REVIEW OF LITERATURE

Poverty is too complex to remove by any one dimensional solution or policy initiative. It is caused by a multiplicity of factors; no single instrument can suffice to uproot it. The World Bank has described poverty as, “Poverty is hunger and the lack of shelter. It is being sick and not being able to see a doctor. It is not being able to go to school and not knowing how to read. It is not having a job, is fear for the future, living one day at a time. It is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom. It has many faces, changing from place to place and across time”.

Joseph Iloabanafo Orji, (2005) argues that the battle against poverty has to be fought on many fronts (both simultaneously and sequentially) using different strategies and instruments. A balanced approach on two perspectives should be evolved for eradicating rural poverty. The first revolves around a well thought out and interrelated set of policies targeting at improving income, skills, productivity, welfare and participation of the poor in every economic sphere. The second element involves a comprehensive package of reforms designed to alter those structures, processes and mechanisms which govern the ownership, distribution and utilization of resources and assets along with the distribution of benefits, rewards and rights in the society such that, almost everybody can earn an honest livelihood and would not be forced into the dreadful alternatives of holding out his hand for charity, or, and robberies.

Historically it has been observed that industrialization and development of western societies are linked to major economic changes in the in rural areas. Land reforms and other legislative reforms are implemented in bringing about a change in the rural economies of these countries. Following the developed economies of the world, the developing economies too adopt their own model of rural development and policies. As such the subject of rural development has been a topic of discussion among researchers, policy makers and administrators. The notion of rural development has been conceived in diverse ways by them ranging from a set of well-knit strategy approach or even an ideology. The primary objectives of rural development are: (i) To improve the living standard by providing food, shelter, clothing employment and education. (ii) To increase productivity in rural areas and
reduce poverty. (iii) To involve people in development and decision making process and (iv) To ensure distributive justice and equalization of opportunity in the society.

There are also different conceptual approaches of rural development though not mutually exclusive. These are (a) paternalistic (b) technocratic (c) welfarist (d) radical/activist and (e) participatory. The paternalistic approach inducts a Government functionary in the village who would act as a “guide, philosopher and friend” of the villagers for agricultural and rural development. The technocratic approach is associated with such programs that promoted the spread of the green revolution in the 1960s that are now seeking to introduce biotechnology and information technology in agriculture. The welfarist approach has always been a significant influence in implementation of rural development programs. It has become more prominent in recent times because of the emphasis of the poverty alleviation objective. The main objective of the radical/activist approach is to achieve rapid social change and to redistribute political power from the rich to the small farmers and the landless people that constitute the bulk of the poor families. The participatory approach recognizes the participation of people at the grass root level of development.

Since the seventies, rural development as a concept has been highly associated with the promotion of standard of living and alleviation poverty. This pro poor bias was born in the concept of rural development because societies’ wealth is extremely concentrated in the hands of very few people. Thus, if the general definition of rural development is accepted, i.e. the improvement of the welfare of all members of the rural population, then this pro-poor bias is justified (Gustavo Anriquez and Kostas Stamoulis 2007).

In the context of alleviation of poverty and unemployment both in developed and developing economies, rural development programs have been important program interventions. During the initial stages of rural development a holistic approach to develop agriculture, infrastructure and basic facilities in the villages was adopted through community development programs. These programs provided unskilled manual workers with short-term employment on public works such as irrigation, infrastructure, afforestation, water and soil conservation and road construction. The rationale for welfare programs rests on some basic considerations. The programs provided income transfers to poor households during critical times and thus enabled their consumption smoothing specially during slack agricultural seasons or years. In countries with high unemployment rates, the benefits of welfare programs can prevent
poverty from worsening, especially during lean period. Social assets that these programs may create have the potential to generate a second-round of development and employment benefits as necessary infrastructure is developed.

2.1 Rural Development and Employment Generation Program across the World

The policy of Employment Guarantee Scheme (EGS) is well known since 1817 in the world. On 16 June 1817 the royal assent was given to The Poor Employment Act to authorize the Issue of Exchequer Bills and the Advance of Money out of consolidated fund, to a limited amount, for carrying out public works and fisheries in the United Kingdom and the employment for the poor in Great Britain. The principles of the Act were to underlying the obligation of the British Government to combat unemployment. This bill authorized the commissioners to grant loans to person or persons that would be used to create employment (M W Flinn, 1961).

The U.S. Rural Development Policy trace back to the great depression of 1930s when rural Americans were struggling for several years with low incomes and low standards of living. The Federal Emergency Relief Administration began aiding rural families in 1932. Roosevelt took the office of the Presidency of the USA on March 4, 1933, and initiated this reform programs. This reform program was called New Deal Program.

More than 88 programs administered by 16 different federal agencies targeting rural economic development. The United States Department of Agriculture (USDA) administered the greatest number of rural development programs and had the highest average of program funds going directly to rural counties (approximately 50%). The Rural Development Policy Act of 1980 designated USDA as the lead federal agency for rural development (Tadlock Cowan, 2010).

According to Gerhard K. Heilig (2003), when the People’s Republic of China was founded in 1949, the country was a typical agricultural society, with only tiny urban elite. China’s rural population was 85% in 1953. Within fifty years, China’s rural population has reduced to 21%. The process of urbanization was faster and many rural areas are continuously becoming urban industrial places. China’s story of rural development is quite spectacular. China’s rural development since 1978 has been an unprecedented success. Within only two decades agricultural productivity exploded,
and the number of rural poor declined by millions. Only four decades ago, China experienced one of the largest famines in human history, but today, China’s food markets are bursting under the load of vegetables, fruits and meat.

