

# **Role Played by MGNREGA during Covid-19 Lockdown Period in India**

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## **Abstract**

*The Novel Coronavirus or Covid-19 which spread from Wuhan province of China in December 2019 in no time turned out to be a pandemic. The governments of the different economies of the world had no choice other than calling lockdown to contain the virus from spreading. The Covid-19 along with the lockdown created distress among these migrant workers and the people of the country in general. Now, to cope up with situation the Government of India tried to secure livelihoods of people especially in rural areas by providing employment opportunity through MGNREGA in the non- containment zone. This study has tried to analyse the efficacy of MGNREGA in securing the livelihood of the rural people and the reverse migrants. It is based on the secondary data referred from the various sources like Ministry of Rural Development, research articles, journals, newspapers, websites and the same has been analysed and examined. It has been found that due to the huge reverse migration, there were high demand for the 100 days jobs backed up by non-migrant rural work force. This resulted in less job days per person, it has been found that people on an average could get only 45 person day/s job per person.*

**Keywords: Covid-19, Lockdown, Migration, Livelihood, MGNREGA.**

## **Introduction**

The Novel Corona virus or Covid-19 which spread from Wuhan province of China in December 2019 in no time turned out to be a pandemic affecting the lives and livelihoods of the people of almost all the economies of the world. The so called “Developed Economies” which claimed to have advanced health care system were also seen to be helpless. The life of the people was badly affected either by taking away their lives or taking away their livelihoods. At this juncture the governments of the different economies of the world had no choice other than calling lockdown to contain the virus from spreading. The lockdowns which were called by the governments of the different countries shook the world economy and brought down the global growth rate drastically. India which is world’s 2<sup>nd</sup> largest populated country

was indifferent and called lockdown too on the evening of 24 March 2020 for 21 days, limiting the movement of the entire 138 crore population of the country as preventive measure against the pandemic. This led to the shutting down of markets, offices, educational institutions, worshipping places, industries and factories, and many other economic and social activities. India has the world’s largest informal sector employing almost 90% of its working population which contributes around 45% to the economy’s GDP (Dev and Sengupta, 2020). Indian economy was already hard struck by two consecutive shocks between 2016 to 2019. The first being the demonetization of November 2016 and other being the new indirect tax system i.e., Goods and Services Tax in 2017. In such a situation of down trending of economic growth and shocks, the lockdown evolved as adding fuel to fire. The people in the informal sector suddenly found themselves by the mid-night to be unemployed. Except government job holders every individual’s livelihood were badly affected. In March 2020 unemployment rate was 8.4% which rose to 27% in April 2020 and job loss was 12.2 crores (Dev, 2020). People had to face immense misery and hardship because they were not only losing their lives due to the virus but livelihood as well.

## **Objective of the Study**

The objectives of this study are as follows:

- To analyze whether people have been able to avail 100 days of work as guaranteed by the scheme.
- Find out the total income earned by the people during the lockdown.
- Find out the average monthly earnings of the job card holder during the lockdown period.
- Was it successful in securing the livelihood of the people fully.

## **Data and Methodology**

This study is based on the secondary data that has been referred from the various sources like Ministry of Rural Development, research articles, journals, newspapers, and websites. The same data has been analysed and examined with the simple statistical tools like mean and percentage.

## **Migration**

The sudden lockdown called by the Government of India created widespread panic among the people and especially the migrant workers who are mostly associated with the informal sector. The unessential businesses and services, educational institutions, religious places and all the means of travel were closed. The lockdowns which were of both complete and partial had both the supply side and the demand side effect. On the supply side, the restrictions of movement of the commodities and people had negatively affected production network leading to the job loss. On the demand side, the joblessness had led to no income, low demand and no saving. The shutting down of the commercial activities cut off their primary source of income. They were left with little or no resources of income to sustain the first and the subsequent phases of the lockdown. Towards the end of April and early May some interstate transports were permitted to allow students, stranded tourists and pilgrims and migrant workers to return to their homes.

When the Government of India started to partially uplift the lockdown in a phase manner there was a huge reverse migration of people especially from the cities back to their native places. The media's had shown the extensive reports of men and women walking and cycling back to their native places hundreds and thousands of kilometres away along with their children and belongings on their backs and heads. It has been estimated based on the census trends that there were about 60 crores of internal migrants (Rajan et.al, 2020). Majority of these migrants constitute of low-income workers and from the marginalised section which makes them very vulnerable. Vulnerable circular migrants are the most distressed section of migrants (Srivastava, 2020). They are excluded from social security benefits and basic rights at the working place (Srivastava and Sutradhar, 2016). Of the total migration within the country women account for almost 50%. The primary reason for the male migration is employment while for the women migration is marriage and associated reasons. However, rise on female employment has also been one of the reasons for female migration (Parida and Madheswaran, 2020). The vulnerable migrants constitute of both the short term seasonal and long-term occupational workers. The short-term workers constituted of 5.9 crores and long-term workers constituted of 6.9 crores in 2017-18 estimate (Srivastava 2020). About 12.8 crores migrant workers' lives have been adversely affected by Covid-19 taken together (Vasudevan et. al, 2020). The six states of India viz. Bihar (31.5%), Uttar Pradesh (19%), West Bengal (10%), Madhya Pradesh (7.8%), Jharkhand (6.7%) and Rajasthan (5.5%) contribute almost 80% of short duration migration for employment (Srivastava, 2020).

