

# A Comparative Study on the Performance of MGNREGA in Bihar and Jharkhand States

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## ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was initially implemented as National Rural Employment Guarantee Act (NREGA) in 200 selected backward districts in India on February 2, 2006. It was extended to an additional 130 districts with effect from April 1, 2007. Later, the remaining 285 districts were covered from April 1, 2008. The National Rural Employment Guarantee (Amendment) Act, 2009 renamed NREGA as MGNREGA. The main objectives of MGNREGA scheme to solve the unemployment problems of unskilled workers, seasonal workers and development of villages in India. So far the Bihar and Jharkhand states are concerned, both states are facing the similar problems particularly unemployment, rural backwardness, low per capita income, poor education & health and lack of banking knowledge. During my study, I observed that MGNREGA scheme can solve many rural problems of both states Bihar and Jharkhand after modifications of some rules and demerits of implementation of MGNREGA Scheme. I think my Study will show a better path to improve the economical development of both states Bihar and Jharkhand as well as improve per capita income of unskilled workers and rural development through MGNREGA Scheme.

Keywords :- MGNREGA, National Rural Employment Guarantee Act

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## I. INTRODUCTION

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the largest employment programme ever started in a country with a huge public investment. The prime focus of the scheme is to provide 100 days of wage employment to every rural household who wishes to work and asks for unskilled manual work. It aims at creating sustainable rural livelihood through regeneration of the natural resource-base, i.e. augmenting productivity and supporting creation of durable assets and strengthening rural governance through decentralization and processes of transparency and accountability. Gram Panchayats are involved in

the planning and implementation of the scheme and creation of durable assets for sustainable development of the rural area. The low rate of growth of agriculture sector also affected the rate of creation of employment opportunities in rural areas. It is observed that majority of the poor in rural areas of the country largely depend on the wages earned through unskilled casual manual labour.

In a context of rural poverty and unemployment, workfare programmes are considered as most important interventions. These programmes typically provide unskilled manual workers with short term employment on public works such as irrigation, soil and water conservation, rural connectivity, reforestation etc. Poverty alleviation programmes comprising of wage employment programmes, rural housing schemes and a public distribution system have been initiated from time to time. Some were partially successful in addressing the issue of poverty whereas others suffered from major flaws in their implementation. The MGNREGA is completely different in concept from the earlier government employment schemes since it treats employment as a right and the programme is initiated to be demand-driven. The right-based framework of the programme makes the government legally bound to extend employment to those who demand it. Since the launching of MGNREGA, there have been several studies looking into its implementation aspects, such as wage formation processes in the rural labour markets, its finances, its democratic administration and implementation. Some studies have focussed on its socio-economic impact such as rural poverty alleviation, gender issues, self-esteem, livelihood and food security and migration.

The workers of villages are not aware about income generating programmes which could help better in their socio-economic lot. Similarly, in path of gaining benefits of any programme, constraints are the speed breakers which slow down the accessibility of individual towards achieving them. Thus, to strengthen the effectiveness of any programme, constraints in its success needs to be identified. An attempt has, therefore, been made to study the performance of MGNREGA in term of awareness of beneficiaries regarding different provisions in this Act and constraints being faced by the beneficiaries of MGNREGA.

### Objectives

My study attempts to explore the impact of MGNREGA on nature, incidence, composition and volume of rural credit both institutional and non-institutional in Bihar and Jharkhand State.

Some objectives were set to examine while study of this work which are as follows:-

- To study the performance of MGNREGA programme in Bihar and Jharkhand state;
- To identify the barriers in achieving the objective of MGNREGA and reason behind it in both states;
- To study overall impact of MGNREGA on rural credit market with reference to demand for consumption and unproductive purposes.

### Performance of MGNREGA in Bihar & Jharkhand

The performance of MGNREGA programme in Bihar & Jharkhand state can be seen in following tables

Table 1: Status of Bihar & Jharkhand States		
	Bihar	Jharkhand
Total No. of Districts	38	24
Total No. of Blocks	534	264
Total No. of GPs	8,425	4,392

Source: [www.nregasp2.nic.in](http://www.nregasp2.nic.in)

	<b>Bihar</b>	<b>Jharkhand</b>
Total No. of JobCards issued[In Lakhs]	205.48	69.23
Total No. of Workers[In Lakhs]	270.96	108.81
Total No. of Active Job Cards[In Lakhs]	83.11	35.25
Total No. of Active Workers[In Lakhs]	92.62	44.85
(i)SC worker against active workers[%]	15.06	10.51
(ii)ST worker against active workers[%]	1.54	26.61

Source: [www.nregasp2.nic.in](http://www.nregasp2.nic.in)

