

## Socio-economic impacts of MGNREGA on rural population in India

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### ABSTRACT

The NREGA addresses itself chiefly to working people and their fundamental right to live with dignity. The success of the NREGA, however, will depend on people's realization of the Act as a *right*. The issues involved in empowering workers are in the range of enhancement of knowledge levels, development of literacy skills and organizing workers. Enhancing social security levels of workers also needs to be considered. Another important task is to link NREGA with other developmental programmes. Empowerment of workers and creation of durable assets depend, in terms of their strategies, to a great extent on the linkages between NREGA and other development programmes. Linkages with human development programmes such as the National Rural Health Mission and the National Literacy Mission are needed to ensure basic human entitlements to workers that in turn will enhance their capacity to negotiate their rights under the Act. Linkages with other livelihood and infrastructure initiatives need to be considered for sustainable employment. The thrust of NREGA is on strengthening the natural resource base of livelihood. Initiatives for natural resource management also need to be dovetailed with income generation projects to enable workers to move from wage employment to self-sustaining employment. In addition to this, there is a need to improve the technological options for performances and monitoring.

**KEY WORDS :** NREGA, MGNREGA, Socio-economic impact, Rural population

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The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian job guarantee scheme, enacted by legislation on August 25, 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 of Rs.120 (US\$2.43) per day in 2009 prices (Anonymous, 2011a). The Central government outlay for scheme was Rs. 40,000 crore (US\$8.11 billion) in FY 2010-11 (Anonymous, 2011b).

This act was introduced for improving the purchasing power of the rural people, primarily semi or un-skilled work to people living in rural India, whether or not they are below the poverty line. Around one-third of the stipulated work force are women. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed on 2 October 2009 (Anonymous, 2009). The Act aims at "enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work."

The Act was notified in 200 districts in the first phase with effect from 2<sup>nd</sup> February, 2006 and then extended to additional 130 districts in the financial year 2007-2008 (113

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