In Nigeria, National Poverty Eradication Program (NAPEP) was introduced in 2001 which focuses on the provision of “strategies for the eradication of absolute poverty in Nigeria. The current poverty eradication programs of Nigeria are centered on youth empowerment, rural infrastructure development, provision of social welfare services and natural resource development and conservation.

In 1984 the government of Bangladesh developed a new strategy for rural development. The strategy emphasized the inclusion of Rural Poor Projects (RPP) as a component of all future rural area development programs. Under these Area Development Programs a targeted self-employment schemes were implemented with input support of credit, training and extension services. These schemes were designed to promote collective ventures of the landless-poor through formation of groups and cooperatives. Under these programs assets are transferred to the target groups on a collective basis, e.g., joint cultivation of land, pisci-culture, irrigation, power tiller schemes run by the landless groups and cooperatives (Dr S. Aminuzzaman, 2009).

The Government of Argentina started the Jefes program to give employment to heads of households in 2002 after the country’s economy collapsed in early 1990s leading to large-scale unemployment. Most of the other employment generation programs and safety net schemes were transferred to the Jefes scheme. The program pays 150 pesos per month to a head of household for a minimum of 4 hours of work daily. Participants work in community services and small construction, agricultural, or maintenance activities, or are directed to training programs. The beneficiary households must contain children under age 18, persons with physical disabilities or a pregnant woman. One of the most distinguishing features of the program’s institutional design is its decentralized model of administration.

Bolsa Familia (Portuguese word meaning family allowance) is a social welfare program of the Brazilian government. The program attempts to reduce short-term poverty by direct cash transfer and fight long-term poverty by increasing human capital among the poor through conditional cash transfer. It also works to give free education to children who cannot afford to go to school. The benefit of the scheme is given preferentially to a female head of households, through so-called Citizen Cards which are mailed to the family.
The world’s largest NGO, BRAC has been the key innovator of Micro finance in Bangladesh. The rural development program aimed at empowering the poor women economically, socially and psychologically, through a multi-faceted intervention in Bangladesh. Oriana Bandiera, Robin Burgess, Selim Gulesci and Imran Rasul (2009) found that the savings of the beneficiaries have increased as dictated by the program in Bangladesh. The asset transfer was large enough to move the poor several steps up in the wealth distribution. The program also increased the total per capita expenditure among beneficiaries. It revealed that households purchased significantly more durables, especially radios and bicycles. Now, various Governments and NGOs are implementing micro-finance programs in countries like Haiti, Honduras, India, Pakistan, Peru, Ethiopia and Yemen.

2.2 Rural Development Programs in India

The World Bank’s estimate of global poverty for the year 2004 was 986 million. Nearly one third of the world’s poor are Indians and most of them inhabit in rural areas. According to K Hanumanthra Rao and P Durgaprasad (2008) about 28.3 per cent of the rural population was poor with a per capita expenditure of less than ₹ 12 per day in 2004-05 and in absolute terms the number of rural poor was 221 million in India. Most of the rural poor are small and marginal farmers, agricultural labourers, and ST & SC people. The states like Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa and Uttar Pradesh account for nearly 60 per cent of the rural poor (Radhakrishnan 2006). According to the 2011 Census, about 69 % of the total population is residing in the rural area and the decadal growth of rural population was 12.2% during 2001-11.

With a huge volume of rural population in India, a meaningful rural development program can ensure overall socio-economic development of the nation. In India rural development strategies are designed to improve the quality of socio- economic life of the rural people. The greatest hurdle stands on the way of rural development is the acute poverty and unemployment. Therefore, main focus of the rural development program in India is on poverty alleviation and employment generation. Various poverty alleviation and employment generation programs have been initiated since the beginning of the first five year plan. Perhaps no country in the world other than India
has invested so much of time and resources on poverty alleviation programs for rapid economic development.

Since the independence and the start of the five year plans in 1951, rural development has been the abiding concern for the planners and policy makers. The initiative was made with the introduction of the Communities Development Program (CDP) in 1952. The program was designed to bring the progressive way of living of the rural communities through people’s participation (Mukherjee. B., 1961). The initiatives of Communities Development Program were the outcome of the earlier initiatives taken at Santiniketan by Kaviguru Robindra Nath Tagor and at the Young Man Christian Association (YMCA) in Korela by Mr. Spencer Hetch respectively. However, Gandhiji’s experiment at Sabarmati Aswaram had been the most important in the field.

In India, Rural development programs have undergone a considerable change over a period of time right from the Community Development program to Integrated Rural development Program (IRDP). According to C Kanchan Ratnam, (1992) one of the major contributions of CDP has been in delineating the blocks based on population size and area in order to serve as lower development units.

During 1951-1985 as many as 66 rural development programs were implemented. During the seventies rural development programs were initiated through the 20 Point Economic Program. The 20 Point Program was started in 1st of July 1975 by then the Prime Minister of India, Mrs. Indira Gandhi. The objectives of the program was to uplift rural people from a state of stagnation or low productivity equilibrium into more dynamic state of change towards a high level of living and better quality of life. In 1978-79, a program of integrated rural development (IRDP) was launched with the objective to increase growth and production through benefits provided to the target groups.

To boost the agricultural output, Intensive Agricultural Development Program (IADP) was launched as part of CDP in few districts. The success of the program had encouraged the government to extend the program to other districts in the name of Intensive Agriculture Area Program (IAAP). In order to overcome the food crisis, a new agricultural strategy known as High Yielding Varieties Program (HYVP) was started. This represents a dramatic change in attitude, orientation and strategy (Sharmah, M.L., 1989)
The Integrated Rural Development Program (IRDP), a rural development program of the Government of India was launched in 1978. IRDP is a major self-employment program for poverty alleviation. The objective of IRDP is to create suitable income-generating assets through a mix of subsidy and credit to below-poverty-line families with a view to bring them above the poverty line.