<b>a) Progress in Bihar</b>			
	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
Approved Labour Budget[In Lakhs]	2500	2000	2250
Persondays Generated so far[In Lakhs]	2010.99	1808.56	2272.26
% of Total LB	80.44	90.43	100.99
% as per Proportionate LB	89.45		
SC persondays % as of total persondays	17.93	12.05	11.4
ST persondays % as of total persondays	1.8	1.36	1.18
Women Persondays out of Total (%)	56.74	53.18	54.63
Average days of employment provided per Household	45.09	37.75	44.66
Average Wage rate per day per person(Rs.)	209.91	197.93	193.87
Total No of HHs completed 100 Days of Wage Employment	25,582	21,811	35,047
Total Households Worked[In Lakhs]	44.59	47.92	50.88
Total Individuals Worked[In Lakhs]	51.37	54.3	58.42
Differently abled persons worked	7808	8555	9419
<b>b) Progress in Jharkhand</b>			
	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
Approved Labour Budget[In Lakhs]	900	1105	1150
Persondays Generated so far[In Lakhs]	713.6	1132.44	1176.08
% of Total LB	79.29	102.48	102.27
% as per Proportionate LB	84.35		
SC persondays % as of total persondays	10.02	9.29	9.22
ST persondays % as of total persondays	23.8	23.74	24.9

Women Persondays out of Total (%)	47.32	45.59	42.56
Average days of employment provided per Household	39.13	45.26	46.35
Average Wage rate per day per person(Rs.)	233.26	224.92	193.98
Total No of HHs completed 100 Days of Wage Employment	36,521	88,514	1,14,384
Total Households Worked[In Lakhs]	18.24	25.02	25.38
Total Individuals Worked[In Lakhs]	22.01	31	32.05
Differently abled persons worked	6602	8855	9786

Source: www.nregasp2.nic.in

**Table 4: Status of Financial Progress as on 31/01/2023**

<b>a) Financial Progress In Bihar</b>			
	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
Total center Release	545740.35	546043.12	664700.61
Total Availability	628520.66	710214.44	694050.81
Percentage Utilization	93.48	91.55	92.57
Total Exp(Rs. in Lakhs.)	5,87,512.36	6,50,226.96	6,42,516.22
Wages(Rs. In Lakhs)	4,37,647.33	3,51,466.67	4,39,700.83
Material and skilled Wages(Rs. In Lakhs)	1,21,383.6	2,70,863.25	1,78,789.98
Material(%)	21.71	43.52	28.91
Total Adm Expenditure (Rs. in Lakhs.)	28,481.43	27,897.04	24,025.41
Admin Exp(%)	4.85	4.29	3.74
Average Cost Per Day Per Person(In Rs.)	266.56	253.98	258.26
% of Total Expenditure through EFMS	99.95	100	100
% payments generated within 15 days	97.34	98.76	93.83
<b>b) Financial Progress In Jharkhand</b>			
	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
Total center Release	188444.23	272455.53	348983.72
Total Availability	274111.15	272496.81	350694.96
Percentage Utilization	73.66	122.42	89.41
Total Exp(Rs. in Lakhs.)	2,01,899.02	3,33,580.13	3,13,564.18
Wages(Rs. In Lakhs)	1,74,238.33	2,42,258.54	2,26,506.45
Material and skilled Wages(Rs. In Lakhs)	21,258.8	83,427.13	78,801.07
Material(%)	10.87	25.62	25.81
Total Adm Expenditure (Rs. in Lakhs.)	6,401.9	7,894.45	8,256.66
Admin Exp(%)	3.17	2.37	2.63
Average Cost Per Day Per Person(In Rs.)	301.7	317.08	267.55

% of Total Expenditure through EFMS	99.74	99.9	99.94
% payments generated within 15 days	99.98	99.95	100

Source: [www.nregasp2.nic.in](http://www.nregasp2.nic.in)

**Table: 5 Increase in MGNREGA Notified Wages in Rs. form FY 2018-19 to 2021-22**

S.No	State	2018-19	2019-20	2020-21	2021-22
1	Andhra Pradesh	205	211	237	245
2	Arunachal Pradesh	177	192	205	212
3	Assam	189	193	213	224
4	<b>Bihar</b>	<b>168</b>	<b>171</b>	<b>194</b>	<b>198</b>
5	Chhattisgarh	174	176	190	193
6	Goa	254	254	280	294
7	Gujarat	194	199	224	229
8	Haryana	281	284	309	315
9	Himachal Pradesh	184/230	185/231	198/248	203/254
10	Jammu Kashmir	186	189	204	214
11	<b>Jharkhand</b>	<b>168</b>	<b>171</b>	<b>194</b>	<b>198</b>
12	Karnataka	249	249	275	289
13	Kerala	271	271	291	291
14	Madhya Pradesh	174	176	190	193
15	Maharashtra	203	206	238	248
16	Manipur	209	219	238	251
17	Meghalaya	181	187	203	226
18	Mizoram	194	211	225	233
19	Nagaland	177	192	205	212
20	Odisha	182	188	207	215
21	Punjab	240	241	263	269
22	Rajasthan	192	199	220	221
23	Sikkim	177	192	205/308	212/318
24	Tamil Nadu	224	229	256	273
25	Telangana	205	211	237	245
26	Tripura	177	192	205	212
27	Uttar Pradesh	175	182	201	204
28	Uttarakhand	175	182	201	204
29	West Bengal	191	191	204	213
30	Andaman Nicobar	250/264	250/264	267/282	279/294
31	Chandigarh	273	-	-	-
32	Dadra and Nagar Haveli	220	224	258	269
33	Daman and Diu	197	202	227	269
34	Ladakh	-	-	204	214

35	Lakshadweep	248	248	266	266
36	Puducherry	224	229	256	273

Source: www.nregasp2.nic.in

As we see the above table no 5, per day wage rate of unskilled in Bihar and Jharkhand states least among all other states of India and the increment in wages is also very low compare to other states. The unskilled workers of Bihar and Jharkhand state can get about Rs. 400 per day as in general market which is almost double from what they get under MGNREGA programme. This is also main reason that workers are not interested to take participation under this scheme.

