



MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (MGNREGS): AN ANTIDOTE TOWARDS POVERTY ALLEVIATION THROUGH EMPLOYMENT GENERATION IN TAMIL NADU

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Abstract

The poverty alleviation programmes of the Ministry of Rural Development are designed to act as safety nets to the poor during the times of crisis even while addressing partly the multi-dimensional poverty. The Mahathma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), a social protection programme, has emerged as a major theme in development discourses perhaps due to its scale of finance and adoption of 'rights' based framework. In order to alleviate rural poverty by generating employment as well as creation of sustainable assets in Rural India, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGS), was enacted. Poverty and unemployment is the basic problem of the rural India. India's Unemployment Rate in India decreased to 5.20 percent in 2012 from 6.30 percent in 2011. Unemployment Rate in India averaged 7.58 Percent from 1983 until 2012, reaching an all-time high of 9.40 Percent in 2009 and a record low of 5.20 Percent in 2012. Unemployment Rate in India is reported by the Ministry of Labour and Employment, India. In the rural area, the proportion of unemployed is estimated as 37 persons/1000 population. Therefore, Employment generation and poverty alleviation are major priorities drawing the attention of the government and economic development planners all over the world.

Keywords: *MGNREGS, Employment, Poverty Alleviation, Socio-Economic Conditions, Social Security Programmes.*

INTRODUCTION

"I shall work for an India in which the poorest shall feel that it is their country, in whose making they have an effective voice, an India in where there shall be no high class and low class of people; an India in which all communities shall live in perfect harmony. There can be no room in such India for the curse of untouchability, or the curse of intoxicating drinks and drugs. Women will enjoy the same rights as men. We shall be at peace with all the rest of the world.

This is the India of my dreams."

~ Mahatma Gandhi

Poverty alleviation has been one of the guiding objectives of the planning process in India. Central and State governments have considerably enhanced allocations for the provision of education, health, sanitation and other facilities which promote capacity-building and well-being of the poor. India continues to face the paradox of some backward states in the country with dismal poverty while some progressive states recording vibrant growth. The diverse growth poverty-disparity scenario has been pronounced at sub-national level, it has also been reflected in terms of uneven human development, persistent gender inequalities, and fluctuating growth. Hence, the issue of growth and poverty nexus has re-emerged as one of the key policy debates and concerns among the policy makers, social activists, leaders, development planners and researchers. In order to accomplish twin objectives of growth and equity that translate growth into faster poverty reduction and human development focus has been on inclusive growth through development intervention policy and programmes. The National Rural Employment Guarantee Act (MGNREGA) was enacted in September 2005. The National Rural Employment Guarantee Scheme (MGNREGS) was launched on 02.02.2006. MGNREGS is a flagship employment guarantee scheme.

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME (MGNREGS)

Guarantee Act (MGNREGA) (initially named as National Rural Employment Guarantee Act or NREGA) enacted by Government of India, is the largest employment programme ever started in a country with a huge public investment. MGNREGA was envisaged as a demand driven program where the work in a particular village is undertaken based on the demand from number of households demanding such work in a given year, the upper cap

being 100 days per year per household. The costs to be shared by both the centre and states, through the larger part of the fiscal burden to be taken care by centre as it has more resources. The centre will provide 100 percent funding of wages for unskilled manual work and 75 percent of material cost of the schemes including payment of wages to skilled and semi-skilled worker workers cost. It was also decided that in case the states are unable to provide the required employment opportunities at the stipulated time, they will be entitled to an unemployment allowance to be paid by the respective states. This was thought to act as a deterrent for possible lags in implementing the scheme on the part of state government. The scheme provides a legal guarantee of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage of Rs.100 per day. Then the wage rate is hiked to Rs. 115 per day with effect from January 2011. Now this wage rate is hiked to Rs. 167 per day with effect from April 2014. It aims at creating sustainable rural livelihood through regeneration of the natural resource-base, i.e. augmenting productivity and supporting creation of durable assets and strengthening rural governance through decentralization and processes of transparency and accountability. Gram Panchayats are involved in the planning and implementation of the scheme and creation of durable assets for sustainable development of the rural areas. The Act was notified in 200 districts in the first phase with effect from February 2006 and then extended to 130 more districts in 2007-2008. The remaining 614 districts had been notified under the MGNREGS with effect from April 1, 2008. Thus, MGNREGS covers the entire country with the exception of districts that have a hundred per cent urban population. The Act aims to achieve the objective of giving citizens right to work, as enunciated in the Directive principle of the Constitution of India.

