

BOTTOM OF PYRAMID- A CASE OF MGNREGA

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ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is considered as a “Silver Bullet” for eradicating rural poverty and unemployment, by way of generating demand for productive labor force in villages and backward areas of the country. It provides an alternative source of livelihood which will have an impact on reducing migration, restricting child labor, alleviating poverty, and making villages self sustaining increasing their standards of living through productive assets creation such as road construction, cleaning up of water tanks, soil and water conservation work, etc. For which it has been considered as the largest anti-poverty program in the world. But the success of this Act depends upon its proper implementation. Thus, the present study attempts to critically examine the implementation process of this program. What are the different factors affecting the program and its impact on tribal livelihoods. The study reveals that there is little impact of MGNREGA on tribal livelihoods in some areas like Odisha and on the same hand in the areas of Rajasthan the scheme is performing much better. The faulty implementation strategy has ruined the spirit of this program. Religion and street biasness and favoritism in case of distribution of job card, dominance of dominant families, defective leadership and improper coordination among the stakeholders have stood as major hurdles in this program.

Keywords: MGNREGA, Bellow poverty line, Rural areas, Employment.

INTRODUCTION

The constitution of India gives each and every person to Right to work under the “Descriptive Principles of State Policy” Article 39 which gives equal rights to both man and woman to work to earn their livelihoods. After independence government of India started to work upon the major problem of poverty. From the very first five year plan Indian central government started working on removing poverty and increasing the living standards of the backward class people by providing them jobs on daily wages. In the sixth five year plan (1982-87) government first time

introduced various schemes to remove poverty. Government named it as “Anti-Poverty” schemes and programs. Several schemes were launched to overcome poverty like NREP (National Rural Employment Program), RLEGP (Rural Landless Employment Guarantee Program) and NREGS (National Rural Employment Guarantee Scheme). These schemes helped the backward class Schedule tribes and schedule caste and other minorities to get employment and increase their standards of living. Generally these castes were facing issues of negligible land and other assets.

In the year 2005 Indian Parliament passed a bill called NREGA. The Act came into effect on 5th September 2005. The act was firstly proposed in early 1991 by P.V. Narashima Rao. The aim was to provide employment guarantee to the rural work force in villages. NREGA was considered as a missile in removing poverty in rural areas of India by creating a productive demand force. The act was implemented in 200 most backward districts on February, 2006 in its first phase .And in the next year covered 130 more such districts. By the end of 2008 the act was introduced to all districts of the country. The act provides a legal guarantee of 100 days work in a financial year to each and every rural household whose adult members are willing to do unskilled manual work at statutory minimum wages.

In the year 2009 the act was renamed from NREGA to MGNREGA which means Mahatma Gandhi National Rural Employment Guarantee Act. The aim was to reduce poverty in backward areas of the country by employing the workforce and improving their standard of living and also making the backward population socially and financially stable it was the first commitment to the poor to safeguard their livelihood. This scheme was regarded as a unique scheme after independence as it provides them a right to employment and on the same hand government has an obligation to provide employment to each and every rural household in a financial year.

MGNREGA motivated the working class. It was also a step to built foundations of social security system in rural India. It promoted, motivated the village economies and social equity. MGNREGA is to be implemented by the support of state government and mainly by the gram panchayats of that district. There is a strict ban on labor contractors the jobs preferred in this scheme were all labor intensive works from water harvesting and other agricultural works to creating infrastructure. MGNREGA can also help in protecting the environment, empowering rural women and reducing rural-urban migration and providing social equity and security.

MGNREGA was a big step towards poverty therefore many pre-existing schemes were merged in MGNREGA like Sampoorna Grameen Yojana, National Food for Program.

Below poverty line

Below poverty line is a term used by Indian government and other economic bodies to benchmark economic standard of a person or a household and also to determine individuals and

household who need government assistance and help in living their livelihood. In India generally five year plans are made to tackle the major issue of poverty. MGNREGA was also an attempt made by the government to overcome the disease of poverty in India by employing the rural labor and deploying them with the job or giving them the non-employment allowances equal to 100 days in a financial year. MGNREGA helped in improving the living standards, expenditure on food and expenditure on child and also there was growth in variables like per capita annual income, per capita saving etc.