### Findings & Suggestions

As Jharkhand state is born from the Bihar state on 15<sup>th</sup> November 2000. During my study, I found that many problems are similar in both the states. The main problems of both the states are unemployment, economically backwardness, industrially backwardness particularly in small scale industries, education & agricultural backwardness.

During my study, I found some shortcomings in both the states among the workers of MGNREGA which creates barrier in success of this programme which are as follows:

1. Variation of payment from one state to another states, in spite of a national programme because each states have the full power to set the rates of wages per worker in scheme of MGNREGA.
2. Limitation of working days for one worker only 100 days per year which is less than half of the year. Due to this limitation many workers cannot get their wages after completion of 100 days.
3. In this MGNREGA programme MIS (Management Information System) cannot pay such workers who work more than 100 days.
4. In Bihar & Jharkhand states the payment of wages is Rs. 177 per day per worker is very low compare to the other states.
5. During my study, I found that only 30 to 32 percent bank accounts are of orkers are linked their bank accounts with Aadhar card and it creates corruption in payment of wages.

The MGNREGA scheme is solving the problem of seasonal unemployment of unskilled, poor workers in villages of Bihar & Jharkhand and partially solution of unemployment problem through MGNREGA scheme.

### Suggestions

My important suggestion to give the benefit of MGNREGA scheme to the unskilled workers farmers & poor villages are as follows:

1. Awareness of benefits of MGNREGA scheme in villages through Nukkad Natak, distribution of Pamphlets, advertisement in News Paper and influence the unemployed villagers to join this scheme.
2. To avoid the corruption in payment in MGNREGA, through bank 100 percent Aadhar card linked account while during my observation only 30 percent Aadhar Card linked account of MGNREGA workers is availing who are paying wages at rate Rs. 177 at percent only per day per workers;
3. The limitation of 100 days working periods for one worker should be increased to minimum 200 days and in the present scheme MGNREGA MIS(Management Information System) did not pay more than

100 days of a particular workers and it is badly affected that particular worker lively hood & fulfillment of their necessities.

4. It is my suggestion that in MGNREGA Scheme per day payment to the worker is Rs. 177 should be increased and it should be linked according to Central Price Index(CPI) number which at present show that the minimum per day wages per workers Rs. 272 per worker per day which is less than Rs. 95 (272-177) is less, which badly affected to fulfill the necessities.
5. It is also important suggestion in spite of MGNREGA is national scheme to remove the unemployment problem of unskilled workers the states have full power to pay & fix the wages of MGNREGA per day per worker & the payment of Bihar & Jharkhand both states are less than other many states of India. So it must be improved on the basis of Central Price Index number.
6. There is a **need for better coordination between various government departments** and the mechanism to allot and measure the work.
7. Some **discrepancies in the payouts need to be addressed**, too. Women in the sector, on an average, earn 22.24% less than their male counterparts.
8. State governments **must ensure that public work gets started in every village. Workers turning up at the worksite should be provided** work immediately, without much delay.
9. Local bodies **must proactively reach out to returned and quarantined migrant workers** and help those in need to get job cards.
10. **Gram panchayats need to be provided with adequate resources**, powers, and responsibilities to sanction works, provide work on demand, and authorise wage payments to ensure there are no delays in payments.
11. MGNREGA should be converged with other schemes of the government. For example, Green India initiative, **Swachh Bharat Abhiyan** etc.
12. It is my last suggestion that 100 percent of utilization should be necessary to the allotment of funds for payment to MGNREGA Programme Officer, BDO & CO should be given responsibility o utilize 100 percent fund in the development of villages works, making of roads, digging of ponds, neatness & cleanness of cities & villages, making of new bandhs and planting etc.

It can be concluded that the issue of awareness emerges one of the hindrances to the local beneficiaries of both states. It is thus, necessitates sufficient awareness amongst the intended beneficiaries regarding provisions of MGNREGA. Similarly, the constraints limited the rural workers accessibility towards achieving the benefits optimally. To minimize the worksite constraints, adequate facilities must be provided to every beneficiary. Thus, to achieve the goal of programme, government must plan some policy which will be helpful for proper implementation of programme and it will be also helpful for reducing constraints faced by the beneficiaries of the programme.

Thus the national programme MGNREGA can fulfill its object & it will prove the solution of unemployment problem, improvement of per capita income of unskilled workers, improves the environment by planting trees,

awareness of banking system & Development of Roads, Ponds of villages of Bihar & Jharkhand and improve our nation.

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