



IMPACT OF MGNREGA ON RURAL LIVELIHOOD IN ASSAM

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Abstract

The MGNREGA is expected to enhance people's livelihood security on a sustained basis, by developing economic and social infrastructure in rural areas. However, in Assam MGNREGA is gaining momentum slowly. The faulty implementation strategy has ruined the spirit of this programme. Religion and street biasness and favoritism in case of distribution of job card, dominance of leading families, defective leadership and improper coordination among the stakeholders have stood as major hurdles in this programme. The present study attempts to examine the implementation process of this programme and its impact on rural livelihood.

Introduction

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the remarkable programme of the Indian Government that directly touches the lives of the rural poor. The Act was enacted on 25th August, 2005 and it came into force on 2nd February, 2006. MGNREGA marked a paradigm shift from the other employment programmes with its rights based approach. The programme not only provides employment but also focuses on inclusive growth. By protecting the environment and reducing rural-urban migration this programme is set to transform the face of the rural India. On February 2, 2006 first phase of NREGA implementation was started in 200 districts of the country in which seven districts of Assam were also incorporated. In the year 2007, the second phase of NREGA had started where five districts of Assam were also included. The third phase started on April 1, 2008 where remaining 14 districts of Assam came under the purview of the Act. Hence, at present all the districts of Assam are implementing the provisions of MGNREGA. In Assam also, MGNREGA can definitely improve the economic and social condition of beneficiaries if implemented in right directions. After independence most of the villages of Assam have been suffering from poverty, lack of quality health services, poor infrastructure and inadequate facilities of education. The main objectives of MGNREGA are rural development and employment. But so far as Assam is concerned, these objectives have hardly been achieved. Out of the households given job cards under MGNREGA in Assam, only few got 100 days work while some did not get any work at all! The Union Ministry for Rural Development has published a report for the financial year 2012–13 on the details of MGNREGA implementation in different States. Assam's dismal performance in this regard is reflected pretty well in this report. The total number of households which got job cards in 2012–13 in all the 27 districts of the State is 39,49,587. Of these, only 12,10,427 households got work in the last fiscal. Among these, 9,788 job-card holding households got 100 days of work; 3,21,391 households got less than 10 days work and 6,90,965 households got at least 15 days work. Various social scientists have made attempt to study the impact of MGNREGA and

also its implementation procedures. Sen (2009) attempted to measure the outcome of good governance practiced by Gram Panchayats (GPs) of West Medinipur district of West Bengal. Data regarding different parameters related to core characteristics of good governance such as participation, transparency, accountability, effectiveness and efficiency, equity were taken into consideration in that study. Khan, Ullah and Salluja (2007) have discussed the direct and the indirect effects of MGNREGA on employment generation and poverty reduction in a rural area. Indian Institute of Technology, Chennai (2009), evaluated the impact of MGNREGA in the state of Tamil Nadu by taking 5 districts into account. Dey and Bedi (2010) studied the functioning of the MGNREGA between 2006 and 2009 in Birubham district, West Bengal. Their study reveals that in order to serve as an effective “employer of last resort”, the programme should provide more days of work especially during lean season and wages should be paid in a timely manner. A study by Nayak, Behera, and Mishra (2008) in Orissa looked through certain physical and financial parameters like provision of employment to those who demand jobs and maintenance of wage and non-wage ratio. However, its performance in utilization of funds and creation of demand for jobs was not very encouraging. Baruah.K (2011) looks at the corruption in rural employment programs in Assam. Mathur (2007) thinks that a system of regular and continuous flow of authoritative information is essential. There is room for the government to take up concurrent evaluations, more effective monitoring, time-series studies, and focused reports on critical aspects like minimum wages, muster rolls. To improve implementation, the government needs to solve problems, modify policy directives, and issue operational guidelines for the district, block and village levels. Saikia K (2012) found that in certain villages in Kamrup district, wages had not been paid for the work done. When comparisons were made of the payments as per the pass-book with the payment as per the job card, it was discovered that the job card did not contain the inner pages that record the work done by each person; the job card itself was incomplete.