Need for MGNREGA

India is growing nation and also the second most populated nation therefore there was a annual growth of 2.5% in India's labor market and the growth of employment was on restricted to 2.3% annually the employment rate in India is very low. MGNREGA was a step to overcome this problem of the nation.

Silent feature of the act

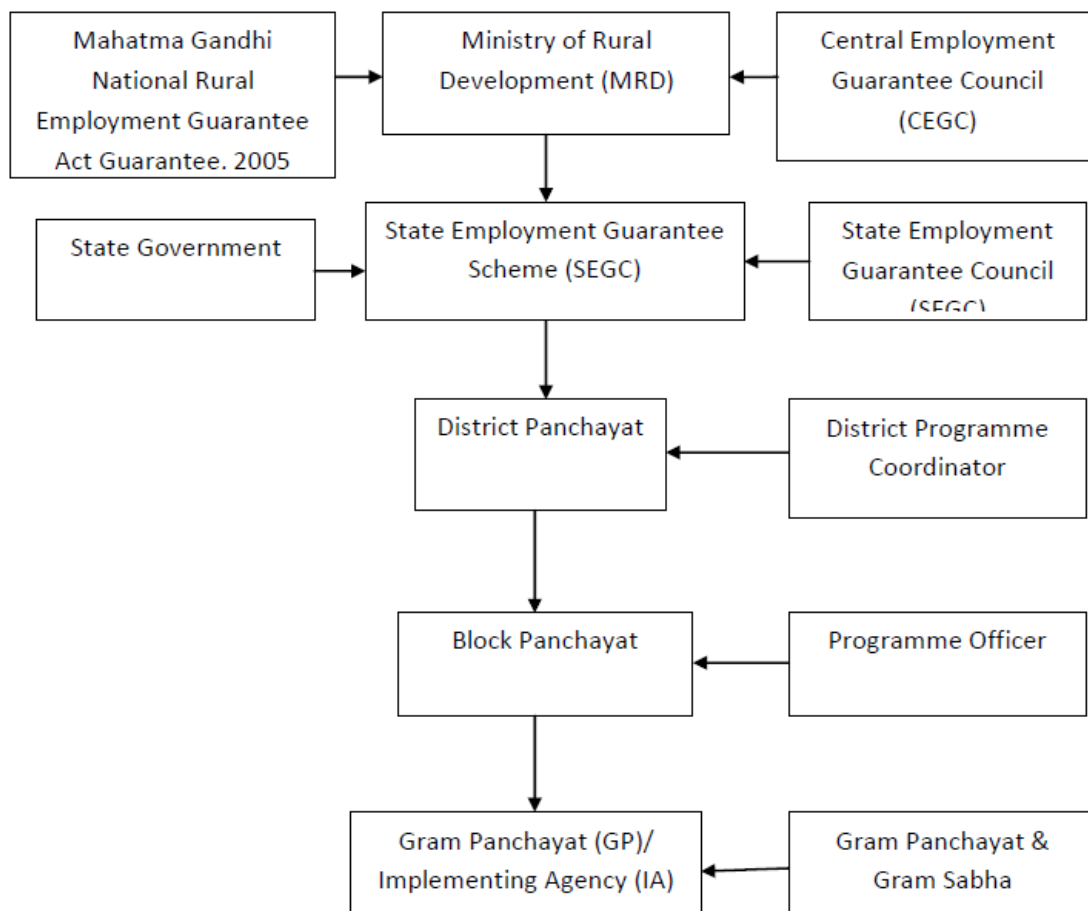
- **Providing Job Opportunities to Rural India:** The most important feature of the act was to provide job opportunities to the rural India on a statutory wage rate.
- **Right based Framework:** For adult members of a rural family unit willing to do unskilled manual work at the statutory minimum wage rate.
- **Mounting grassroots process of Democracy:** Effort to improve the livelihood of rural areas and provide them equity in all the aspects.
- **Helping the rural India to develop:** an attempt to modify the rural and backward areas in India. Helping the rural population to be a part of country's economic development.
- **Labor Intensive Works:** 60:40 wage and material ratio for permissible works, no contractors and machinery.
- **Funding** Central Government -100% of wages for unskilled manual work, 75% of material cost of the schemes including payment of wages to skilled and semi skilled workers.
State Government- 25% of material including payment of wages to skilled and semi skilled workers cost. 100% of unemployment allowance by state government.
- **Work site facilities:** Crèche, drinking water, first aid and shade provided at worksites.
- **Women empowerment:** At least one-third of beneficiaries should be women (33% woman participation).
- **Transparency & Accountability:** Proactive disclosure through Social Audits.
- **Decentralized Planning:**
Gram Sabhas to recommend works