It is noted by the Government that there has been a significant dent in poverty in rural areas as the implementation of MGNREGS has increase in earning of rural households resulting in an increase in their purchasing power. With the increase in employment opportunities and wage rates (under MGNREGS), there has been a significant dent in poverty in rural areas. The average wage paid under MGNREG has increased from Rs.75 in 2007-08 to Rs.90 in 2009-10. Earning per household has increased from Rs.2795 per month in 2006-07 to Rs.3150 in 2007-08 and to Rs.4060 in 2008-09 under this Scheme. Increase in income has resulted in increase in the ability of rural households to purchase food grains, other essential commodities and to access education and health care. It is also stated that 2.10crore in households were provided employment uunder the Act in 2006-07: 3.39corore in 2007-08 ;4.51crore in 2008-09; 4.79 crore in 2009-10 and the end of financial year 2010-11, this scheme has provided employment to 5.47 crore households with around 256.44 crore person-days work, which has created 25.79 lakh assets with 24.95 lakh works are in progress.

REVIEW OF LITERATURE

Adhikari and Bhatia (2010) reveal that the Government of India has shifted from cash payment of wages under renamed MGNREGS to settlement through bank accounts. This has been done in order to prevent defrauding of workers and to give them greater control over their wages. The direct transfer of wages into workers bank accounts is a substantial protection against embezzlement, provided attitude towards bank payments and an interest in learning how to use the bank system. Pankaj and Tankha (2010) argue that women workers have gained form MGNREGS primarily because of the paid employment opportunity and benefits have been realized through income consumption effects, intra household effects and the enhancement of choice and capability. Keshava (2010) 7 points out the MGNREGS has given people a right to work, to re-establish the dignity of labour, to ensure people's economic and democratic rights and entitlements to create labour intensive infrastructure and assets and to build the human resource base of the country. MGNREGS has made for the first time the power elite to recognize the people's right to fight endemic hunger and poverty with dignity accepting that their labour will be the foundation for infrastructure and economic growth.

Sureshkumar and Saravanan (2010) state that women constitute about half of the total opoulation of the country but they suffer from many disadvantages as compared to men in terms of literacy rates, lobour participation and earnings, etc. Social, economic and political empowerment is the need of the day, as it is the only surest way of making women as 'equal partners in development'. National Rural Employment Guarantee Act plays a substantial role in socially and economically empowering women by generating wage employment and laying the basis for

greater independence and self-esteem. Further, the MGNREGS signals a possible reshaping of State priorities in India through a democratic determination to provide real livelihood opportunities for the rural poor. Naidu et al (2010) indicate that the desertification of the district of Anantapur is to some extent stopped because of MGNREGS as the workers and farmers are involved in contour bunding, tree plantation and water storage management. It results in the stopping of the migration of farmers and labourers in good numbers. Because of increase in their income levels, their children are able to get good education, settle in life. Education leads to better opportunities to the students hailing from this working class. Hence, efforts are to be made to ensure effective implementation of MGNREGS.

Mallika (2010) opines that MGNREGS is a programme for social transformation, It needs effective watchdogs from the society and its prospect of not only transforming livelihoods of the poorest people of the country, but also heralding a revolution in rural governance in India. MGNREGS is one of the best ways in India to reach BPL households. It can also serve as a tool for creating healthy citizenry and ensures poverty alleviation and achievement of the Millennium Developmental Goal. Equal wages will be provided to both men and women according to the women. By earning higher wages they could send their two daughters to school with ease. Further, they felt that the income earned through MGNREGS further raise their standard of living. Furthermore, from the village pond for their daily consumption of water to channelized their fields which would result in better yield. This would ensure a sustainable livelihood through MGNREGS.

