

MANIDHANAHEYAM FREE IAS ACADEMY – TNPSC GROUP II & IIA
UNIT - III

Employment Guarantee Scheme

1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) - 2005

- It guarantees 100 days of work a year to every rural household with an aim to enhance the livelihood security of people.
- The National Rural Employment Guarantee Act, 2005 introduced the scheme. In 2010, NREGA renamed as MGNREGA
- The Act currently covers all districts except for those that have a 100% urban population.
- The Ministry of Rural Development (MRD) in association with the state governments monitors the implementation of the scheme.

Features

1. Demand-driven scheme: Worker will get the work whenever he demands and not when the Government has work available.
2. Employment Allowance: Gram Panchayat has the mandate to provide employment within 15 days of a work application. If it fails, the worker will get an unemployment allowance.
3. Timely Payment: Payment of wages within 15 days of completion of work. In case of failure, the worker will get a delay compensation of 0.05% per day of wages earned.
4. Women empowerment: Minimum one-third of the workers should be women.
5. Minimum wages: Wage payment should be according to the Minimum Wages Act 1948 for agricultural labourers in the State.
6. Gram Sabhas conduct Social audits to enable the community to monitor the implementation of the scheme.
7. Both the Center and the States share the funding of the scheme.

Performance

- It has generated more than 31 billion person-days of employment in the last 15 years.
- The government has spent over Rs 6.4 lakh crore in the last 15 years on this demand-driven program.
- Since 2006, more than 30 million water conservation-related assets have been created in the country's rural areas.

MANIDHANAHEYAM FREE IAS ACADEMY – TNPSC GROUP II & IIA UNIT - III

Significance of MGNREGA

- **Rural Development:** The programme mandates that at least 60 percent of the works undertaken must be related to land and water conservation. The creation of these productive assets boost rural incomes as the majority of villages are agrarian.
 - For instance, In Barmani village of Madhya Pradesh's Sidhi district, the MGNREGA created water conservation assets. So the internal migrants went home started resuming farming and stayed there after the situation turns normal.
- **Tackling Water Stress:** The water conservation structures built under MGNREGA have potentially conserved at least 28,741 million cubic metres of water in the past 15 years. This is an immense achievement to tackle the approaching water stress.
- **Curtailling Distress Migration:** The scheme provides support in times of distress and individuals are not forced to migrate into cities.
 - For instance, distress migration has stopped in Bandlapalli village in Andhra Pradesh's Ananthapuramu district and the village is drought-proof today.
- **Women Empowerment:** This is a natural result of employing women to 1/3rd of all MGNREGA jobs.
- Eg – MGNREGA has led to the formation of the country's largest group of trained women well-diggers in Pookkottukavu village of Kerala's Palakkad district.
- **Battling Uncertainties:** The program provided a sigh of relief to millions of migrants and other people who lost their **livelihood in the pandemic times**. The scheme ensured that the vulnerable get access to basic income thereby decreasing suicide rates in the country.
- **Community Assets:** The scheme has led to the creation of common community assets. These assets are built by communities on common lands thereby **creating a sense of responsibility** towards the structure which results in better care.
 - For instance, many Johads (percolation ponds) had remained abandoned for several years in many villages of Haryana. However, villagers revived them under the MGNREGA.

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UNIT - III**

2. Employment programs

1) Financial package

Financial package of more than rupees twenty seven lakh crore under “Aatma Nirbhar Bharat” has been launched interalia, to create employment opportunities for migrant workers, workers of organized and unorganized sectors, strengthen of MSME sector and promote the rural economy. It includes a number of initiatives for all these sectors.

2) Aatmanirbhar Bharat Rojgar Yojana (ABRY)

1. Aatmanirbhar Bharat Rojgar Yojana (ABRY) has been launched w.e.f. 1st October 2020 to incentivize employers for the creation of new employment along with social security benefits and restoration of employment.
2. This scheme is implemented through EPFO seeks to reduce the financial burden of employers and encourage them to hire more workers.
3. Under ABRY, the Government of India is providing for a period of two years, both the employees’ share (12% of wages) and employers share’ (12% of wages) of contribution or only employees’ share of contribution depending on employment strength of the EPFO registered establishments, for new employees whose monthly wage is less than Rs. 15,000/- per month.
4. The new employees under the scheme include those who lost their jobs during Covid-19 and didn’t join any EPF-covered establishment up to 30.09.2020.
5. The terminal date for registration of beneficiaries under the scheme has been extended from 30th June, 2021 to 31st March, 2022.

3) Pradhan Mantri Garib Kalyan Yojana (PMGKY)

- Under Pradhan Mantri Garib Kalyan Yojana (PMGKY), the Government
- This has helped in providing employment in EPFO registered establishments during post Covid period.
- Statutory PF contribution of both employer and employee was reduced to 10% each from the existing 12% each for all establishments covered by EPFO for three months i.e. May to July 2020.

4) PM- SVANidhi Scheme

- PM SVANidhi was launched by the Ministry of Housing and Urban Affairs, on June 01, 2020.

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UNIT - III

- Its objective is to provide affordable Working Capital loans to street vendors to resume their livelihoods that have been adversely affected due to the Covid-19 lockdown.
- Under the Scheme, the vendors can avail of a working capital loan of up to Rs. 10,000, which is repayable in monthly instalments in the tenure of one year. On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be credited to the bank accounts of beneficiaries through Direct Benefit Transfer on a quarterly basis.
- There will be no penalty on early repayment of loan.
- SIDBI will implement the PM SVANidhi Scheme under the guidance of the Ministry of Housing & Urban Affairs (MoHUA). It will also manage the credit guarantee to the lending institutions through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).
- PM- SVANidhi Scheme has facilitated collateral-free working capital loan up to Rs.10,000/- for one-year tenure to street vendors, to help them resume their businesses.
- RBI and the Government of India have introduced measures to infuse liquidity in the economy to sustain the market economy and raise the level of employment.

Other Schemes

- Besides the above, Government has taken various other steps for generating employment in the country encouraging various projects involving substantial investment and through public expenditure on schemes like Prime Minister's Employment Generation Programme (PMEGP), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and Deendayal Antodaya Yojana-National Urban Livelihoods Mission (DAY-NULM). Wage under MGNREGS has been increased from Rs. 182 per day to Rs. 202 per day.
- Pradhan Mantri Mudra Yojana (PMMY) is being implemented by the Government inter alia, for facilitating self-employment. Under PMMY collateral free loans upto Rs. 10 lakh, are extended to micro/small business enterprises and to individuals to enable them to setup or expand their business activities.

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UNIT - III

- Earlier Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) was launched to incentivise employers for creation of new employment. Under the scheme, Government of India is paying Employer's contribution i.e. 12% for a period of three years to the new employees earning upto Rs. 15,000/- through EPFO. The terminal date for registration of beneficiary through establishment was 31st March 2019. The beneficiaries registered upto 31st March, 2019 will continue to receive the benefit for 3 years from the date of registration under the scheme i.e. upto 31st March, 2022.