At least 50% of works by Gram Panchayats for execution.

Principal role of PRIs in planning, monitoring and implementation.

- **Implementation:** Under Sec 3, States are responsible for providing work in accordance with the Scheme. Under Sec 4, every state government is required to make a scheme for providing not less than 100 days of guaranteed employment in a financial year, to those who demand work.

MECHANISM OF THE ACT



Central Employment Guarantee Council (CEGC) is a government agency that advise all issues related to MNREGA to central government and also submits the annual reports to parliament to inform the government about MGNREGA.

State Government and its various agencies work for the implementation of the objective stated under the act. State government and sub-departments try to provide all types of financial and technical assistance to District Panchayat of different rural areas and ask them to provide annual reports. Further state employment guarantee council act as an advisory body to state government and monitors the work accomplished by the state related officers and district panchayats.

District Panchayat is responsible for the further implementation of the scheme it lays down its plan for proper and smooth functioning of the scheme and state government also designate a Co-coordinator for further planning and submitting the reports to the state government.

Block level Panchayat is responsible for making plans and implementing strategies according to the area and work type. A full time officer is appointed to supervise the work and submit its work report to the District Panchayat.

Gram Panchayat plays the most important role in implementation of the strategies as they responsible for planning the work, issuing the job cards and allocating the work.

KEY PROCESSES

- Application for job card
- Issue of job card
- Demand for employment
- Work allocation
- Payment of wages
- Selection of works

LITERATURE REVIEW

Khan and Salluja in **2007** conducted a research to identify the direct and indirect effects of the MGNREGA scheme on improving the living standards of the local domicile of backward classes by generating employment and making them self dependent. They carried a survey in a poor agriculture village with around 400 family units and approximately 2500 people the outcome of the study was that most of the people were unknown about the scheme there study also revealed that there was mismanagement on the level of Panchayats and also found mismanagement and fuddling of data in the reports submitted to the district panchayats.

Dreze in **2007** conducted a research in some districts in Orissa and concluded that after the implementation of NREGA the corruption in rural employment is not stopped he further added that there was a positive behavior of rural workers toward the scheme as villagers believed that

they will get the employment within their region they need not to migrate other states for job hunt.

Dreeze and Lal in 2007 conducted a research in 6 districts of Rajasthan and concluded that Rajasthan stands on first position in terms of employment generation. They also stated that the workers got 77days employment under the NREGA scheme and earned around Rs.4000. They further added that the share of participation by women in MGNREGA was about 2/3rd in Rajasthan including 80% of schedule tribe and schedule caste women.

Mishra in 2007 conducted a research in Uttar Pradesh districts and revealed various corruption activities in MGNREGA by various village heads, Government Officials' and Politicians. He also advised that MGNREGA should be integrated with the PM road project which will help in proper administration and there would a surplus of labor for infrastructural development projects of government.

Ghosh in 2008 conducted a study and revealed that MGNRGA is the best step towards anti-poverty he further added that this scheme would result in the cost effective way of employment generation and would further help in uplifting the village economies which will overall help in the development of the nation.

