



MGNREGA as a Poverty Eradication Programme in India

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Abstract: *The popular job scheme of MGNREGA defines double goals of non-urban growth and career. The MGNREGA scheme states that performs must be focused towards a set of particular non-urban growth actions such as: water preservation and growing, A forestation, non-urban connection, overflow control and security such as growth and fix of embankments, etc. so by improving these necessary field , the government of Indian want to make country a developed one. This job scheme is highly liked by the people of the country. Searching of new tanks/ponds, percolation aquariums and growth of small check public performs are also given significance. The companies are given perform such as area stabilizing, shrub Farmville farm, etc. First, an offer is given by the Panchayat to the Prevent Workplace and then the Prevent Workplace chooses whether the worker should be approved. This paper discussed about the people's protest about poverty through introduction of a right based approach for poverty alleviation in the form of provision of rural employment guarantee in the constitutional system of India and how MGNREGA has inaugurated as a remarkable process for the empowerment of the poor.*

Keywords: *Right to Information Act, Economic Growth, SGRY, Social Protection, Rural Poor.*

Introduction

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 is landmark legislation in Indian history of social security legislation after independence. Enacted after a successful struggle for an employment guarantee legislation, this legislation is a partial victory towards a full-fledged right to employment in any developing country context. The essential feature of this legislation which separates it from any other public service provisioning scheme is its enactment through the parliament of India. Read with the Right to Information Act, this legislation has been bringing about a silent revolution in rural areas of the country.

The real challenge as well as the strength of the Act comes from it being given the legitimacy as well as authority from the Indian Parliament, which puts

the onus of its implementation in the hand of the recipient as well as that of the implementing authorities. The recipients have a greater role, at least by design, not only in demanding the employment but also in deciding on how the Act will be implemented. It also drastically alters the power equations which the agents of the state and the powerful groups within the local society have become used to enjoying. Moreover, for the first time, it provides for mechanisms for penalizing the government if it fails to provide employment on time.

Although a programme of this magnitude will take time to settle down and be of any relevance in changing the landscape of rural India in such a short span of time, initial reports of the evaluation studies of MGNREGA by various institutions and individuals has documented the processes of revival and resurgence largely driven by the

MGNREGA as an axis of struggle by the rural poor. It has neither been claimed nor was envisaged that MGNREGA is the key to successful rejuvenation of rural areas of the country that have remained marginalized in the growth process of the country. This requires many such efforts particularly towards ensuring the broken linkages

of the growth process to include the rural areas as engines of growth.

MGNREGA started with an initial outlay of \$2.5bn (Rs 11300cr) in year 2006-07. The funding has considerably been increased as shown in the table below:

Table -1: Funding for MGNREGA

| Year | Total Outlay (TO) | Wage Expenditure (Per cent of TO) |
|---------|-------------------|-----------------------------------|
| 2006-07 | \$2.5bn | 66 |
| 2007-08 | \$2.6bn | 68 |
| 2008-09 | \$6.6bn | 67 |
| 2009-10 | \$8.68bn | 70 |
| 2010-11 | \$8.91bn | 71 |

Nonetheless, it does offer an opportunity for the rural poor to stake claim to the fruits of the growth. Moreover, success stories of MGNREGA provide opportunities for mainstreaming and legitimizing the struggle for other social security legislations. Above all, they re-enforce the faith in the state in being able to do something for the poor and marginalized of the country in being included in the growth process. Therefore, the success of NREGA is as much a hope for those civil society activists fighting for the rights for the poor as it is a critique of the develop mentalist state in case it fails to deliver.

The central Government of India has recognized a finance known as the Nationwide Career Assurance Fund, from which allows are launched straight to Zones. Turning resources are to be set up under REGS at the Region, Prevent and local Gram Panchayat levels, with individual records being started out for such resources at each level. Each Non-urban Career Assurance Program is required to have the lowest features specified in Routine 1 and Routine 2 of the Act. Area 4 of the Act also provides that until such as the Condition Government, the Yearly or Viewpoint Strategy of

the famous Sampoorna Grameen Rozgar Yojana informs Program. (SGRY) or Nationwide Food for Perform Program (NFFWP), whatever is in power is that area shall be considered the strategy for the Program for the requirements of the Act. These recommendations have been developed to assist in the design and execution of Non-urban Career Assurance Techniques. They should be considered as a wide functional structure, around which further conditions may be designed, considering the State's financial, social and institutional perspective.

