

MGNREGS: A CRITICAL STUDY

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ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act is a historic legislation enacted since independence, guarantying rural employment and right to work as an enforceable legal entitlement in a rural milieu marked by stark inequalities, created opportunities for gainful social inclusion. The occurrence of rural-urban migration certainly has an adverse impact upon economic development. In this pretext, the paper reviews the impact of MGNREGS upon the problem of migration and also on gender disparities.

Key Words-Migration, MGNREGS, Development, Gender

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INTRODUCTION

The MGNREG was one of the major flagship programmes of the UPA government passed in parliament in 2005. It was part of the commitment made by UPA government in its Common Minimum Programme and came into force in February 2006 - initially in 200 selected districts, at least one in each state. It has been hailed as landmark legislation and has attracted national and international attention. It has diverse objectives. On the one hand it is a social protection measure and builds on the experience of previous public work programmes, especially the "EGS" in Maharashtra. On the other hand, through providing guaranteed employment in rural areas, it also seeks to improve labour market outcomes. The unique feature of this act is the recognition "right to work" as the legal right.

BACKGROUND OF MGNREGS

Employment guarantee programme is one of the oldest forms of direct intervention for fighting poverty and unemployment in most countries both developed and developing. The concept of employment guarantee scheme or the idea of government as an employer of last resort has been used by many governments in different forms starting with Poor Employment Act of 1817 in Britain, New Deal Programme in USA in 1930's, Argentina's plan Jefes Y Jefas, Morocco's Promotion Nationale. For the last few decades government intervention in labour market as an employer of last resort has become an integral part of labour market policies in many developing countries, that include public work programme in India, Bangladesh, Pakistan, South Africa, Chile, Kenya, Botswana, Egypt, Philippines. Yet it was only in the last decades that social protection has emerged as an important component of development planning in Asian countries. Internationally, social protection gained greater attention after Asian financial crisis, which resulted in huge job losses and as more evidence came in to suggest that globalization and its economic and financial repercussions have adverse consequences for certain groups. India has had a prolonged experience with such schemes. The transition of Indian economy could be analyzed from its history. In the post-colonial world the newly freed countries embarked on the path of development planning. Through this path it was true that infrastructure and certain heavy industries developed in these countries. But all these countries experienced job less growth. It was found that due to capital centric growth around the urban economies, there was indeed job creation though urban unemployment increased steeply. Prior to this growth process rural

unemployment and poverty were the fundamental problems. But after the growth process urban unemployment and poverty became a serious concern. Harris and Todaro hypothesized that this urban unemployment is a product of misguided preference. In the initial years of planning in India post-independence, the planners prescribed that the solution to all problems lie in maintaining high growth rate. As the Indian economy grew at 7-8 % in recent years, but regular employment growth remained around 1%. Thus according to Bhaduri this is a "jobless growth". The adoption of labour saving and capital intensive technology gives rise to enormous source of profit at the expense of misery of mass. After recognizing the hype story about high growth rate and its impact on employment generation the Government of India rectified its economic policy from 5th five year plan and onward. Thus from the 5th plan, it started new social sector schemes, which would be helpful in creating direct employment opportunities in rural India and thus become effective in curbing rural-urban migration. All the previous schemes prior to MGNREGS became less effective than it was expected. So an effective social safety net must provide a guaranteed source of income through a guaranteed source of work opportunities. In this background in India, an ambitious MGNREGS came into force in February 2006. All the previous schemes are now merged into MGNREGS. This is the world's largest self-targeting programme.

MGNREGS HAS COME MAINLY DUE TO TWO IMPERATIVES:

ECONOMIC IMPERATIVE

Agricultural growth is gradually slowing down since latter half of 90's, despite over all G.D.P growth. Due to this rural wages or income stagnated and Gini coefficient of income further worsened.

POLITICAL IMPERATIVE

Previous governments' India shining campaign failed to win votes and Congress led U.P.A came to power on rural or agricultural development agenda.

SALIENT FEATURES OF NREGA-

1. Adult members of rural household willing to do unskilled manual work may apply in writing or orally to Gram Panchayat.

