

Factors Influencing Demand for Rural Labour Under MGNREGA

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The role of employment as the principal link through which economic growth is transmitted to the poor and enable them to overcome poverty has been increasingly emphasized in the analysis of development policy in recent years. It is also recognized that there is no automatic and predetermined relationship between economic growth and employment and that not all growth is equally employment intensive. Nowadays increasing attention has thus been directed to measure and look for ways to enhance employment intensity of growth.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at fulfillment of the right to work, as it assures employment at the household level to individuals, and guarantees a maximum of 100 days of wage employment in an year. Nevertheless, it signifies a landmark development in the sense that it highlights the confidence of the state in its economic capacity to convert justifiable rights provided in Part IV of the Indian Constitution into justifiable ones. The NREGA was passed by the Parliament of India in its monsoon session of 2005. It came into force in 200 selected backward districts of the country on February 2, 2006, and was extended to 130 more districts from April 1, 2007 onwards. It has since been extended to all the districts from April 1, 2008, extending its universal coverage.