But the program has also failed to achieve the objectives in some cases. M Gopinath Reddy (1988) in his study found three important lapses. First- forward and backward linkages have not been properly established. Secondly, low investment is made in case of majority of the beneficiaries. Thirdly, work for the landless and near landless families is not available on continuous basis.

According to Jean Dreze (1990), there was no solid evidence on the actual effects that IRDP has on the living standards of the participating households.

Hem Chandra Gautam (1990), made a study which revealed that there is significant increase in family and per capita income of the below poverty line beneficiaries. But that income is not sufficient for the beneficiaries of IRDP to cross the poverty line in undivided Kamrup and Darrang district of Assam.

The study conducted by K. Abdul Kareem, K. M. Jayaramaiah and Y. Kateppa (2001) in Kannur district of Kerala revealed that 66.2 per cent of the IRDP beneficiaries have positive income generation. The average net income before and after repayment of loan was highest in fisheries followed by tailoring. The poorest income generator was forest based activities, which was significantly inferior to all other schemes.

According to Ratnam, C.K., (1992), an evaluation of the various schemes implemented during the Sixth Five Year Plan indicated that inadequacy of the development of proper scheme at operational level leading to lower achievement in the generation of income than what was envisaged therein. Training of Rural Youth for Self Employment (TYRSEM) as program providing training and skill to the younger generation has also failed to achieve its basic objectives. He rightly said that defective selection procedure of beneficiaries, lack of involvement of the beneficiaries and ignorance of economic factors are responsible for poor performance of the program.

According to Purusottam Nayak (2002) the success or failure of any rural development program largely depends on how best it is organized and implemented. If it is put in the hands of corrupt and inefficient officials, it ends up in a dismal
failure. IRDP in this respect has been a failure in those places where it has been wrongly implemented; otherwise it has achieved a tremendous progress in lifting the poor above the poverty line. The performance of IRDP is exemplary in Silchar Development Block in respect of poverty alleviation as it has been able to lift 85 per cent of the beneficiaries from BPL to above the poverty line. Simultaneously the program has been a great failure in the sense that majority (56 %) of the beneficiaries belonged to non-poor group due to wrong selection of beneficiaries on the part of the government officials. Thus, the need of the hour is a bunch of dedicated workers at the village level and sincere and efficient leadership at the political level and social level which might be able to imbibe a spirit of dedication to ensure voluntary co-operation and proper implementation of the programme.

From the 6th Five Year Plan rural development programs have been further diversified. Various wage-employment and rural infrastructure programs are implemented in order to provide enhanced livelihood security via, employment generation especially to those who are dependent on casual manual labor and rural infrastructure creation. Table 2.1 shows various schemes implemented by the Government of India.

<table>
<thead>
<tr>
<th>Year</th>
<th>Name of Scheme</th>
<th>Basic Objective of the Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>NREP</td>
<td>To use the unemployed and under employed works to build community assets</td>
</tr>
<tr>
<td>1983</td>
<td>RLES</td>
<td>To provide 100 days of guaranteed employments to one members from rural and landless household</td>
</tr>
<tr>
<td>1989</td>
<td>JRY</td>
<td>Combination of NREP and RLEG</td>
</tr>
<tr>
<td>1993</td>
<td>EAS</td>
<td>To provide employment during lean agricultural season</td>
</tr>
<tr>
<td>1999</td>
<td>JGSY</td>
<td>To develop demand driven rural infrastructure</td>
</tr>
<tr>
<td>2001</td>
<td>SGRY</td>
<td>Combination of EAS and JGSY</td>
</tr>
<tr>
<td>2004</td>
<td>NFFWP</td>
<td>To generate additional supplementary wage employment and asset creation</td>
</tr>
</tbody>
</table>

These schemes have provided some relief to the poor people, but their reach has been inadequate in view of the magnitude of the problem. Moreover, they have not provided a guarantee that employment would be available to rural households on demand, as all of them are allocation-based programs.

Ravi S. Srivastava, (2004) conducted a study on Anti Poverty Programs in Uttar Pradesh. The study revealed that a sizeable proportion of the rural poor had never been covered under any of the programs. About 70 per cent of the households in
the lowest two quartiles of total households in the society have not received any coverage. On the other hand, a sizeable proportion of those who had received coverage are not poor.

The poverty alleviation programs in Gujarat are largely the individual-based approach, and this approach worked well in the economically developed environment of the state. According to Planning Commission of India, Gujarat has done a pioneering work in establishing a comprehensive data base of the poor based on a BPL census. The comprehensive data is computerized. It records the household features as well as the basic deprivations of the poor. This can be used to monitor the economic conditions and progress of the poor periodically even at the household level.

PRIs have played very important role in successful implementation of the poverty alleviation programs. Pranab Bardhan and Dilip Mukherjee (2004) examined the poverty alleviation efforts of West Bengal panchayats, comprising implementation of land reforms and pro-poor targeting of credit, agricultural mini kits, employment programs and fiscal grants. The study revealed that the proportion of cultivable land area distributed in the form of households that were issued land titles was of the order of 15 per cent, amounting to approximately one in every three landless households. Thus, the program was significant in terms of number of households that benefitted. It was found that villages with a more egalitarian land distribution are having higher levels of literacy among the poor, and a greater degree of political competition.