2. Employment will be given within 15 days of application for work.
3. Work should be provided within 5 km. radius of village.
4. Wages should be paid according to price rate or daily rate.
5. At least one third beneficiaries shall be women who have registered and requested for work.
6. Work site facilities should have to be provided.
7. Permissible work predominantly include-water and soil conservation, a forestation, land development
8. 60:40, wage and material ratio has to be maintained
9. Social audit has to be done by gram sabha
10. Grievance redressal mechanisms have to be put in place.
11. All accounts and records relating to scheme should be available for public scrutiny.

RURAL-URBAN MIGRATION

Rural-urban migration has long been associated with economic development and growth in economic literature. Migration is a movement of people from one place to another either permanently or temporarily may be due to lack of employment opportunity and /or poverty. Economic factors associated with migration from rural to urban areas are-

1. Poor agricultural factors are primary push factors.
2. Urban economic factors are primary pull factors.
3. General economic conditions.

Labour migration in India seldom involves the migrants alone. The decision to migrate to urban location is often taken after due consultation within the household, with considerations of wider family and or community context. In India a sizeable proportion of migrants are women. There are wrong perceptions that it is the poorest of poor who migrate. But migration requires capital- to cover the costs of journey and potential unforeseen problems along the way or during the stay, social networks and access to information. These are not feasible for the poorest of poor and thus they often do not know of positive migration opportunities and /or cannot afford to move. Caste also play an important role in determining access to positive migration opportunities ,largely because of strong correlation unto this day between poverty and social exclusion on the one hand and belonging to a S.C or S.T on the other.

Migration is gradually recognized as a important factor in the lives of rural poor. There are different interpretations of migration-

1. Dual economy model: This model derives from neoclassical economics which sees labour mobility as an expression of rational choice of migrant to move from a poor agricultural/rural/traditional area to a richer or better paying industrial/urban/modern area. Labour migration in this context is seen as a voluntary choice ,a response to diverse economic opportunities across space, where the migrant are basically pulled out by better economic options. In the Indian context this model is exemplified by a praise for growing informal sector ,which commands for nearly 60% of GDP and 90% of workforce and also provides ample opportunities to switch between different jobs.

2. Marxist theories: It emphasizes the structural factors rather than individual agency. The exploitation of migrant by dominant classes and actions of large scale capital. The migrant are pushed out of peripheral areas.

3. Neo Malthusian variant of structural analysis: In this analysis migrant are seen as ecological refugees pushed out by natural calamities, declining agricultural opportunities debt cycles, demographic pressures, deforestation, soil erosion etc.

MGNREGS and Migration:

MGNREGS is the largest flagship welfare programme of its kind in India. Its main objective is to provide 100 days of employment during the agricultural lean season so that people do not migrate in that time. Although it has been able to arrest the problem of out migration of work force to a certain extent but certainly it is below the expectation. The impact of NREGS in reducing the out migration is certainly higher among female work force rather than male counterpart.

Jacob (2008) tries to find out the impact of the scheme on the problem of distress migration by conducting an empirical analysis in the Villupuram district, where NREGA is being implemented well and where there is a history of distress migration. He observed the problem of migration as a negative force and focusing on distress migration. Distress migration can be viewed as a destabilizing factor economically and socially labourers are at the mercy of contractors. The survey conducted in Villupuram showed that given decent employment in their villages most people would prefer not to migrate, men and women both. The impact of NREGA on rural-urban migration is conditional on the NREGA being implemented well in that region. The primary aim of NREGA is to provide welfare for the section of population that does not even earn the minimum wage -the fact that it can also curb distress migration is just a positive secondary impact of the act that could really have a long run impact on economic development. However the Villupuram district model of NREGS implementation could perhaps serve as an example for Kalahandi-Bolangir- Koraput (KBK) region, where deprivation and migration is present at an unimaginable level. NREGA has made virtually zero impact on livelihood security of Orissa's poor. The democratic tradition of Tamil Nadu is conducive for better implementation of NREGS, in comparison with Northern part of the country where no high light the true interest of backward class party.

Union Minister for Rural development Jairam Ramesh was all praise for Andhra Pradesh for its successful implementation of NREGS, inspite of few shortcomings and scope for further improvement. According to Minister NREGS had prevented distress migration, resulting in labour problem for agriculture due to the non availability of migrated workforce in Eastern

Godavari. The scheme is certainly successful in Andhra Pradesh. It would be better if this model is replicated elsewhere.