Impacts of MGNREGA

Agriculture and labour work is the prime source of income in the survey areas. The study reveals MGNREGA has been successful in increasing the income by providing wage employment to rural households in Kamrup district. 66% households, who reported yearly income up to Rs. 30,000, have admitted that MGNREGA jobs have contributed somewhat from Rs. 5,000 to 20,000 in the yearly income of their family. Similarly 19% of the total households reported that yearly income from MGNREGA has been more than Rs. 25,000. As a whole the impacts of MGNREGA on rural livelihood are discussed in following points: Increase in Income: It has been observed that MGNREGA helped to put cash incomes into the hands of rural poor that create a greater degree of economic independence. The survey shows that rural workers are more confident about their roles as contributors to family expenditure and their work decisions, and that they are also becoming more assertive about their space in the public sphere. Improvement in Consumption Level: MGNREGA works increase earnings of rural household income. It has been found, a large majority (82 %) of the respondents said that they spent wages earned at MGNREGA works on regular food and consumer goods. The increased income locally available through MGNREGA work, they

felt, was helping ensure at least two regular meals a day. It could reduce infant malnutrition through positive effects on household's food security and infant feeding. Reduction in Indebtedness: MGNREGA helps to reduce the burden of indebtedness of the rural households. 62% of the respondents said that they had spent their wages on repaying small debts. It also helps them to keep themselves away from the clutches of local mahajans and moneylenders. Improved Literacy: MGNREGA helps to improve the education level of the rural people of Assam. The percentage of literacy rate increases gradually through the MGNREGA act. A significant percentage of workers – almost 57 % spent their MGNREGA wages on their children's education. Enhanced Healthcare: MGNREGA works also help in improving the health condition of the poor people in both rural and urban areas in Assam. A part of expenditure is met through MGNREGA wages in health care. Around 44 % of the respondents have spent earnings on this. Therefore, the health condition of the selected areas seems a lot better after implementation of MGNREGA act. This Act also has provisions for medical facilities, drinking water facilities etc. during the working hours.

Improved Standard of Living:

After implementation of MGNREGA it is noticed that the standard of living of the rural poor in Kamrup district is improving. The total number of job card issued has increased up to 2.05 lakh 2012-13. This ultimately increased the income of the people and helps to reduce the poverty level. As a result the living condition is also improved.

Discussion of the dramatic variation in employment outcomes. In Andhra Pradesh, the average MGNREGA person days worked by households that demanded work was almost twice that in Assam and West Bengal. There is also a large variation in the proportion of households demanding work that have completed 100 days of MGNREGA work. Further, one would expect demand for MGNREGA employment to be higher in poorer states. But Figure 2 shows that poorer states like Bihar and Odisha have provided less employment than richer states such as Kerala and Tamil Nadu. To address this apparent paradox, researchers studied MGNREGA implementation in 10 states: Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Maharashtra, Odisha, Rajasthan, Tamil Nadu and West Bengal. They explored the relation between implementation mechanisms and outcomes in terms of jobs generated.

Differences in state capacity and commitment lead to variation in employment outcomes there is no single route to better MGNREGA implementation; different states have emphasised different dimensions of capacity and commitment, with varying levels of success. Clearly, a state with high capacity – in terms of its economic, organisational and human resources, as well as its ability to reach out to civil society and potential beneficiaries – is better positioned for success than a state with low capacity. The same applies to its commitment, in terms of initiative, preparation, mobilisation, sanctions, and continuity of effort. Capacity and commitment are interlinked and, by playing to its strengths, a state may be able to overcome weaknesses in other areas. For instance, Chhattisgarh is a poor state with low economic and organisational capacity. However, its strong commitment to MGNREGA at all levels has facilitated civil society involvement and led to high public



awareness. This has boosted demand for work that in turn the state is committed to delivering. Poor states with similarly low capacity could look to improve their commitment at political as well as bureaucratic levels.