Poverty eradication through formation of Women SHGs for mobilizing micro-savings and micro credit has had a long history in India. This movement is very successful in Andhra Pradesh. In early nineties, a UNDP assisted project namely South Asia Poverty Alleviation Project (SAPAP) was launched in a few districts of Andhra Pradesh, with the objective of using the SHG movement for poverty eradication with external financial support, higher levels of credit and technical and institutional backup for the movement. Based on the successful SAPAP experience, Andhra Pradesh District Poverty Initiative Project (APDPIP) popularly known as ‘Velugu’ (meaning light) was launched with the support of the World Bank. The Velugu was renamed as Indira Kranti Pathakam. The project was implemented in the most backward districts from the year 2000, and has now been extended to cover all the districts. The mid-term appraisal of Andhra Pradesh District Poverty Initiatives
Project was made by Mahendra Dev, S. and S. Galab, (2006). They found that the
APDPIP interventions have led to the diversification of livelihood strategies,
enhancement of income and enhanced assets-base, capability and the ability of poor
women (and their households, in turn) to deal with shocks and risks. The program has
made a significant contribution in raising awareness among women. It has enabled
them to widen their social network. Women’s decision making power in the family
has gone up in general. This has also enabled women to participate more effectively
in community level decisions. The participation of women in community collective
actions against the practice of child labour is much more pronounced among women
who participate in SHGs than those who do not. The program has encouraged literacy
among the women. The enrolment rates of girls in upper primary schools have gone
up due to the program. The program has enabled women to utilize the available
publicly provided facilities, particularly the health care facilities and educational
facilities in a better way.

According to the Planning Commission of India, an effective poverty
eradication strategy has necessarily to stand on two legs:

(a) a pro-poor pattern of economic growth, and

(b) appropriate institutional arrangement that involves the poor themselves in
the process of implementation of programs meant for them.

During seventies and eighties, the rate of economic growth was slow. But the
pattern of growth was relatively more pro poor. The green revolution led agricultural
growth and the greater emphasis on community and rural development were helpful to
the poor. Estimates made by the Planning Commission in the National Human
Development Report 2001, showed that the incidence of poverty by headcount ratio
declined from 44.48 per cent in 1983 to 26.10 per cent in 1999-2000 at the national
level. As economic reforms were initiated in India in early nineties the rate of
economic growth has gone up significantly. But this growth has not generated the
employment and livelihood opportunities for the poor as compared to those of earlier
period. And hence the rate of decline in poverty has not been commensurate with
higher growth rate.

A pro-poor pattern of economic growth requires special programs and schemes
such as food security, housing, health and public health, employment guarantee and
old age pensions etc. These programs need to be strong and better targeted,
particularly in those areas where poverty situation is acute and program implementation is weak. Similarly for rural development and execution of poverty alleviation programs appropriate institutional set up is parallelly important. The institutional and legislative mechanism evolved for rural development and poverty eradication ensure safety nets for the hard core poor in the society. The safety nets are the programs which seek to eliminate these deprivations. Firstly, programs like TPDS (food security), Employment Guarantee (minimal income security), SHG for saving and thrift (social mobilization) help the hardcore poor to get out of the debt bondage. The public health and nutrition programs reduce morbidity and boost efficiency and productivity; free and aided primary education and mid-day-meal schemes encourage the children to go to school and give them an opportunity to grow out of poverty. Programs for distribution of houses take care of shelter. Social security and social assistance programs take care of groups like senior citizens, handicapped and challenged who need special attention. Secondly, back by strong legislative measures PRIs play a very crucial role in the process of poverty alleviation initiatives in India. The 73rd and 74th amendments of the Indian Constitution initiated the process of economic reforms in the rural areas through the PRIs. Grass root level of planning for eradication of poverty, employment generation and creation of rural infrastructure are entrusted to the PRIs. These PRIs have been implemented various rural development programs. Similarly, SHG forms the back bone of rural micro finance institutions in India. The National Rural Employment Guarantee Act, 2005 (NREGA) was enacted to reinforce the commitment towards livelihood security in rural areas.

Starting from the Community Development Program (1951-52) to MGNREGS implemented (2005-06), there is no dearth of schemes and programs in India for poverty alleviation. But the effectiveness of the programs in targeting the poor and removing poverty is different in different states. Variations in effectiveness are largely due to varying degree of efficiency of the implementing machinery (i.e., the delivery system), strengths of the PRIs, existence or non-existence of community based organizations of the people and initiative and innovativeness of the state machineries in evolving approaches and institutional arrangements in harmony with the ground conditions. This is the view expressed by the XI Plan Working Group on Poverty Elimination Programs, Planning Commission of India (2006). According to the working group, Blocks of northern states where the concentration of poverty is high, have generally not done well in terms of economic growth as the implementation of
poverty alleviation programs has been weak. Andhra and Kerala, on the other hand, have evolved very effective institutional models for poverty alleviation efforts.

2.3 Mahatma Gandhi National Rural Employment Guarantee Act

Recognizing the serious problem of unemployment and poverty, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was passed in 2005 by the Parliament of India. This Act has the provision of livelihood security for the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The MGNREGS makes the Government legally accountable for providing employment to those who ask for it and thereby goes beyond providing a social safety net towards guaranteeing the Right to Employment. A very significant feature of this Act is that if a worker who has applied for work under MGNREGS is not provided employment within 15 days from the date on which work is requested, an unemployment allowance shall be payable by the State Government at the rate prescribed in the Act.