The Main Government holds the expenses on the following items:

- The entire price of income of inexperienced guide workers
- 75% of the price of content, income of experienced and partial experienced workers
- Administrative expenses as may be identified by the Main Government, which will consist of inter alias, the wage and the considerations of the Program Official and his assisting team, place of work facilities

- Expenses of the Nationwide Career Assurance Council The Condition Government holds the expenses on the following items: 25% of the price of content, income of experienced and partial experienced workers
- Unemployment allocation due in case the Condition Government cannot provide wage occupation on time.
- Administrative expenses of the Condition Career Assurance Authorities.

MGNREGA as a Social Protection

The present study is initiated within the framework of social protection to the informal workers. If we broadly divide provision of right to work in terms of “job security” and “employment security”, the right to work falls in the category of “employment security”. While job security refers to ensuring regular work and guaranteeing against arbitrary dismissal, employment security refers to provision of certain minimum days of work at an assured minimum wage so as to enable the underemployed or unemployed workers earn a certain minimum supplementary income to overcome deprivation and distress migration. Thus, MGNREGA fits as one of the important measures of social protection.

Though the MGNREG Act and its operational guidelines are uniform for the whole country, irrespective of its regional diversities, it is hypothesized that for effective functioning, different states will need to find their own feet in ensuring effective implementation. While implementation mandates adhering to the broad framework within which the programme has been circumscribed at the national level through its detailing in the Act, state governments have been given sufficient flexibility to incorporate design

innovations. The works to be undertaken under MGNREGA as mentioned earlier, include broadly nine types with a primary thrust on improvement of rural land and water resources, and rural connectivity. An important aspect of the works to be undertaken that has direct link as a social protection measure relates to the provision that resource development could include not only public works but also land development and irrigation facilities on the lands of poor Surveyed Castes and Surveyed Tribes, land of below poverty line (BPL) households, land assigned under land reforms, lands of households benefiting from the housing scheme – Indira Awas Yojana (IAY) and also of small and marginal farmers as provided for recently.

Works undertaken under the MGNREGA are bound to reflect the diversity of local needs and priorities since the choice is made at the local level. Rural connectivity figured as the most common one in the early stages in all the states. For instance, in Bihar the share of rural habitations still to be connected to pucca roads is as high as 66.4% and rural connectivity is a dire need. This reflects not only the fulfillment of a relatively long pending need but also the type of work that could be taken up without much conflict of interest and relatively less amount of time needed in planning. But as the scheme progressed over the last few years there have been clear regional variations in the types of works.

MGNREGA works of the kind observed shows the potential for increasing the productivity of small land holdings, thereby increasing the income base of these poor households. But in Bihar hardly any such works on the lands of the poor was noticed, reflecting the political and administrative conditions that may not easily facilitate interventions in favour of the poor.

Impact of MGNREGA on Rural Poor

Any Act has three types of impact on the society- short term, medium term and the long term. It may also affect a given society at three levels-the value system, the institutions, and the processes. MGNREGA is one of the most recent Acts of India. It is also have insufficient basis to discuss the nature of impact of this Act upon the values or institutions. But there are enough studies to help us in finding out the short term as well as the procession aspects of the impact this step by the Indian state in the context of empowerment of the rural poor particularly the more vulnerable sections like women, SCs and STs. The major dimensions of the impact of MGNREGA can be summarized as the following (see Box I).

- Disengagement from hazardous work.
- Rural asset formation.
- Improvement in rural environment and sanitation.
- New interface between rural poor, state and civil society

Box I: Impact of NREGA on Rural Poor

- Legitimacy to Rights based approach about challenge of poverty.
- Increased employment opportunities.
- Higher participation by SCs and STs poor
- Increased in average wages.
- Decline in outmigration of landless labour force.
- Reduction of hunger.
- Economic empowerment of poor women.
- Children in School.
- Accessing Medical facilities
- Relief from rural village moneylenders.