In a survey conducted by a N.G.O named Disha in Madhya Pradesh, Gujarat, Maharashtra revealed that migration had certainly been checked. Despite of some loopholes, the scheme turned out to be effective in preventing seasonal unemployment and under employment.

These are the few examples which clearly demonstrate the potential of the scheme in checking the problem of migration especially of male work force. But at the same time there are obvious counter examples also to invalidate the claim. In a report in Deccan Chronicle, the example of Kurnool district clearly explained the fact, where labourers prefer work under contractors, rather than NREGS due to the availability of meager wage rate. Thus it would be better if the NREGS wage rate become rationalized.

Rukmini Shrinivasan in his article in a well circulated daily tries to find the impact of NREGS upon migration of labour from two underdeveloped state like U.P and Bihar to an agriculturally advance state like Punjab. There are contradictory views about the impact of MGNREGS on migration of labour from U.P & Bihar to Punjab during peak agricultural seasons. Bureaucrats, industrialists & some farmers agree that this has resulted in the shortage of migrant labour from U.P & Bihar. However an in depth studies of the situation during paddy transplantation season shows the insignificant impact of NREGA. The Union Ministry of labour and employment finds no evidence of shortage of farm labour. The statistical data also suggests that NREGA has hardly any impact on migration of labour from U.P & Bihar to Punjab.

Solinski with his critical analysis tries to find out the impact of NREGA upon migration. one of the significant objectives of NREGA is a reduction in labour migration. But inspite of some successes, the programme has not had the desirable impact. Thomas Solinski argues that NREGA's limited impacts partly arises from a misconception of labour migration as a poverty problem and as merely a product of push and pull economic factors. The logic behind NREGA wrongfully casts rural livelihoods and urban society as somehow separate and assumes that farming is what the poor really want, thus establishing poverty as chiefly rural problem to be

tackled by rural development. The view of labour mobility as essentially involuntary and guided totally by economic considerations overshadows two sets of reasons why people may still prefer to migrate, namely social factors and evolving perceptions of modernity. The framer of NREGA failed to understand that the poor too have aspirations, which are not confined merely to survival matters. NREGA has benefitted those with little or no access to positive migration opportunities, especially SCs, STs and women, but it is unlikely to succeed in curbing labour mobility significantly, which are not desirable anyway. The critical challenges ahead are not to reduce migration but to improve its economic and social conditions and to account the poor's aspirational horizon.

The impact of NREGS in reducing migration is certainly greater among female work force than male work force. This is due to the fact that the possibility of earning higher wage is certainly greater for male worker than female worker as they can easily migrate to other places. As a result the male worker would naturally opt for higher wages if they are getting in other places than the lesser NREGS wage by considering the cost of migration. But for female worker it is very difficult for them to migrate to other places due to external factors, even if they are getting higher wages at that possible place of migration. Thus they consider NREGS as a real solution to the problem they are facing, as it offers job within the 5 km radius of the village in a conducive work atmosphere. So NREGS is the best available option for the female work force.

NREGS AND GENDER DISCRIMINATION

The participation of such a huge number of female labour in NREGS in rural India can be justified by going through the following figure (see annexure 1).It clearly demonstrates the fact that in the year just prior to the commencement of NREGS (2004) in most of the states the state specific minimum wages is higher in comparison to what the female agricultural labour is getting. But in contrast, the male counterpart is earning higher wages in most of the state than the state specific minimum wages .Thus in rural India ,NREGS which offers female labourer a better wage than what they are getting as a agricultural labourer is certainly prove out to be a better option to engage with. The figure also highlighted the fact that there are clear evidence of wage discrimination between male and female workforce. But NREGS is certainly turned out to be a

revolutionary in this matter as it emphasizes no gender disparity in wages in its feature. This is clearly a big leap forward in comparison to all previous programmes.

Irrespective of that, NREGS is also committed to ensuring that at least 33% of workers shall be women. By generating employment for women at the fair wages in village, NREGS can play a substantial role in economically empowering women and laying the basis for greater independence and self-esteem. Thus despite some drawbacks NREGS is certainly prove out to be beneficial for the unskilled or semi-skilled women, who have otherwise no secured work options. The gradually increasing participation of female labour force in NREGS can be visible from the figure also. Government figure indicates an impressive participation of women in NREGS. It is above 33% in most of the states. At an all India level women employment as a percentage of total employment was 40% in 2007-08 .It went up to 51% in 2012-13.The substantial number of participation women in NREGS in most of the states across the country is clearly visible from the figure, although it varies from state to state.