According to the Annual Report of the Ministry of Rural Development, during 2010-11, 5.49 crore households were provided employment and 257.15 crore person days were generated. The Program had a high workforce participation of marginalized groups like SC/ST (52%) in FY 2010-11. Women workforce participation has also surpassed the statutory minimum requirement of one third participation. In 2010-11, women participation was 48%. Financial inclusion of the poor and marginalized has also increased manifold. Up to FY 2010-11, 9.88 crore bank and post office accounts have been opened to disburse wages directly to the workers’ accounts. In FY 2011-12 (up to December, 2011), 61.61 lakh pieces of works were undertaken, of which 53% constitute water conservation, 22% rural connectivity, 9% land development and 0.37% Rajiv Gandhi Sewa Kendra related works. Provision of irrigation facility to individual beneficiaries constituted around 12% of total work. The remaining 4% works were other activities specific to the local needs of the respective areas.

There are inter-state and inter-district variation of performance under MGNREGS which reveals from a study conducted by the Samarthan- Centre for Development Support (2007). This centre has studied 39 districts, 283 panchayats and 600 villages from different socio-cultural background in the states of Bihar,
Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra and Uttar Pradesh. The study reveals that 47.69% of the families have been registered under the scheme. The national average obtained from the secondary data suggests that more than 70% of rural households have been registered under the MGNREGS. It also found that, out of the total number of registered families, approximately 90% of families have received job cards. However, in many cases, the cards have been taken back by the sarpanch (village head man). In several cases, the cardholders did not know what entries had been made in her/his job card. It is also found that in Maharashtra and Uttar Pradesh around 96% of BPL families have job cards. Chhattisgarh and Jharkhand have the lowest figures, at 32.33% and 39.82% respectively. In Jharkhand and Maharashtra, workers were being asked to pay ₹ 20- ₹ 40 for photographs for their job cards, or they were asked to bring their own photographs.

Therefore, it may be concluded that the benefit of the MGNREGS has begun to pour into the economy. According to K Hanumantha Rao and P Durgaprasad (2008), the MGNREGS has largely covered the poor. However, the hard core poverty states, namely Bihar and UP have failed to include all the poor under the MGNREGS. The performance of scheme in MP, Chhattisgarh and Jharkhand and even Orissa was impressive in terms of coverage and share in employment.

A study of Subhasish Dey (2009) in Birbhum district of West Bengal in three interrelated issues- viz. targeting aspect, efficiency aspects of the PRI institution and impact aspect of the program, indicates that the program is more likely to be accessed by the poor households and bulk of the benefits flow to vulnerable and poor households. As far as the efficiency of the implementing agency is concerned, the paper found that on an average, since program inception, the time lag between commencement of work and payment of wages is 27 days which is almost 2 times higher than the statutory time lag of 15 days. In addition, while the annual demand for work is close to 200 days and legal obligation is 100 days, on an average since inception program has created 20 days only in a year. Finally, the analysis of the job creation patterns over the course of a year shows that the program does not create more jobs during the lean season and there is a tendency to spend money at the fag end of each financial year. While there are light improvements over the years, yet but the analyses revealed a violation of clause and the spirit of the NREG Act is reflected and it undermines the potential of the program in terms of serving as a safety net.

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2.4 MGNREGS and its Impact on Employment

The prime objective of the MGNREGS is to provide 100 days of manual work to unskilled labour who have registered to do work under the scheme. Therefore, this particular wage employment program can be transformed into a source of sustainable livelihoods generating employment and self-employment.

A study of the Samarnath (2006) reveals that as per the Government data available till August, 2006, the total cases where employment was demanded, almost 95% people were given employment. Though this data seem impressive, it may also mislead because; people are being absorbed simply because both resources as well as works are available in the village. But one cannot be sure of employment as a guarantee if there is no explicit demand by job card holders.

During 2006-2007, 21.2 million people demanded works while 21 million people were provided jobs under MGNREGS (around two per cent of India’s population). Ministry of rural development has been claiming the success of MGNREGS on the basis of this data that about 99 percent people who demanded jobs were provided with employment opportunities. During 2006-07, MGNREGS created 9 million person days of employment. This means that on an average 42.45 person days were generated for each family across the year covering 39 per cent of all rural households. This is around 58 per cent less than the promised 100 days employment guaranteed under MGNREGS. On the other hand this is around seven per cent participation from a casual worker population of 140 million in the country. It indicates that large number of people didn’t demand job under the scheme. Interestingly, the states with maximum casual labours like Andhra Pradesh, Uttar Pradesh, Bihar, Jharkhand, Chhattisgarh, Orissa and Madhya Pradesh are reporting the minimum job demands under the MGNREGS during 2006-07. These are the states that account for around 100 districts out of 200 districts of the country initially chosen for implementation of MGNREGS. Twenty out of 27 states reported an average of less than 50 employment days per household. Only Rajasthan was able to generate more than 50 average person days of employment against the guarantee of 100 days during 2006-07. States such as Andhra Pradesh (25.37 person days), Uttar Pradesh (22.23 person days), Bihar (18.46 person days), Chhattisgarh (38.65 person days), Orissa (32.27 person days) and Madhya Pradesh (39.9 person days) are far behind
from the target of providing 100 days of employment at the half way mark of the current fiscal.

The study of Ranjit Singh Ghuman and Parminder Kaur Dua (2008) found that the performance of MGNREGS has not been very encouraging in the district of Hosiarpur in Punjab during the first two years of its implementation. Annual average day of employment per household has been nearly one fourth of the minimum 100 days of employment. As regard the wage rate given to the workers, on an average a worker under MGNREGS was given ₹ 92.50 per day. Assuming that every household, willing to work under the scheme, is able to get 100 days of employment in a year and the average size of the household in Hosiarpur district in Punjab is 5.2 then the monthly per capita income from the MGNREGS comes out to be ₹ 148.24. It is to be noted that the poverty line in India was ₹ 327.50 per month per capita for rural India for the year 1999-2000 (Manna, 2007). In view of the current poverty line even 100 days of employment under MGNREGS does not help the households to cross the poverty line.