## **MGNREGA as a Safety Net**

The exodus of the people back to their native places created heavy burden on rural economy of India. Following the exodus of the people government issued the revised consolidated guideline on 15 April 2020. With the adequate safeguards and mandatory protocols agriculture and allied industries, industries in rural areas and MGNREGA were permitted to function in non-containment zone (Lokhande and Gundimeda, 2021). To mitigate the dire consequences of the Covid-19 and lockdown the government came up with comprehensive package known as Pradhan Mantri Garib Kalyan Yojana announcing various relief measures. Through this package the government gave relief fund of Rs. 1.70 lakh crore for the poor to help them fight battle against Corona Virus. It was basically the combination of direct cash transfer and food security programmes. Its main target was to curb reverse migration and was informal workers oriented. Among these, three main measures were MGNREGA with increased wage rate from Rs. 182 to Rs. 202, direct cash transfer of Rs. 500 to women Jan Dhan Account and free ration to poor through PDS. The government also allotted Rs. 40,000 crores to MGNREGA considering the reverse migration of the workers and anticipated dependence of them on the programme.

The Mahatma Gandhi National Rural Employment Guarantee Act was enacted in August 2005 and implemented in February 2006 in a phase manner prioritizing the economically under developed districts of rural India (Zimmermann, 2013). It was first implemented in 200 marginalised districts, extended to 130 districts by April 2007 and later included all the rural districts of India by 2008. It is the world's largest state-run employment generation and poverty reduction programme (Dutta et al., 2014). Its primary objectives are to enhance livelihood security and rural asset creation by guaranteeing 100 days employment to rural households per year (Paliwal et al., 2021). The Niti Ayog's report has pointed out that the beneficiaries under MGNREGA have been able to avail on an average only 50 person day work. It has recommended for better targeting of the scheme so that the poorest of the poor get 100 days of work as guaranteed by the scheme (Vasudevan et. al, 2020). MGNREGA has different opinions regarding the adequacy of wage rate offered and number of person day employment provided and asset creation in the rural area of the country.

## **MGNREGA in Securing Rural Livelihood**

For the purpose of the study the tow consecutive financial years have been take into consideration i.e., (FY) 2019-2020 and 2020-2021 from the months

April- September. The reason for taking these two financial years and six months are - the Covid-19 Pandemic occurred in the later year, the lockdown was instigated fully or partially during these six months, exodus of the reverse migrants occurred and the government tried to secure livelihood of the rural people through MGNREGA. Here, the demand means seeking the job by an individual under MGNREGA to work and personday/s means the day/s one seeking the job got to work.

In the year 2019-2020 the total demand for job under MGNREGA during the month of April to September was 16,20,38,372 which surged to 22,49,07,004 in the year 2020-2021. There was 39% increase in demand for the job which could probably be due to reverse migration that took place in country due to the lockdown. For the month of June, the demand was highest in terms of figure among these six months for the year FY 2020-21. The increase in demand for work in June was 74% more compared to previous year. However, the month of July saw highest increase in demand compared to June in terms of percentage i.e., 76% for the same year FY 2020-21. The reason for such a massive rise in the demand for work could be due to partial withdrawal of lockdown and allowing MGNREGA to function in non-containment zone with some special precautions. As the lockdown was gradually lifted and the workers were allowed to move back to their jobs the demand for the jobs in MGNREGA slowly came down. The demands were almost equal for the month of September for both the FY. In the month of April, the demand was -38% which rose to 44% in May compared to previous FY.

Responding to the demand made by the rural people and in order to secure the livelihood of the people as much as possible the Government of India tried to increase personday available to the people under MGNREGA. In response to the 39% increase in demand for the FY 2020-21 the government increased personday available to the people by 51% so that all demanding the job could get it. However, for the month of April for FY 2020-21 the supply had slide down by -48% compared to the previous FY this could be due to the partial lockdown and MGNREGA was functional in only non-containment zone. Likewise, the personday supplied was also highest in June in terms of figure which rose by 99%. In July supply of personday rose by 102% and in August it was 56% more compared to the previous FY.

In order to figure out how many personday/s an individual got to work mean was taken out for the five months only. It was found out that on an average the individual got to work for around 45 personday/s. To arrive at the total income for these five months mean wage was calculated from the list of wage rates in different states under MGNREGA and find the product of the two different means. The mean wage

rate stood at Rs. 230 and the mean personday/s being 45 for an individual the product which was the total income of a person for the five months was Rs.10350 only. If we find the income for a month then it was Rs.2070 per month.

### **Conclusion and Suggestion**

India is developing country and has the second largest population in the world. The effort made by the government was unprecedented in securing the lives and livelihood of the people of the country. The government had released relief fund amounting Rs. 1.70 lakh crore during this emergency. Rs. 40,000 crore was allotted to MGNREGA and wage rate was hiked by Rs. 20/ day. Along with MGNREGA, direct cash transfer for women and free of cost ration was distributed through PDS. However, income generated through MGNREGA was very little. With Rs. 2070 in a month it would be difficult to run even a nuclear even in the rural areas of the country. With this amount of money, one cannot expect a decent life at today's inflationary situation. It is suggested that the government should not only focus on creating employment opportunities for rural poor but also for the urban poor. The number of working days be increased so that the people could get some supportable income during emergencies and crisis. The fund available under MGNREGA needs to be increased to meet the crisis. The job of 100 personday/s be available to job card holders as guaranteed by the schemes if not increased the personday. There must be the timely payment of the wages to the job card holders so as to meet the objective of the scheme.

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