

IMPLEMENTATION OF MGNREGA - A SOCIO- ECONOMIC AND POLITICAL PERSPECTIVE

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The Mahatma Gandhi National Rural Employment Guarantee Act, (MGNEGA) was launched with the aim of reforming and re-energizing the (rural) labour market both by providing livelihood security to millions of rural poor. Eight years on, it would only be prudent to take stock of some of the positives elements of the Act.

A very distinguishing feature of MGNEGA is that, unlike unemployment doles and old age pensions, here the dignity of the beneficiaries is protected. They actually 'earn' the amount by performing commensurate work for that.

Another positive outcome of this Act is that it has reduced the extent of migration to other areas in search of livelihoods since assured employment is guaranteed for about one-thirds of a year. As a result, the children of the beneficiaries are now assured of a more stable education, which would have been jeopardised if their parents were leading near nomadic lives.

Yet another enabling feature is the participative nature. Beneficiaries, who are, say, engaged in digging community wells or tanks, can experience a feeling of doing something tangible for the local community. To that extent, a feeling of ownership over the community assets created would be developed.

An in-built safety mechanism, which was not found in similar schemes in the past, is the transparency and accountability element.

The Act, besides initiating new schemes, also seeks to improve and consolidate the activities on which the rural communities continue to subsist. No wonder, there are provisions for strengthening activities like horticulture, rural connectivity, water conservation and water harvesting.

The assured income for at least 100 days in a year has increased the confidence levels of many beneficiaries. They are now tending to become more politically conscious and be more assertive at the time of elections.

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We, in India take pride in calling ourselves a welfare state. Our founding fathers included a very significant chapter in our Constitution – the Directive Principles of State Policy¹. These Principles are in the form of directions to the governments both at the centre and the states to take steps for ensuring a better deal for the hitherto deprived sections of society. Mahatma Gandhi, whom we very fondly call the Father of the Nation, was particularly concerned about the lot of the toiling masses, especially our brethren living in rural areas. The Mahatma was convinced that true and holistic development would be possible only when our villages are self-sufficient and the residents there lead lives of dignity.

In post-Independence India, the governments, both at the central and state levels, have, from time to time, initiated a number of schemes for bettering the lot of the deprived sections of society. While these have all been launched with very noble intentions, the outcomes have not always been commensurate with the time, money and effort invested on these². One criticism has been that funds were being misappropriated. This was best highlighted by our late Prime Minister, Rajiv Gandhi, when he lamented that only 15% of the welfare funds are actually reaching the intended beneficiaries – the rest are obviously being siphoned off route.

In this connection, it may perhaps be worthwhile to recall what happened in medieval Prussia. The emperor, Frederick the Great, was aghast to learn that despite huge investments on development, the poor continued to languish in poverty. He asked his Ministers why this was happening. A wise old Minister requested for a huge block of ice. He then made the ministers stand in a line. The block was passed from one person to another. By the time it reached the last Minister, a large part

¹ Basu, Durga Das (2001): Introduction to the Constitution of India, Nagpur: Wadhwa.

² L.C.Jain(1986) 'Grass Without Roots', Sage Publication, New Delhi.

had melted due to friction. The Minister then explained, “Your Majesty, the funds are like this block of ice. As these pass through various levels, some portions of these ‘

The early 1990s saw a spate of market-oriented reforms that helped to trigger faster growth of the economy. However, it was seen that these reforms did not always ensure participatory, inclusive and equitable growth³. Also many welfare schemes were found to suffer from a number of lacunae like rampant corruption by the concerned functionaries, complicated procedures and improper dissemination of information to a large number of intended beneficiaries. As a result, the developments triggered by such schemes tended to be lop-sided which only widened the gap between the haves and have-nots. It appeared that the accent appeared to be more on handing out doles than in putting the funds to productive and self-generating use. There is an oft repeated statement – give a starving man a fish, and he will satisfy his hunger for a day. Teach him how to fish, and he and his family will never sleep on a hungry stomach.

The Mahatma Gandhi National Rural Employment Guarantee Act, (MGNREGA) was conceived with the aim of minimising the shortcomings noticed in the earlier schemes⁴. The most remarkable feature of MGNREGA was its aim of reforming and re-energising the (rural) labour market⁵ by providing livelihood security to millions of rural poor. We need to remember that close to 70% of our population reside in rural areas and it would be disastrous for the country⁶, if large chunks of rural areas lack even basic amenities and many inhabitants there are leading lives of abject poverty

³GOI (2006): Towards faster and More inclusive growth: An Approach to Eleventh Five Year plan, New Delhi: Planning Commission, Government of India.

⁴ Ministry of law and Justice, 2005. National Rural Employment Guarantee Act, 2005. The gazette of India (September 7, 2005). New Delhi; Government of India Press.

⁵ Verma, S and T Shah (2012): “labour Market Dynamics in Post MGNREGA Rural India” Water Policy research highlight, viewed 11 February 2013.

⁶ Ministry of Rural Development(2012):MGNREGS Sameeksha:An Anthology of research studies on the MGNREGAct, 2005, Government of India.

Eight years on, it would only be appropriate to take stock of some of the positive elements of the Act.

