



Mahatma Gandhi Rural Employment Guarantee, India

A rights-based program employing more than 90 million rural workers annually, making it the largest job guarantee program in the world

Summary

All rural households are guaranteed a total of 100 days of paid labor, each adult in a rural household is eligible to apply for work (1). As the Ministry of Rural Development explains, “MGNREGA is bottom-up, people-centred, demand-driven, self-selecting and rights-based programme. It provides a legal guarantee for wage employment by providing allowances and compensation both in cases of failure to provide work on demand and delays in payment of wages for work undertaken.... Thus MGNREGA also marks a break from the relief programmes of the past towards an integrated natural resource management and livelihoods generation perspective,” (2).

Rationale

The legally enforceable right to employment is essential to protecting the livelihoods of those in rural, agricultural, seasonally unstable economies.

Defining Principles

The purpose of the public employment program is to reduce inequality and create income-generating assets for marginalized groups such as women-led households, people belonging to scheduled castes, people with disabilities, nomadic and denotified tribes, and families below the poverty line.

Dates of Operation

2005 - present

Number of Program Participants

Average of 60 million households and 90 million individuals annually between 2018-2022 (3). 28% of rural households accessed employment through NREGA in 2019-2020 (4).

Person-days of Employment

2.89 billion in 2022 (5).

Criteria for Participation

Person 18 years or older in a rural household willing and able to do manual labor (6).

Pay and Benefits

Wages are different in each state and are set by the central government. INR 223 (=USD 2.70) per day was the average in March 2023 (7). Unemployment insurance is $\frac{1}{4}$ of wage for the first 30 days, and then $\frac{1}{2}$ of the wage for the remainder of the financial year (8).



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Financing

Federally Funded, INRs730 billion in 2022 (9). Spending on NREGA was 0.5% of GDP in 2020-2021 (10).

Implementation

A large bureaucratic infrastructure is put in place for checks and balances, to ensure the quality of employment conditions, and to target work projects towards necessary natural resource management and economic development. The federal government is responsible for evaluating schemes and collecting and reporting data (11). State governments are in charge of scheme implementation, prioritization of works, disseminating information on the schemes, and preparing annual reports for the Federal government (12). The Panchayats [elected boards] at district, intermediate and village levels shall be the principal authorities for planning and implementation of the Schemes made under this Act,” (13). “The Gram Sabha [elected village cabinet] monitors the execution of works within the Gram and performs social audits of Panchayat,” (14).

Types of Work

Manual labor, construction, managerial, resource maintenance. Additional activities include investment in water security, road connectivity, tree planting, soil renewal, and irrigation to name just a few high impact investments in rural assets.

Notable Features

Work must be provided within 15 days of registration (15). Childcare is provided for women workers, flexible hours and good working conditions are provided such as shade, paid breaks, first aid, etc. Employees injured on the job are compensated through medical coverage and allowance of half of the daily wage for all days the individual would have been working (16). Payment must be administered within 15 days of the muster roll (17). Capital and labor costs must be at a ratio of 40/60 so as to not displace workers through technological advancement/utilization of labor-replacing machines (18).



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Challenges

The NREGA budget routinely faces political scrutiny; the FY 2023-2024 Union Budget “earmark[ed] only Rs 60,000 crore for the scheme – 32 per cent less than the current financial year’s revised estimate of Rs 89,400 crore,” (19). Additionally, actual expenditure is generally larger than the allocated budget (20). Delivery of wages is a significant issue and they sometimes go unpaid, as in West Bengal in 2022 through 2023, where wage payments have been frozen without remedy for months due to concerns about corruption (21).

Program Website

https://nrega.nic.in/MGNREGA_new/Nrega_home.aspx



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