Planning Commission in 2008 conducted a research in 20 states to record the effect of MGNREGA scheme and found that there was a major shift of around 50% in low income groups to high income category and the overall standard of living of the rural population was uplifted as there was a increase in the food and non-food expenditure by approximately 6% and 42% in household articles. They also recorded the rate of migration to tier1 and 2 cities was decreased.

Indian Institute of Technology, Madras in 2009 conducted a field survey on MGNREGA in 5 districts of state of Tamil Nadu and revealed that there was a trust in villagers towards this scheme as they consider it as a tool for rural development. Study also revealed that there was a motivation among the rural worker for the work and there was no case of gender discrimination. Government also helped in opening small bank units and ATM's. Villagers told that the payment for the work done was received with in a week's time.

Dutta in 2009 conducted a research in rural districts of Gujarat and West Bengal and revealed that after the implementation on MGNREGA scheme there was a better connectivity and mobility in rural areas of the state and the migration to tier1 and 2 cities decreased to only one member per family due to job opportunity within 5km range. MGNREGA also helped in infrastructural development in villages major problem of water shortage was also resolved by the local gram panchayats.

Mathur in 2009 conducted a research on social audit done in Andhra Pradesh and said that rural labors were not receiving their payments on time in his further investigation he found that the job card which records the date time of job is not properly filled by the officials he also tried to match the individual bank passbooks and job card he discovered that the pages of job cards were missing.

Dey and Bedi in 2010 conducted a research work in Birubham district and revealed that the days of work in a financial year should increase and daily wages jobs should be provided to the rural labor in the lean season and the found that there was proper awareness about the scheme to the workers and the working especially about the job card. They concluded that in the first year there were some disturbance in the distribution of wages which was managed to improve by the end of first year and the time lag in distribution of wages was declined to about 20 days.

Institute of Applied Manpower Research, Delhi (2009) conducted a research in 20 districts from Northern, Southern and Western parts of the country having approximately 300 households from each districts. The study revealed that there was improper layout of job cards in various districts there was no common format of the job card some of the job cards were not having proper line and space to do daily entry work in the job card and some of them were also not having space to affix the photograph of the holder. The study also revealed that proper jobs were not allocated to the labor on time despite of demand for work. Only about 35 days of work was given to the labor from minimum of 100 days and the rest was still pending and in maximum worksites there were improper arrangements for the worker such as no drinking water and crèche facilities. There was no change in living standards due to financial crises.

RESEARCH METHODOLOGY

Research Methodology is the mechanism used to collect facts & figures for the purpose of making decisions.

It paves a way to systematically examine and solve the research problem.

PROBLEM STATEMENT

According to the above review of literature it is clear that all the research scholars and institutions have done a quantitative research and only emphasized on economic aspects. Very few people emphasized on shortfalls of the act, factors affecting the functioning of the act and how to improve the overall working of the act.

Research Design:

The research design depends upon whether the problem is known or unknown in this case the purpose of the study is to explore the information so the research design which is used is exploratory research. The entire report is based on the qualitative research based on articles, journals, research papers and some govt. sites.

ANALYSIS

In 2017 MGNREGA allocation of Rs48000 crores has been the highest since inception. Since financial year 2009 the average growth of expenditure under MGNREGA team has been 7% per year, but in reality measurements during 2011-12 of prices has shown that it had been decreasing till the financial year 2015, after which it showed marginal improvement.