The success of NREGS in empowering rural women is justified by following economist in their papers.

Das, explained in his paper that in India gender is the inevitable push factor for growth and development. The major share of chronically poor population is constituted by women in rural India. The government has framed a revolutionary scheme to uplift people from poverty and vulnerabilities. Although participation of women varies substantially across states but at the national level participation of women has increased significantly. MGNREGA plays a significant role to meet the needs of women's participation.

Sudarshan in his paper tries to explain the success story of NREGS in Kerala and Rajasthan. A significant aspect of NREGS is that large number of women has sought work under the programme. But at the same time there are complex issues regarding women's participation in public work programmes. In many rural areas there are few work opportunities outside agriculture. Thus poor households dependent on agricultural work for their survival are forced to migrate during lean seasons. This is precisely the situation that NREGA is intended to address,

through the creation of additional work opportunities during agricultural lean seasons. In Kerala women have organized themselves in "Kudumbashree" groups, self-help groups of eight to ten women, which provide alternative opportunities to agriculture. The state government has placed Kudumbashree in charge of managing NREGS, so women have easily directed into this work. In Kerala and Rajasthan many women have been persuaded to come out of house for paid work for the first time in response to NREGA. The reason behind this is the convenience of working close to home, no job search was needed and government is trusted employer. The key features of the NREGS specific to Kerala are that worksites managed by the women and that most women coming for work have already been mobilized into self-help group. The prior experience of working together and existing female managerial capacity both help to make the NREGS more accessible to women.

Union Minister of Rural Development Jairam Ramesh, Neelashi Mann and Varad Pande in an article written in Times of India rejected the negative campaign that is going on regarding NREGS. According to them women have been the major beneficiary and the proportion of women person days that was 49% in FY 2011-12 (up to December 2011) rose to 53% in FY 2012-13. It indicates that MGNREGA is an important work opportunity for women who would have otherwise remained unemployed or under employed-probably because it incorporates gender sensitivity in its design, ensuring that work is provided within five km and ensuring wage parity, a fact validated by NSSO'S 66th round survey.

C.P.Chandrasekhar and Jayati Ghosh in their paper tries to judge the scheme from the question of social inclusion. According to them NREGS disproportionately involve women, SCs, STs as workers in the scheme. This clearly demonstrates the inclusive potential of the programme in unanticipated ways.

Thus by putting cash incomes into their hands, NREGA is beginning to create a greater degree of economic independence among women implying empowerment and financial inclusion. As mentioned, this was one of NREGA's main aims and with the increased participation of women in household income generation a positive contribution to gender relations can be made. Both qualitative and quantitative social impact assessments suggest that women 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.

Despite those successes that NREGS has regarding women empowerment, there are scope for further improvement. And the following are the areas where we need to put further stress.

1. Non availability of creche facilities at the work site, even though the act includes this provision.
2. Low level of awareness about the process and entitlements of the programme
3. The nature of work is also not helpful for women workers
4. Poor work site facilities-like safe drinking water, resting room, changing place etc.
5. Illegal presence of contractors
6. Delay in payments

CONCLUSION

The primary aim of the Act is to provide welfare for the section of population that does not even earn the minimum wage-the fact that it can also curb distress migration is just a positive secondary impact of the Act. But irrespective of its success it would be wrong to say that everything is perfect with the scheme. Undoubtedly there are challenges ahead regarding implementation, instances of corruption, quality of the assets created and skill generation. These concerns are well aware off . It is in response to those challenges that the government is moving towards the second generation of MGNREGA (MGNREGA 2.0), with an expanded list of work opportunities, through institutionalized social audits and local level audits and providing more flexibility to states. The new operational guidelines for MGNREGA incorporate many of these reforms. Thus while a lot more needs to be done to make it more effective, MGNREGA continues to create positive impact on the rural economy and the livelihoods of marginalized rural Indians. So MGNREGS is fulfilling the cherished dream of Mahatma Gandhi that is “Gram Swaraj”.

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