According to Kataria (2010), it is generally said that scheme like MGNREGS does not lead to 'skill generation' and without generating or upgrading skills no community can be self-sustained. On the other hand, NREGS is oriented towards unskilled worker whether an individual has traditional skill or not. It is also observed that MGNREGS is increasing the buying capacity of rural poor, so inflation is also high, but is good sign to maintain 6-7 per cent growth rate in global slowdown. According to Yadav and Garg (2010), the significance of MGNREGS lies in the fact that it creates a right-based frame work for wage employment programmes. In this way, the legislation goes beyond providing a social safety net towards generating the right to employment. It creates durable assets and strengthens the livelihood resource base of the rural poor. The choice of work suggested in the Act addresses causes of chronic poverty like drought, deforestation and soil erosion, so that the process of employment generation is maintained on a sustainable basis.

Champatiray (2010) reveals that in Balugaon and Banpur areas of Orissa, which were known for large-scale migration to other states are also showing good response in executing the MGNREGS project work, thus considerably mitigating the migration rate. Khundra district which could spend about 35 per cent of the total allocation in previous years has been able to spend more than 68 per cent of the received funds in 2009-10. Sankari and Murugan (2009)²¹ opine that MGNREGS can have a positive impact on the social and economic well-being of rural labourers and their families. In particular, it holds the powerful prospect of bringing major changes in the lives of women. This is especially true in a state like Tamil Nadu where women constitute an overwhelming proportion in the workers by increasing the minimum wages. For the success of the scheme, it is imperative that a village level micro plan is prepared and the works taken up under MGNREGS form part of the village area plan. Lastly PRIs should be made solely responsible for the implementation of the MGNREGS successfully.

PERFORMANCE OF MGNREGS IN TAMIL NADU

There have been some significant achievements to the credit of MGNREGA. Since inception in 2005, the performance of MGNREGA has been somewhat wavering. In some states and in some indicators, it has performance above potential, while in others, it is found lacking in many respects. Overall, its performance cannot be considered to be flawless. There have been some revisions in the act as per the need of the hour, but in spite of these, there have been many areas where the act is found wanting. However over the years as the studies shows the experience from MGNREGA varies across states and within a given state.

As a policy decision, the schemes implemented under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Tamil Nadu ensure 100 per cent unskilled manual works. To improve the quality of assets created under MGNREGA and to enhance the livelihood opportunities of the rural masses, the State has institutionalised an approach of resource convergence by inter-weaving MGNREGA with other public works programmes. The prime objective behind this approach is to create assets which could ensure livelihood security to beneficiaries and to help in the regeneration of the natural resource base of the rural economy concerned. On the basis of State level inter-departmental meetings, detailed action plans have been prepared on convergence, clearly delineating roles and responsibilities of participating line departments. The State has successfully implemented MGNREGA in collaboration with Agriculture, Fisheries, Horticulture and Nirmal Bharat Abhiyan (NBA) etc.

In Tamil Nadu, The National Rural Employment Guarantee Scheme (MGNREGS) was launched on 02.02.2006 and was initially implemented in six districts, viz., Cuddalore, Dindigul, Nagapattinam, Sivagangai, Tiruvannamalai and Villupuram from 02.02.2006 onwards and in four more districts viz. Thanjavur, Tiruvarur, Tirunelveli and Karur from 01.04.2007 onwards. From 01.04.2008 onwards, the scheme was extended to the remaining twenty districts of the State which are; 1. Ariyalur, 2. Dharmapuri, 3. Perambalur, 4. Pudukottai, 5. Ramanathapuram, 6. Namakkal, 7. Vellore, 8. Thoothu kudi, 9. Virudhunagar, 10. Salem, 11. Erode, 12. Tiruchirappalli, 13. Kancheepuram, 14. Theni, 15. Tiruvallur, 16. Madurai, 17. Nilgiris, 18. Kanniyakumari, 19. Coimbatore and 20. Krishnagiri and 21. Tiruppur.