NREGA has made a dent on poverty by increasing employment opportunities. During the first year of implementation (FY 2006-07) in 200 districts, 2.10 crore households were employed and 90.5 crore person days were generated. In 2007-08, 3.39 crore households were provided employment and 143.59 crore person days were generated in 330 districts. In 2008-09, 4.51 crore households have been provided employment and 216.32 crore person days have been generated across the country.

At the national level, average wage paid under NREGA has increased from Rs. 65 (FY 2006-07) to Rs.88.48 in FY 2009-10. This has led to strengthening the livelihood resource base of the rural poor in India. In 2008-09, 67 percent of funds utilized (Rs.18200.02 crore as wage expenditure) were in the form of wages paid to the labourers. In 2009-10, 69 percent of the fund saveed has been utilized in the form of wages (Rs.18806.39 crore as wage expenditure). Payments of wages through banks and post offices have been statutory. In the year 2009-10, 8.57 crore banks and post offices accounts have been opened to disburse wages. NREGA workers have been identified as a category for Jana Shree Bima Yojana (JSBY) by Life Insurance Corporation of India (LIC).

The scheme got statutory status and the autonomous nature of its budget, which together

with provisions regarding workers' benefits; make this scheme administratively superior to any other programme. As on 2009, total agricultural labour households are 92.4 percent and total rural working household are 24.8 percent. About eight percent household completed hundred days employment. Total expenditure was Sixty-eight percent of which average wage expenditure per household was Rs.3438. Financial Year 2009-10, 45.1 million household were benefited with the scheme and as on February 2010, 619 districts were covered under the scheme on which 49.0 million households were benefited.

Total person days was created 2513 million, of which 737.9 million (30 percent) were Scheduled Castes, 540.3 million (22 percent) were Scheduled Tribes, 1210.5 million (49 percent) were women and 1224.8 (48 percent) were others. As on February 2010, total amount was released by Central Government Rs. 391 million, of which 335.07 was spent for the scheme and the average wage per day was Rs.90. As on February 2010, total work taken up 4.10 million, which 1.64 million was completed. The categories of work completed was water conservation 51 percent, provision of irrigation facility to land owned by SC/ST/BPL and IAY beneficiaries was 16 percent. Rural road connectivity was 17 percent, land development 14 percent and any other activities 2 percent (Agenda Notes on NREGA, Performance Review Committee, October 2008-2009, Ministry of Rural Development, Government of India).

MGNREGA towards eradicating rural poverty

The Mahatma Gandhi National Rural Employment Guarantee Act that envisages 100 days of compulsory employment per household is largest ever public employment programme and widely acknowledged as a pioneering legislation. For the

first time in post independence era the government launched a programme that acknowledges Right to work. The act came into existence through a notification of government on September 7, 2005 and was implemented on February 2, 2006. In the first phase act covered 200 backward districts, than extended to 330 districts and in 2007-08 the act was extended to cover all the districts. As per the act all adult members of a rural house hold who are willing to do unskilled manual work may apply for registration. The Gram Sabha than issues job cards bearing photographs free of cost. A job card holder may submit a written application for employment to the Gram Panchayat stating the time and duration for which work is sought.

Gram Panchayat issues a dated receipt of written application for employment and if employment is not provided within 15 days than daily employment allowance have to be paid. Work is to be ordinarily provided with in 5 kilometer of radius of village or 10% extra wage is to be paid for more than 5 km. Disbursement of wages has to be done on a weekly basis and not beyond a fortnight. All states have been directed to disburse wages through post offices Bank accounts thus paving the way for financial inclusion. At least one third of persons to whom work is to be allotted have to be women. The permissible works to be undertaken under the programme include water conservation, Drought Proofing, Irrigation channels, minor irrigation, and renovation of water bodies, Flood protection, Land development and rural connectivity.