Sustained engagement with civil society is critical. In Rajasthan, the early success of social mobilisation, demonstrated through extensive social audits, led to a backlash from Gram Panchayat heads (Sarpanchs) and ultimately the state. The subsequent clampdown on audits resulted in a loss of trust on the part of beneficiaries and civil society, and a sharp decline in both the supply and demand of MGNREGA work. The high employment outcomes of Andhra Pradesh, achieved despite minimal engagement with civil society, may suggest that a technocratic model is sufficient. But while bureaucratic autonomy, up to a certain point, is a good thing for MGNREGA implementation, Andhra Pradesh's approach, which deliberately bypasses Sarpanchs and relies on state-mediated social audits without sanctions, cannot be recommended. Poor states cannot afford to suffer delays in federal funding as a result of not following the rules; richer states should consider if, in achieving high employment outcomes, they want to undermine other MGNREGA objectives such as the strengthening of grassroots Panchayati Raj institutions and social mobilisation. Finally, prior experience in similar programmes has been widely assumed to aid states in MGNREGA implementation. But the poor employment outcomes in Maharashtra, where the employment programme that MGNREGA succeeded had very different objectives, suggests that this cannot be taken for granted. For a high capacity, committed state such as Maharashtra, the example of Tamil Nadu and Andhra Pradesh may be instructive. These states have used their capacity to provide more autonomy to bureaucrats, which has led to better employment outcomes. Local power relations matter Implementation is intensely political. At Gram Panchayat level in both Bihar and Gujarat, interactions among local groups and their political clout determined MGNREGA success. Where agricultural labourers had influence on the Sarpanch, employment outcomes were good. Where contractors had more influence, materials-intensive (as opposed to labour-intensive) projects were the norm. Labourers and marginal farmers preferred MGNREGA work when it did not clash with their farm work. But better-off farmers (with the exception of the wealthiest, who had other sources of income) tended to be opposed to MGNREGA. Farmers do not constitute a homogenous group in opposition to MGNREGA, and collaboration is essential to MGNREGA success. MGNREGA work is driven by the supply of work made available, not the demand for it therefore state-specific capacity and commitment and stakeholder dynamics within states govern how much work is available, rather than the demand for it from rural households. Indeed, in Rajasthan only 4.57% of respondent households received work whenever they demanded it. Within states at the Gram Panchayat level, stakeholders form coalitions (or engage in 'collusion', whereby workers accept that a cut will be taken by those providing work), driving up employment outcomes. In this way 'coalition' as well as 'collusion' can be propoor. The supply-side nature of MGNREGA is well understood by beneficiaries: in Gujarat, MGNREGA is widely known as raahat kaam (literally, 'relief work'), meaning it is viewed as a welfare measure rather than a guarantee of the right to work. The role of lower-level functionaries could be critical to outcomes the question of who governs the supply of work is a crucial one. A clear majority of villagers in Rajasthan perceived, correctly, that the type, allocation and

implementation of projects within Gram Panchayats were influenced by the bias of Sarpanchs towards their own villages. So although almost 94% of respondents wanted more work, only half put in applications for it. At the block level, local political conditions affected funding for MGNREGA projects: in Rajasthan, the ruling party was channelling funds to its base in swing constituencies. Block and Gram Panchayat functionaries therefore have the potential to act as 'valves' to direct funds to certain constituencies; supply has to be 'opened' rather than demanded. Political competition leads to better MGNREGA employment outcomes In West Bengal, it was found that where there was political competition at village level, particularly between two parties, there was higher MGNREGA expenditure. This was also the case at block level in Rajasthan's swing constituencies, with the ruling party's fund disbursement to its base magnified to three times the norm. At state level, too, political competition boosted outcomes, though political fragmentation did not make for an effective polity. Political parties felt encouraged to facilitate MGNREGA in areas where they faced a challenge from other parties. Such an increase in expenditure, in turn, improved a party's chances of getting re-elected. There is therefore a feedback effect on programmatic politics, indicating a shift away from client list, patronage-based politics.

Conclusion

These findings compel us to question some of the basic assumptions of the MGNREGA programme, in particular its demand-side nature. Some attribute the recent decline in employment outcomes to a decrease in demand stemming from the programme's success in alleviating poverty. But they should consider whether the decline follows on from a decrease in supply of work – a gradual 'closing' of the valves. The findings also offer a more nuanced view of state capacity and commitment, as well as stakeholder dynamics, and their impact on employment outcomes. Those involved in implementing MGNREGA are recommended to: Strengthen the demand-side nature of MGNREGA The fact that supply has to be 'opened' implies that certain stakeholders have undue influence on the process of MGNREGA implementation, and may be actively blocking and diverting the supply of work. Currently, public tracking of MGNREGA projects stops at the Gram Panchayat level, making it difficult to assess if rural households are getting their fair share of work. In order to improve transparency and the accountability of Serpents, it is recommended that MGNREGA projects be tracked right down to the village level. Demand at village level should be calculated to provide a better match with the nature and quantity of work provided. There is also a strong argument for bypassing the discretion that district-level functionaries have over the disbursement of funds. The findings validate the Government of India's decision to disburse funds directly to Gram Panchayats rather than to the district or block level through the electronic fund management system (EFMS). Allow for flexibility – within limits Federal support, over and above the guaranteed financial support to implement MGNREGA projects, is critical to improving state capacity and commitment. But in some cases a degree of flexibility may be needed to improve MGNREGA implementation. Preferably, states would petition the federal government for such allowances in advance. However, there has to be a strong commitment towards 'non-negotiable'. Some of these conditions – providing employment, minimum wages and community assets, while ensuring that grievance



addressable mechanisms are active – are mandated by MGNREGA itself. This study's findings further emphasized the need to ensure that projects are demand-based, and that they are channel led through the Panchayati Raj institutions down to the village level.

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