The allotment for MGNREGS in Tamil Nadu has gone up from Rs.26 crores in 2006-07 to Rs.281.02 crores during 2010-11. The total expenditure incurred on this programme has similarly increased from Rs.15.16 crores to Rs.232.3 crores in the same period. The amount spent on wages has moved up from Rs.14.62 crores to Rs.214.87 crores in the same period. The percentage of expenditure incurred on wages in the total expenditure has however, declined marginally from 96.5 per cent in 2006-07 to 96.1 per cent in 2009-10.

Under this programme, the total number of job cards issued has gone up from 11.57 lakhs in 2006-07 to 65.44 lakhs in 2009-10 and further upto 78.46 lakhs till December 2010, while the number of households which were covered by this programme has increased from 6.84 lakhs to 43.73 lakhs and then 49.69 lakhs in the same period. Similarly, the number of man-days of employment generated through this programme has gone up from 182.87 lakhs in 2006-07 to 2637.21 lakhs in the year 2010-11. Thus, the number of man-day of employment created per household has moved up from 26.74 to 53.07 in the same period. This indicates that there is considerable increase in the number of man-days of employment generated to the rural masses through MGNREGS in the State, though it still stands only around 53 man-days per household as in the case of all-India.

COMPARISON OF MGNREGA FOR INDIA WITH TAMIL NADU (SUMMARY INFORMATION AVAILABLE AT NREGA WEBSITE)

- Participation of rural women workforce is significant in Tamil Nadu. 79.67 % are actually Women in Tamil Nadu while at all India level this figure is just 47.87%. Participation of rural women is delighting but such whopping participation needs a better understanding.
- Scheduled caste community is primarily involved in MGNREGA works. While at all India level participation of SC is 29.35 %, SC participation in case of Tamil Nadu is very much outstanding with estimates around 61%.
- Participation of STs is very much discouraging. This figure is a meagre 1.74 % compared to all India estimates of 25.36 %.

ACHIEVEMENTS OF MGNREGS IN TAMIL NADU

MGNREGS has significantly increased the bargaining power of labour. There has been an increase in overall average minimum wage paid to labourers working in agriculture, increase in number of days in the agricultural labour households get the work and annual income of these households. The programme has had positive effects on women workers in the rural labour markets. The wages paid to casual female workers in rural areas under



MGNREGS works is almost equal to male wages, which is in sharp contrast to the non- MGNREGS public works and other works. Distress migration has reduced in many parts and there is livelihood diversification in rural areas.

The Government of Tamil Nadu desired to institutionalize convergence of MGNREGS resources with other development programmes. The prime issue was to realise the impact of the programme by the people by ensuring durability and productivity of the rural assets by implementing an appropriate convergence approach between MGNREGS and other works implemented by various line departments. The plan was to use MGNREGS's resources for unskilled component and funds available with the line departments for material expenditure. The main objective of this approach was to optimize resources of all departments to create productive and durable assets, which will be useful to individual families. The assets so created were expected to ensure livelihood support to beneficiaries and to help in the regeneration of the natural resource base of the rural economy concerned.

In a convergence project, effective co-ordination and ownership of the implementation are vital. At the State level, inter-departmental meetings were held to discuss and decide convergence methodology and implementation procedure. Detailed action plans were prepared clearly delineating roles and responsibilities of participating line departments. Further, the decisions have been institutionalized through formal orders and directives to districts. MGNREGS is used as a supplementary income source in non-agricultural seasons. MGNREGS creates "Green Jobs" as seventy percent works relates to water conservation, drought-proofing, plantation and afforestation. Productivity effects of MGNREGS have been reported and there has been significant improvement in ground water, agricultural productivity and cropping intensity. This has led to reduction in water vulnerability, agriculture vulnerability and livelihood vulnerability.

The Agriculture Department was given the responsibility of identifying lands of Scheduled Caste (SC) and Scheduled Tribe (ST) farmers, Small and Marginal Farmers (SMF) for taking up works relating to excavation of farm ponds. The objective was to use these farm ponds for irrigation as well as for livelihood activities through convergence with departments like Fisheries etc. Till date, out of 24,684 farm pond related works started around 17,164 have been completed. For interested farmers, pisciculture on farm ponds is being taken up with the Fisheries Department. Fisheries Department provides subsidy and training to farmers on the methodology for Fish Fingerling Culture. For example, for growing around 45,000 fish fingerlings, the Fisheries Department provides a 50 per cent subsidy on an estimated cost of Rs.60,000. At a survival rate of 40 per cent, 18,000 fish fingerlings could be obtained in 60 days. This would mean, an annual income of around Rs. 70,000-80,000 could be ensured. So far, 2396 farm ponds have been stocked with fingerlings. In fact, multipurpose farm ponds have also been developed by involving fish rearing, gardening etc.