The programme has resulted in increased employment opportunities for rural work force in nearby villages thereby preventing rural migration. The than Minister for Rural Development C P Joshi while addressing the two days long performance review committee meeting to take stock of the progress under the flagship programmes of ministry

of Rural Development at National Agricultural Science Complex (NASC) revealed that during 2009-10, 5.25 crore lakh households were provided employment in the rural areas across the country. Average no. of days of employment per household in the year went up to 54 days. Over 69.5 lakh households have availed themselves of 100 days of employment in 2009-10. Participation of SC and ST has been 31 per cent and 21 per cent respectively. Contribution of women has been around 49 per cent. Ever since its launch in February, 2006 MNREGA has now reached out to 619 districts, 6400 blocks, six lakh villages and around 2.35 lakh village Panchayats.

The MGNREGA has in fact provided stimulus for the mobilization of the poor across the country. However there have been reports of misuse of MGNREGA funds across different states, less than 100 days of employment, the nonpayment of employment allowances to those who do not get the mandatory 100 days of employment, failure in recruitment of proper and adequate staff to run the programme and not conducting the social audits of the programme. The awareness of the guarantee of the employment, the direct impact of the wages on the household which enabled children to go to school, improved nutrition within the family brought down dependence on money lenders; reduce abject poverty and migration thus bringing a more enduring confidence among the poor.

Critical Issues

- **Issues Relevant to Job Cards:**

To make sure that non-urban families likely to seek inexperienced manual labor are determined & confirm against reasonably reliable local database so that non-domiciled contractor's workers are not used on NREGA performs.

Job cards confirmation is done on the spot against a current database and reducing enough time lags between program and issue of job cards to remove the possibility of rent seeking, and creating greater visibility etc. Besides guaranteeing that Job Cards are released prior to career need and perform allowance rather than being released on perform sites which could subvert the is designed of NREGA.

- **Issues Associated With Applications**

To determine choices and views of houses regarding trim season career to make sure exercise of the right to career within enough time. It is specified of fifteen days to make sure that performs are started where and when there is need for labor, not need for performs the process of providing an old recognition for the program for career needs to be scrupulously noticed. In its lack, the guarantee cannot be worked out in its true soul.

- **Issues Relevant to Choice of Works**

Selection of all workers by local gram sabha in all towns or districts and display after acceptance of display of tasks, to make sure public choice, visibility and responsibility and avoid material extensive, service provider based performs and concocted performs information.

Issues associated with Performance of Works:

At least half of performs should be run by gram panchayats. Servicing of collect roll by performing agency designated collect comes which only show job cards owners must be found at each perform to avoid service provider led performs.

- **Issues Associated With Dimension Of Perform Done**

Regular dimension of perform done according to a schedule of non-urban rate delicate Guidance of Operates by qualified technical employees promptly. Reading out collect comes on perform place during frequent dimension to avoid fake information and transaction of income below recommended levels.

- **Issues Associated With Payments**

Payment of income is done through post offices as well as government or private banks. Through this scheme, people can be paid at right time without any error. The payment is done in their particular bank/post office account.

- **Audit**

Provision of sufficient quality of perform place features for women and men labors Development and upkeep of durable resources sufficient review and assessment systems extensive organization of social review and use of conclusions.

MGNREGA as a Poverty Eradication Programme

India is one of the fastest growing economies in the world but is also home to 22% of the world poor. While economic reforms did India a prosperous country, it failed to reach many sections of the society, especially the marginalized and the disadvantaged. The benefits of economic growth are unevenly distributed and some are even deprived of the benefits. It is also important to understand that some people are unable to be a part of the economic reform. The government has to ensure that such people are not excluded from the development process. To ensure this, government provides welfare measures in the form of poverty alleviation programs to ensure that such people

survive if not prosper in this era of economic reform.

This was also the period of nationwide mobilization for making an Act to ensure livelihood support to the very poor and most vulnerable sections of society. It was led by a coalition of like minded economists, political activists, civil society organizations and a variety of pro-poor NGOs from different parts of India. Amartya Sen, Kamal Nayan Kabra, Aruna Roy and Jean Dreze were among the most influential supporters of this mobilization. It also received support from the left and democratic parties, trade unions and youth organisation as they have been demanding right to work since 1970s. Thus evolved the proposal for right to work which was presented and approved as National Rural Employment Guarantee Act, 2005. The scheme was renamed after the Father of the Nation Mahatma Gandhi as Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) on 2nd October 2009. Table 2 of below summarized the long and complex narratives about NREGA.