According to Mihir Shah (2009) a mutually reinforcing relationship between investment and income is catalyzed by MGNREGS. First, investment generates demand and income through the multiplier effect. Then, income stimulates investment via the accelerator. Under MGNREGS, farmers have come back to land they long abandoned resulting in an increased output consequently an atmosphere of renewed hope, spurs further investment. Converging MGNREGS with other programs for rural livelihood would carry this momentum forward in a positive upward spiral, which would broad base the growth process via downstream multiplier-accelerator effects. A wage employment program can be effectively transformed into a source of sustainable livelihood generating self-employment.

According to the study of Nair K. N. et.al (2009), in three Gram Panchayats of Kasaragod District in Kerala, MGNREGS has brought many new faces to the work force. According to the Census data of 2001, the number of Marginal Female Workers in all the three Panchayats is substantially large. Since only a few Main Female Workers are likely to shift from their present work to MGNREGS work, it is probable that majority of MGNREGS female work force is drawn from female marginal workers. Thus MGNREGS has been able to bring some dormant labour force into the labour market.
Subhasish Dey (2010) observed that the number of person-days created was 20 days per year as against the desire for jobs in 13 Gram Panchayats in Birbhum district in West Bengal was 204 per year. Thus, the program is meeting about 10 per cent of the demand for jobs while at the same time meeting only 20 per cent of legal provision of 100 days. There is substantial variation in job creation across Gram Panchayats with the best performing Panchayats creating about three times more jobs than the laggards. Clearly, the gaps across Gram Panchayats deserve special administrative attention in order to identify the reasons for such a dismal performance.

Indira Hirway, M R Saluja and Bhupesh Yadav have analyzed the multiplier impact of MGNREGS works through Village Social Accounting Matrix Modeling (SAM) in Nana Kotda village. The multiplier analysis has demonstrated the positive impact of MGNREGS on incomes, production and employment in Nana Kotda. The study reveals that the increase in output is more than double than the increase in the expenditure because of increased income of labour households. According to the study, the MGNREGS works have generated 9812 person days of work for 238 men and women of 161 households – all belonging to farmers or agricultural labour households. On an average, 53 days of work was generated for the participating men and women. This direct employment generation had a multiplier impact on the village economy, due to which an additional employment of 994 person days (826 man days and 168 women days) was generated in the economy, the value of the multiplier being 1.84 for men and 1.30 for women. The present employment base is 59998 person days (44861 man days and 12768 woman days), and the additional indirect employment is of 994 person days as a result of the multiplier effect.

According to Centre for Rural Development (Institute of Media Studies), which conducted study on the Census of MGNREGS Works in Deogarh district of Odisha (2006-09), the period for work completion is averaged at 230 days. Work category wise, the work under Water Conservation and Water Treatment takes the highest 336 days for completion. An average period of 194 days is taken for works under Road Connectivity, compared to 231 days for Irrigation Canals, 188 days for renovation of water bodies and 104 days for work under flood control and protection.
2.5 MGNREGS and its Impact on Wage, Income and Consumption

It is observed from a number of research studies that MGNREGS has positive impact on the household income of the beneficiary families. B K Pattanaik (2007) made a study to analyze the implementation of the MGNREGS and associated equity and efficiency issue of MGNREGS in Hoshiarpur district of Punjab. The study reveals that women beneficiaries of MGNREGS purchase low cost furniture, kitchen materials and better cloths for their children from the wage received from MGNREGS. It has also been spent on the education of their children for purchasing of books and copies. The income has also enabled them to purchase additional amount of pulses, vegetables and other nutritious items.

According to Ashok K. Pankaj (2008), the average income of the MGNREGS beneficiaries is quite low in Bihar and Jharkhand. The average annual household income is ₹ 19,707 in Bihar and ₹ 23,141 in Jharkhand. Most of the MGNREGS beneficiaries have got jobs in agricultural and non-agricultural activities. The earning from MGNREGS contributes nearly 8 per cent of their total annual income of the household in Bihar. However, the MGNREGS contribution to total income varies across caste and land holding categories. It contributes more to the income of the ST, SC, OBC and other landless and marginal farmers. In Jharkhand, the percentage is low as compared to Bihar. There is also shift in the beneficiary’s expenditure pattern on food and non-food items. The All-India Report on Evaluation of NREGA: Survey of 20 Districts conducted by Institute of Applied Manpower Research, Delhi on behalf of Planning Commission of India (2007) revealed that the number of families spending less on food has come down drastically where as there is a rise of families who are spending more on food and non-food items.

Report of the Centre for Science and Technology, New Delhi (2008) reveals that creation of productive assets and infrastructure in the villages is a right kind of indicator of the effectiveness of the Act as each of the newly created structure has potential of creating further employment. They found that one hectare of irrigation created leads to additional employment creation to 2.5 persons. Besides it has also risen the earning of the households through better agriculture and employment in allied services.

The study report prepared by the Centre for Science and Environment, New Delhi (2008), reveals that, there is excitement as well as disappointment over the
implementation of MGNREGS. In 2006-07 alone MGNREGS has created more than half a million productive assets, mostly water and soil conservation structures. Each of them has potential to wipe out poverty from villages. On the other hand, according to the Union ministry of rural development data, the Act has not been able to generate the kind of employment as was expected. It has created at an average 30 days of employment for a rural adult during 2006-07 in 200 districts. During 2007-08, it is around 40 days for an adult member. The study further found that, in Ranga district of Andhra Pradesh or Tsunami-stricken Nagapattanam district of Tamilnadu, village communities have been proactive in associating with the scheme for local development. But at the state level, there have been very few states that give importance to creation of productive assets under the Act. Under MGNREGS, each district, on an average, has spent ₹ 44 crore, but bulk of this has not been on water conservation. Only three states namely AP, MP and Jharkhand- have spent around 96 per cent of fund for water conservation works under MGNREGS. Despite the officially stated ‘non-negotiable’ focus on water and soil conservation, funds in most of the states are spent on roads and buildings. This negates the development potential of the Act.