Challenges in Implementing and Remedial Strategies for These

According to the discussion paper, '*Reforms in MGNREGA Implementation*', issued by the Ministry of Rural Development, the major challenges in the MGNREGA implementation and the measures suggested to deal with these effectively are:

- Ensure demand-driven legal entitlements. We have to provide benefits which are actually of consequence for them. For instance, what is the point in donating a TV set to a villager who does not even have electricity in his house? We first need to satisfy his basic needs (food, clothing and decent shelter) and then progressively go onto the others in the hierarchy of needs, proposed by Abraham Maslow.
- Reduce distress migration from rural areas. Despite agriculture being a primary source of livelihood in our rural area, it is rather unfortunate that this is not a year-long activity. Once the crop season is over, the poor have hardly any source of livelihood in their native areas. For their sustenance, many of them are forced to venture out to other areas in search of work - either as construction labourers in urban centres or as agricultural labourers in other villages in different states where the agricultural season is still on. This forced migration can be indeed traumatic. People are forcibly removed from their roots and spent time in alien surroundings. The biggest sufferers invariably would be their children who stand deprived of continued educational opportunities.
- Reduce delays in wage payments to workers. Illiteracy has tended to be a curse for many workers who do not know their entitlements and are especially vulnerable to exploitation by unscrupulous contractors, or the middlemen.
- Provide the requisite number of days of work as per demand. As already mentioned, the agricultural activity alone may not be enough to sustain the worker, especially when there is a time lag between two successive activities.

- Improve quality of assets created under MGNREGA and their relevance to the livelihoods of the poor. Our country cannot call itself truly developed when large sections of society do not even possess basic assets
- Ensure full payment of wages stipulated under MGNREGA. The Scheme envisages fair and just payment for the work done.
- Anchor participatory grassroots planning. This would foster a sense of belongingness and pride that the development activities being undertaken are of relevance to the beneficiaries.
- Sustain regular flow of funds. This would help the beneficiaries meet their ongoing needs in a steady manner, instead of falling into the clutches of money lenders.
- Strengthen grievance redressal mechanisms⁷. In the past, there were many instances, where the aggrieved either did not know whom to approach for redress, or even if their projected their grievances, there was no assurance that they would be addressed.

Positive Outcomes of MGNREGA

Let us now see some of the positives of MGNREGA.

Sense of Belongingness- The first is that it has inculcated a sense of belongingness among the beneficiaries. Unlike schemes like unemployment doles and old age pensions, here the dignity of the beneficiaries is protected. They can take pride in the fact that they have actually 'earned' the amount by performing commensurate work for that. The participative nature of MGNREGA is making beneficiaries experience a feeling of doing something tangible for the local community. To that extent, a feeling of ownership over the community assets created is being fostered.

⁷ *ibid.*

Reduction in Seasonal Migration⁸-The extent of migration to other areas in search of livelihoods has been significantly reduced since assured employment is guaranteed for about one-thirds of a year. As a result, the children of the beneficiaries are now assured of a more stable education, which would have been jeopardised if their parents were leading near nomadic lives.

Transparency and Accountability Mechanism- An in-built safety mechanism, which was not found in similar schemes in the past, is the transparency and accountability element. The measures taken include the following:

- Making it mandatory to have a social audit conducted by the Gram Sabha (GS), according to a prescribed procedure, twice a year;
- The Comptroller and Auditor General (CAG) conducting a performance audit of MGNREGA;
- Making certification of MGNREGA accounts at the Gram Panchayat (GP) level by chartered accountants compulsory over time ; and
- Increased use of information technology with the ultimate objective of having a transaction-based MIS(Management Information System) in all states, and the initiation of an ambitious Geographical Information System (GIS)-based monitoring system .

MGNREGA has emerged as a supplementary source of income for many rural households. In numerous instances, this has brought out the entrepreneurial spirit in the rural areas since the income from this scheme is being increasingly used for starting or expanding own ventures.

Increase in Consumption Expenditure

A very heartening outcome of implementation of MGNREGA is that many of the beneficiary households are spending more, particularly on food, clothing, education and health care. A very interesting feature that emerged is that while expenditure on many items increased substantially, the transportation expenditure decreased significantly. The probable reason was the MGNREGA's stipulation that employment be provided within 5 km of the residence of participants.

⁸ Mistry p and A J aswal (2009): study of the implementation of the national Rural Employment Guarantee scheme: Focus on migration" DISHA, Ahmebad

Economic Independence and Empowerment of Women

MGNREGA has also had a positive impact on the socio-economic and general well-being of women⁹, who now have a greater control over their wages which they are largely utilizing for repaying small debts, paying for their children's schooling and bearing medical expenses, etc.

Impact on Health Outcomes of the Beneficiaries-It has been observed that there has been a significant reduction in the incidence of reported depression and improvements in mental health indicators. At the same time, the medical expenditure of many rural households decreased significantly.

Increased Access to Credit from Banking Institutions-For a long time, many of the rural folk were being denied loans by public and private sector banks due to the inability to furnish the requisite security documents. Due to the stipulation that the income from the scheme would be deposited in the bank account of the particular beneficiary, it is becoming increasingly easy for that individual to obtain bank loans. Earlier, the only option available was to approach the local moneylender and perforce accept his cruel terms and conditions.

Socio-Economic and Political Empowerment of the beneficiaries, especially the Dalits.

One of the most significant impacts of the scheme is that it has imparted an enhanced socio status to most of the beneficiaries and brought about *upward social mobility*¹⁰ in them. Their dependence on the richer classes for their pressing financial needs has decreased to a reasonable degree. As is well known, the social status of a person, especially in rural societies, can be conditioned by financial issues. The positive shift towards material prosperity (even if this is small) is helping the erstwhile poor to be more assertive and not meekly submit to the domination by the upper and richer classes. This trend is being increasingly noticed in the political arena where the voters are tending to vote for candidates of their choice – and not because of the pressure of some powerful interests. This revolutionary trend is making our democracy more powerful, vibrant and truly meaningful.

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