Table 2: Milestones of the Indian Journey towards NREGA (1960-2009)

| Date | Main Provisions of Bills/Acts |
|---------|--|
| 1960-61 | Rural Manpower (RMP) |
| 1971-72 | Crash Scheme for Rural employment (CRSE) |
| 1972 | Pilot Intensive Rural Employment Programme (PIREP) |

| | |
|--------------------|---|
| 1973-76 | Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labour Scheme (MFAL) |
| 1977 | Food for Work Programme (FWP) and Antyodaya Programme |
| 1980 | The National Rural Employment Programme (NREP) |
| 1983 | Rural Landless Employment Guarantee Programme (RLEGP) |
| 1993-94 | Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS) |
| 1999-2000 | The Jawahar Rozgar Yojana (JRY) was merged with JGSY was made a rural infrastructure programme |
| 2001 | The Sampoorna Grameen Rozgar Yojana (SGRY) |
| 2004 | National Food for Work (NFFWP) |
| 7th September 2005 | Notification of NREGA |
| 2nd February, 2006 | NREGA introduced in 200 districts |

| | |
|------------------|--|
| 2007 | NREGA Phase II- Extended to additional 130 Districts |
| 1st April 2008 | NREGA Phase III-Extended to cover all districts of India |
| 2nd October 2009 | NREGA renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) |

Poverty alleviation has been one of the guiding principles of planning process in India. Measures to address poverty alleviation are of two types – egalitarian and ameliorative (self-employment and wage employment). Since independence, such welfare measures have reflected the contemporary government ideology. After independence, India adopted Soviet model of planned economic growth. The prevalent ideology of the time was socialist welfare focusing on equitable growth to reduce inequality. In the 1950s, land reforms were adopted which aimed at providing permanent asset to the poor. This was an egalitarian measure for redistribution of wealth. This was followed till 1960s.

Recognizing the difficulty of land reforms, the focus of poverty alleviation shifted to growth with equity with group focused programmes like Small Farmers' Development Agency (SFDA). Failure of SFDA led GoI to launch anti-poverty program like Integrated Rural Development Program (IRDP) which was individual focused. This was an ameliorative measure where a poor individual was given subsidized credit, training and infrastructure for self-employment. IRDP suffered from three major shortfall – mismatch of project and individual, indifferent attitude of banks towards

providing bank loan to the poor and misappropriation of funds by the non-poor. In 1999, this programme was replaced by Swarnajayanti Gram Swarozgar Yojna (SGSY). SGSY focused on group to lend money and develop micro-enterprises by organizing the poor into self-help groups, providing them with credit, technology, infrastructure and training.

Conclusion

MNREGA was set up on Feb 2, 2006 from district Anantapur in the state of Andhra Pradesh, India and originally protected 200 real "poorest" zones of the nation. The Act was applied in phased way – 130 zones were included in the year of 2007–08. With its propagate over 625 zones across the nation, the leading program of the Government has the prospective to increase the buying power of non-urban inadequate, decrease problems migration and to make useful resources in non-urban Indian. In addition, it can promote public and sex equal rights as around 23% employees under the program are Planned Castes, total 17% Planned Communities and around 50% women. In the year of 2010–11, about 41 thousand houses were applied on NREGA worksites. National Rural Employment Guarantee Scheme (NREGS) is possibly the most ambitious income security programme for India's rural poor in Post Independent India. About 30 percent of Indians are living in absolute poverty but in actual terms it moves up to as much as 77 percent. The Ministry has set up an extensive tracking program. For efficient tracking of the tasks 100% confirmation of done work at the Prevent stage, 10% at the Region stage and 2% at the Condition stage examinations need to be assured. In purchase to boost the multiplier results of popular NREGA, the Ministry has set up a Process Power to look at the likelihood of unity of programs like Nationwide Farming Objective, complete Rashtriya-Krishi-

Vikas-Yojana, new Bharat Nirman, and Watershed Growth with popular NREGA scheme. These unity initiatives will add value to NREGA scheme, performs and aid in developing resilient initiatives and allow organized and harmonized community investment strategies in non-urban places.

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