SUGGESTIONS FOR GRAM PANCHAYATS TO ENSURE SMOOTH IMPLEMENTATION OF MGNREGS

MGNREGS is principally a new proposal and initiative being operationalized. This evaluation and implementation study highlights several issues of concerns coming from researchers, field investigators, villagers, gram panchayats, beneficiaries and non-beneficiaries from the field. So, it is important to find ways of improving implementation of the programme:

- As the name suggests, 100 days of work must be assured in all the villages on an actual basis, and on a continued basis, for happiness and satisfaction of villagers. More particularly, the unemployed should get work for 100 days.
- Utmost care should be taken that BPL (below poverty line) households must get the works for their livelihood and survival. So, the poor people should be helped.
- Before the execution of MGNREGS works, it should be discussed and shared in the gram sabha meetings and villagers must participate in these meetings in good strength. Timely completion of works must be ensured for a proper development in the villages.



- Inputs with regard to the scheme and its implementation – coming from the beneficiaries should be taken by the gram panchayats.
- It is very important that the MGNREGS wage rate should be in accordance to the prevailing market rate according to the concerned area.
- Women may be provided with separate works under MGNREGS.
- The beneficiaries should get assured income and on time.
- Utmost care should be taken to make timely payment without deducting the wages despite completing the scheduled piece of job, which is not fair.
- Every job card holder should get job, and information should be given to people if panchayats initiate any new project under this scheme.
- The job cards and the pass book should remain with labourers and wage payment should be on time.
- MGNREGS should be implemented as per law. It is suggested that there should be a separate department dealing with MGNREGS to ensure timely payment of wages and transparency. There should be more officials dealing with such issues.

CONCLUSION

Preliminary finding suggest that in Tamil Nadu there has been some shift out agriculture into the MNREGS, mainly with respect to female workers. Since the minimum wage paid under the MNREGS is far greater than the market agricultural wage for workers, women who were not working previously have started to do so on MNREGS sites. There seems to have been some ‘smoothing’ of income or consumption. The fact that MNREGS wages are paid through banks encourages saving and, reportedly, some percentage is left in the account as savings. MGNREGS provides employment for their livelihood and the people who were illiterate were also given an opportunity. This prevents the migration of the people by providing other income generating activities. The employment offered to a family for hundred days only in one financial year is no way sufficient to sustain a family. Those who are living below poverty line (BPL), landless families should be confided with much priority and provided with job opportunities. MGNREGS is widely acclaimed that it provides employment, income and help the rural people to come out of the poverty.

MGNREGS needs to increasingly rely more on public-private partnership, better inter organizational processes, information technology, performance oriented incentive structures for human resources, more transparency in the social audit procedures, building quality human capital and supply bottom-up accountability to the public works. Unless state governments, district administrations and Panchyatiraj institutions develop long term stakes, the implementation of MGNREGS would continue to be suffering from distortions and deficits. There are those who marvel at the extent, depth and significance of MGNREGS, and there are also those who see it as fragile and inadequate in meeting the demands of durable human security and sustainable development. On balance, both optimists and cynics would agree that MGNREGS reveals more than it conceals about securing durable basis for livelihood security, transforming the lives of millions of poor and the rising participatory forms of democratic governance at multiple, overlapping social environments in the Indian Society. The actual performance of the MNREGS in Tamil Nadu owes much to state government commitment and the managerial role of the Magalir Thittam and area development supervisors in particular. Overall, preliminary findings confirm that the MNREGS has the potential to stimulate local development, if the management and delivery are good; and that women’s weak position in the labour market has been greatly helped. The evidence further suggests these benefits are due to a strong state apparatus (which includes the Magalir Thittam) and not to the demand of citizens per se.

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