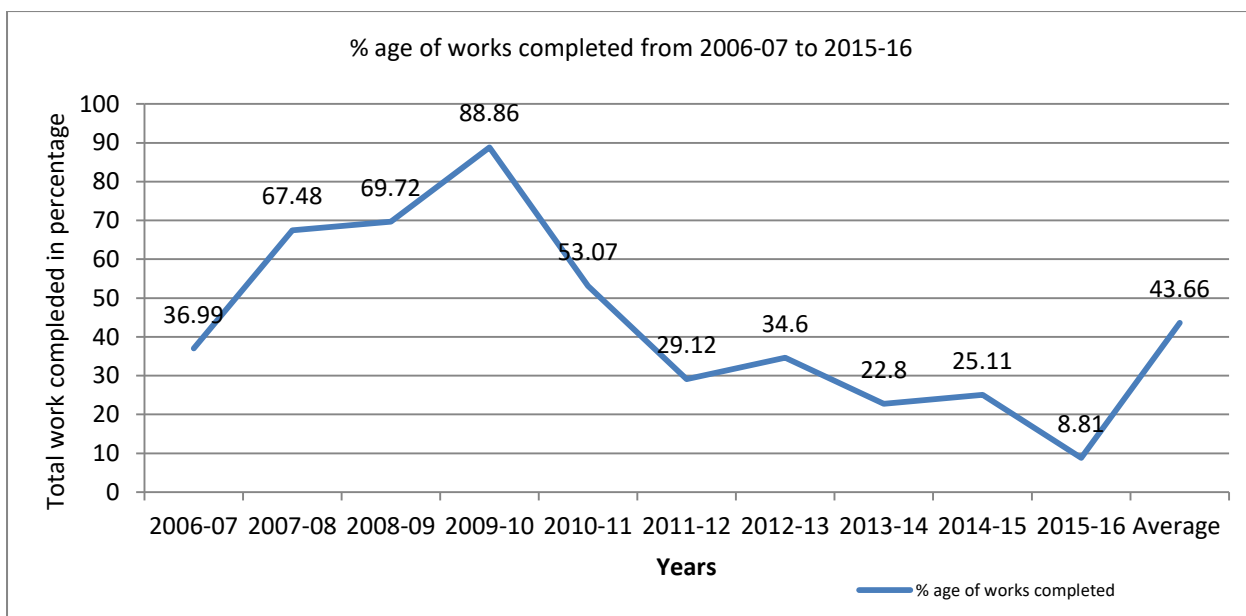


Figure no- 4 show the condition of work going on every year between the period 2006-07 to 2015-16. The rate of work completed is falling every year, which from 2006-07 was 36.90 percent and in the period 2015-16 fall up to a minimum of 8.81 percent. The decreasing rate of work completed in 2015-16 is 23.82 percent from 2006-07. The average rate of work completed during study period is 43.66 percent. It forces the inefficiency of the agencies unable for completed work lower level on the level of gram panchayats.

### 6. Wages for MGNREGA in Gujarat State:

Table no-6

State	Minimum wage in 2006-07	Revised wage rate effective from 1 <sup>st</sup> April, 2014	% age of growth
Gujarat	50	167	334

source: website [www.mgnrega.nic.in](http://www.mgnrega.nic.in)

While studying table no-6 we come to know that MGNREG scheme. Which kick started in Gujarat in 2006-07, has the daily wages of Rs. 50/- in the initial stage which increased to Rs. 167/- in the year 2014-15. We clearly notice the increase of 334% in wages from 2006-07 to 2014-15. This is clearly a remarkable incident. We can say

that the wages increased in MGNREGA also reveals the increase in wages in other sectors.

## 7. CONCLUSION

MGNREG scheme is the biggest employment scheme in the world. The main objective this scheme is provide employment to single individual from the household of unemployed and this to provide financial assistance. But today this scheme faces some of the challenge. This research paper analyses the data from various six criteria.

1. Percentage of household demanded and provided employment under MGNREGA in Gujarat State. 2. Percentage of person days generates as category wise (SCs, STs, Women and other) under MGNREGA in Gujarat State. 3. Percentage of actual expenditure against total available funds. 4. Percentage of expenditure on skilled wages, material and administration against total actual expenditure too. 5. Percentage of work completion under MGNREGA in Gujarat State. 6. Growth rate in unskilled wages from 2006-07 to 2015/16.

1. The employment given to households is continually decreased to 87.10% in 2015-16 as compared to 2014-15.
2. The budget allocated by Govt. of India for this scheme in 2015-16 was 19416 lakh rupees which was less than by 16.027 lakh rupees of the budget allocated in the year 2014-15, but if compared with the budget allocation of 2006-07, it is almost three times of it.
3. During research period total actual expenditure average rate was 83.39 percent of total available fund.
4. The average rate of amount spent on unskilled labor wages including administrative expenditure during the study period was 70.41 percent against total actual expenditure and the remaining amount was spent on the material.
5. The average percentage share of provided person days during study period for SCs, STs, women and others was 9.39 percent, 46.01 percent, 45.27 percent and 44.59 percent respectively.
6. There is a continual decrease in the rate of work completion. It decreased up to 28.18 percent in the year 2015-16 as compared to the year 2006-07.

7. There has been a time to time increment in wage rate per person per day. The overall increase in average wage rate is 334 percent in 2015-16 as compared to the average wage rate of 2006-07.

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