

Chapter-1 Introduction

1.1 Overview of MGNREGS

Government of India (GoI), Ministry of Rural Development (MoRD) enacted the “National Rural Employment Guarantee Act, 2005 (NREGA)” in September 2005 with a view to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work and brought it into effect from February 2006. The Act also provides opportunities for generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration, fostering social equity and strengthening rural governance through decentralisation and process of transparency and accountability etc. The Act now (April 2008) covers all the districts of the country except the districts having a hundred *per cent* urban population. The name of the Act was changed to “Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009”.

The Act requires every State to formulate a State Rural Employment Guarantee Scheme (SREGS), which should conform to the minimum features specified under the Act. According to the Act, rural households have a right to register themselves with the local Gram Panchayats (GPs) and seek employment. Under the scheme, employment is to be provided within 15 days from the date of demand, failing which the State Government will have to pay unemployment allowance at the stipulated rates.

SREGS is implemented as a Centrally Sponsored Scheme on a cost sharing basis between the GoI and the State. GoI bears all costs, other than the following:

- 25 *per cent* of the cost of material and wages for semi-skilled/skilled workers;
- Unemployment allowance;
- Compensation in case of delay in payment of wages and Administrative expenses of the State Employment Guarantee Council.

All 27 districts in Assam were brought under the Act in three phases¹ during the period between 2 February 2006 and 1 April 2008.

During the course of Performance Audit on the implementation of the Act/Scheme covering the period, 2007-08 to 2011-12, a number of systemic and compliance deficiencies have been noticed which are discussed in the succeeding chapters.

¹ Year-wise coverage:

1st Phase (w.e.f 2 February 2006): (1) Bongaigaon, (2) Dhemaji, (3) Goalpara, (4) Karbi Anglong, (5) Kokrajhar, (6) Lakhimpur and (7) N. C. Hills.
2nd Phase (w.e.f 1 April 2007): (8) Barpeta, (9) Darrang, (10) Cachar, (11) Hailakandi, (12) Morigaon and (13) Nalbari.
3rd Phase (w.e.f 1 April 2008): (14) Baksa, (15) Chirang, (16) Dhubri, (17) Dibrugarh, (18) Golaghat, (19) Jorhat, (20) Kamrup (Rural), (21) Kamrup (Metro), (22) Karimganj, (23) Nagaon, (24) Sivasagar, (25) Sonitpur, (26) Tinsukia and (27) Udalguri.