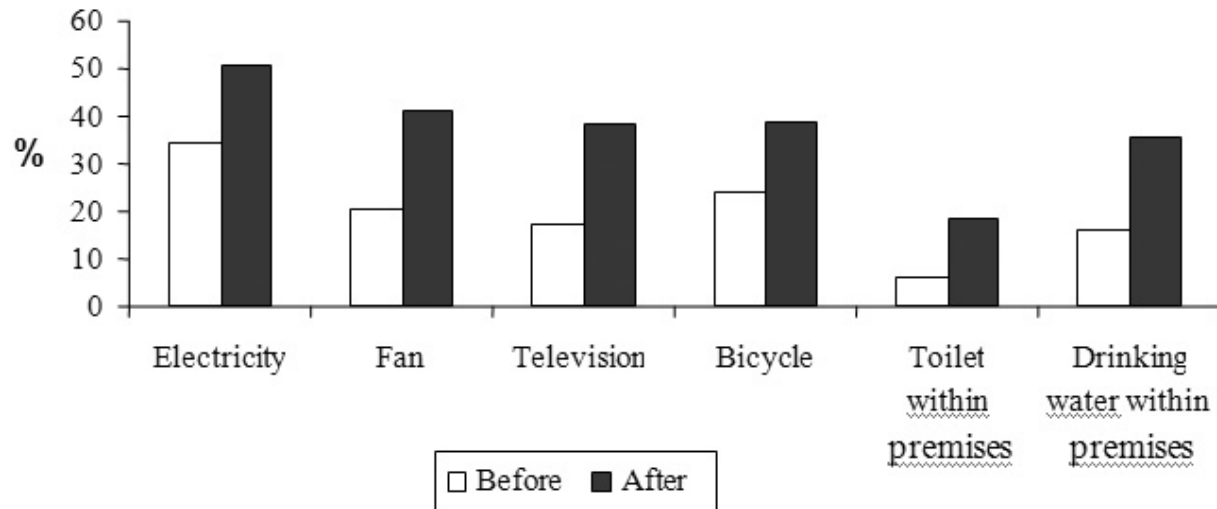
Yet the expenditure budget for 2018 is almost 28% lesser than the reworked estimate in real terms of financial year 2010. In 2010 amidst a drought situation the magnitude of family units that received employment opportunities and the total person days resultant. However in 2014-15 during the consecutive droughts this scheme did not prove to be a solution for those they need.

Reports reveal that success figures of MGNREGA were low in 2015 and 2017 although 2016 saw a slight increase. The dip in numbers for 2017 was despite the fact that in 2016 the number of days was increased from 100 to 150. An interesting finding by reports reveal that MGNREGA's impact has been better in well off states and comparatively worst in the financially constraints states.

Moving away from figures high leakage in the poor state and lack of strong governance left the needy even more vulnerable. The female participation though under the scheme has said to improve touching 57% in 2017 as compared to 48% in 2009. Poor quality of the assets with MGNREGA team and delayed delivery of the same has been another hurdle in the success of MGNREGA. There seems to be not concrete assurance in the announcement made further 5 lakhs further farm points. Poor third party evaluation on the quality of assets ha put a question mark on this investment orientated model of the MGNREGA. The promise to build the farm ponds in clearly an effort to show ambition as results in the irrigation sector has not been satisfactory.

However there have been significant efforts made to improve the scheme by the government as we know about the agreement between ISRO and rural development ministry to geo-tag the MGNREGA assets this will not only improve the transparency and accountability but will also improve the realization of the outcome however at this stage it may be a premature to believe the claims of established transparency of this geo-tagging platform. After a decade long period expenditures have decreased, assets have been of inferior quality and over all expenses have decreased.

According to the CAG reports there were no facts that revealed that MGNREGA is full with corruption and related activities. It further revealed that the scope of MGNREGA is getting wider as the scheme is nearly implemented to the whole country.



The above graph reveals that the standard of living has increased in terms of electricity, fan, television, bicycle, toilets, and drinking water facilities in both their houses and working premises in rural areas.

CONCLUSION

Mahatma Gandhi National Rural Employment Guarantee Act 2005 is a success till date as the above study reveals that standard of living has been increased in every sector starting from electricity to drinking water facility. The participation of the women has also increased from 48% to 57% in year 2017 and the number of days has been increased from 100 to 150. Despite of all these it can be seen that there were some hurdles while the implementation of the act as there was the problem in the format and layout of the job card and wages were not paid on time to them.

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