While there is nothing specific to show that the women workers were not treated equally, the overall environment continued to be non-helpful to the women workers. Pranati Gogoi Hazarika (2009) opined that in Morigaon district of Assam, most of the projects selected are related to rural connectivity and renovation of local water bodies involving earth work requiring application of physical force where male workers were preferred to women workers. In the district, the average daily wage, a women worker gets under MGNREGS is ₹ 80, which is equal to their male counterparts. Unlike the wage structure in the unorganized sector including the agriculture wages, this is a major gain under the employment guarantee program. However, a gender bias was found in the study. In order to ensure that the volume of work was not sacrificed in some of the worksites, especially that involving earth work, work was allotted on piece work basis, which was later converted into daily wage at the time of recording in the job card. This enables male members to get more in terms of remuneration as their volume of work is more compared to a women worker and as such disadvantageous to the women workers.

The Study made by K. N. Nair, T.P. Sreedharan and M. Anoopkumar (2009) reveals that the MGNREGS earnings were spent on everything from food items to the
payment of old debts. The workers were also able to spend some amount received from MGNREGS work on the education and health of their children and for repairing and maintenance of their houses. Many workers became bank customers only through MGNREGS, and many of the women workers, in particular, expressed that they have some savings in the bank which is a matter of economic empowerment, self confidence and enhanced dignity.

A survey of IIM Lucknow (2009) conducted in Jalaun, Jhansi, Kushinagar, Bareilly and Goraphpur districts of Uttar Pradesh found that local wage rate prevailing in the surveyed Gram Panchayats have increased by 15–20 per cent; 85.3 per cent beneficiaries in the sample group belong to Below Poverty Line Category; 50 per cent beneficiaries belong to Scheduled Castes; 44.5 per cent beneficiaries belong to Other Backward Classes and 97.7 per cent beneficiary households are operating through bank/ post office accounts.

Annual Report (2010) on employment of Ministry of Labour and Employment, Government of India, has stated that at the national level, the average wages paid under the MGNREGS have increased from ₹ 75 in 2007-08 to ₹ 93 in 2009-10. The wages for rural households under the Act has increased from ₹47 to ₹72 in Maharashtra, from ₹ 58 to ₹100 in Uttar Pradesh, from ₹ 68 to ₹100 in Bihar, from ₹ 64 to ₹100 in West Bengal, from ₹ 58 to ₹100 in MP, from ₹45 to ₹100 in Jammu & Kashmir and in Chhattisgarh from ₹ 58 to ₹100. This has increased the income of the agricultural labour substantially in the rural area.

Similarly the report of a study conducted by V.V. Giri National Labour Institute (2010) reveals that due to the implementation of MGNREGS the wage rates in all most all type of occupations has increased significantly. About 40 percent respondents have informed that their wage rate has increased by ₹ 21-30 for agriculture and allied activities while another 26 per cent said of an increase of wage rate in-between ₹31-40 in agriculture sector only and about 8 per cent construction workers stated that their wage has increased up to ₹50 per day. The increase in wage is due to the implementation of MGNREGS.

In Ratna M. Sudarshan study (2010) over half of the surveyed respondents in Rajasthan reported that their daily earning is in-between ₹ 61-80 on average from MGNREGS in 2009. This confirms that most of the people were actually earning less than the minimum wage of ₹ 100. In this part of Rajasthan mostly women were earning ₹ 70-80 per day in MGNREGS which is more or less same with what they
could have earned elsewhere. The data collected from two surveyed villages showed that the percentage of male workers has increased from 22 % to 52 % during 2006 to 2009 under MGNREGS.

Ratna M. Sudarshan (2010) found that income generated through the program is determined by actual wages and the number of days worked. The average number of days of work generated per household was around 35 in Palakkad, Kerala at the time of the study. The field survey in Abu Road, Rajasthan found that around 30 per cent of households received less than 50 days of work while 70 per cent person received more than 50 days of work. Because women are so dominant in the MGNREGS workforce, a large part of this income accrues to women. It also showed that women are able to undertake some personal expenditure – such as the purchase of clothes or lunch boxes (proudly displayed by women in Rajasthan to the research team) for their own use. In Palakkad, Kerala, the program office estimated that around 40 per cent of the payments, made directly into banks, were not withdrawn for consumption. In Abu Road, Rajasthan, while all the women met said that they had a bank or post office account in their own name where the wages were deposited. About 38 per cent women said that they were able to decide themselves how to use these earnings. Almost one fifth of women respondents reported that they were adding to household assets and paying back loans. But Kerala women reported that they are using the money for specific ‘bulky’ expenses. Thus, even though all households working on MGNREGS are poor and the money is largely spent on basic consumption needs or health, there is a very strong motivation among people to save towards bulky expenditure and for the future.

2.6 MGNREGS and Women

An important salient feature of the MGNREGS is that at least one-third beneficiaries must be women who have registered and requested for work under the scheme and work site facilities such as drinking water, shade are to be provided to the women MGNREGS workers.

Pranati Gogoi Hazarika (2009) in her study on “Promoting Women Empowerment and Gender Equality through the Right To Decent Work: Implementation of National Rural Employment Guarantee Program (NREGP) in Assam State (India) – A Case Study” found that the MGNREGS projects are normally
selected in the Gram Sabhas, i.e. the meeting of the village community, for which adequate notice and publicity was given in respective areas. It is understood that in Gram Sabhas, women participate in large numbers. The 33 per cent reservation of women in local civic bodies including the Panchayats has further ensured that women got involved in identification of local level projects, which may be suitable and beneficial for women. However, it is found that in village meetings, in-spite women’s presence in large numbers, largely the opinion of the village leaders largely prevails in the community while deciding a project. While identifying the projects at GP & Block level, very little is considered as regards suitability of women. In other words, project is not selected which is women specific in terms of suitability for women workers and in terms of providing direct benefit to women. There is hardly any project, which may encourage women participation.

MGNREGS has benefited the social and financial status of the poor households. Discussion with workers reveals that there is an increase in food consumption expenditure and a marginal improvement in savings. The workers regard MGNREGS income as a substantial supportive income supplementing other sources of irregular earnings (K. N. Nair, T.P. Sreedharan and M. Anoopkumar, 2009). Due to MGNREGS, women have also started shouldering household expenses and responsibilities. In Trikarpur, many women pay electricity bills out of their earnings.

The study conducted by IIM Shillong (2009) on ‘Appraisal of MGNREGA in Sikkim and Meghalaya’ reveals that the practices and processes of implementation of MGNREGS in the States of Sikkim and Meghalaya are largely transparent. This is primarily due to the well conceived in-built transparency and monitoring mechanisms of the Act and subsequent improvements in it. According to the study, sixty-nine per cent women in Meghalaya and 72 per cent in Sikkim work under MGNREGS. MGNREGS empowered the rural tribal women by enhancing their confidence levels and by ensuring some degree of financial independence in the two states. Further, in Khasi traditional societal arrangement, there was no place for the women in the village durbars. But because of MGNREGS, they can have a minimum of 30 per cent representation in the Village Employment Council (VEC).

Ratna M. Sudarshan (2010) found that, in Kerala and Rajasthan, there is a greater presence of women workers on MGNREGS sites than in other works indicating perhaps a latent demand for work among women. As per the Census 2001, women are roughly 30 per cent of total workers in rural Palakkad, Kerala; however on
MGNREGS sites in Palakkad, 85 per cent were women workers while in rural parts of Abu Road, Rajasthan, around 25 per cent of work force women are workers; the ISST survey showed that over 50 per cent of MGNREGS workers were women in the two villages visited. However in Himachal Pradesh, the overall female work participation rate was 38 per cent and in Sirmour districts it was 41 per cent, but the share of women in work days generated through MGNREGS in 2007 was as low as 13 per cent, and even lower in the district visited.

The study further reveals that there is a little gender disparity in market wage rate which were seen to be around ₹ 150 for both male and female unskilled workers, well above the minimum wage of ₹ 100.00 (revised to ₹ 110 in March 2009). For the state as a whole, women’s share in total work days has gone up over the period. Results from fieldwork suggest that there has been a switching or partial switching effect due to difference between market and minimum wages for women, i.e. the regular implementation of the MGNREGS has created a shortage of agricultural labourers, and in turn led to some upward movement of female unskilled wages. It was reported that women were earning only about ₹ 70–80 per day from agricultural work prior to MGNREGS, and there is an upward pressure on this wage as there was higher wages on MGNREGS sites, as well as an emerging shortage of female workers for agricultural work. Gender wage gaps are high across the country, and the highest in Kerala.

In their research study on “Factors Facilitating Participation of Women in MGNREGS”, C Dheeraja, N V Madhuri and Antaripa Daimari, (2013), found that in all the parameters of quality of life (like incomes, food, clothing, health, education, housing etc.), majority of the respondents reported a moderate change; however, the outcomes varied across the sample districts. In Gaya, major change was observed in the income levels and also in the quantity and quality of food intake followed by expenditure on clothing, health and education. Very minimal changes took place in the area of housing. Similar trend was observed in other two sample districts of Thrissur and South 24 Paraganas with varying degrees of change. But when it comes to Mahaboobnagar the responses reveal that changes have occurred from moderately to significantly in almost all parameters.
2.7 MGNREGS and Rural Urban Migration

Migration in India is a new issue. The historical accounts show that people have moved in search of work, in response to natural activities leading to destruction of habitats, and to escape religious and socio-political conflict. The improvements in communication, transport network and creation of new economic opportunities have increased unprecedented levels of migration of people from rural to rural and rural to urban areas in India. Industrially developed states like Gujarat, Maharashtra, Punjab and Delhi are drawing labor from agriculturally backward and poor regions such as eastern Uttar Pradesh, Bihar, southern Madhya Pradesh, western Orissa and southern Rajasthan. Even in recent years people from the North Eastern states are migrating to other states. However, migrant labourers contribute a lot to the Indian economy in almost all major sectors.

Dasgupta and Laishley (1975) have tried to identify the social, economic and demographic factors in village life associated with migratory movements, and who really are the migrants. Their work reveals that factors related to both village base and urban relations induce migration. The factors that they identify at the village base are land shortage and low fertility and skewed distribution of land, and the resulting high proportion of landless agricultural workers. The two major urban related factors that they identify are commercialization of agriculture and access to towns.

According to Uma Rani and H. S. Shylendra (2002), as regards to rural-urban migration, widespread labour migration in India is explained more by structural factors like inequality in land ownership, poverty and agricultural backwardness than by models dealing solely with motivations of maximizing the family’s income and employment. Hence, rural-urban migration might help the rural poor to overcome their problem of survival, but may not lead to their real economic consolidation.

One of the objectives of the MGNREGS is to check rural urban migration. According to the annual report 2006-07 on the MGNREGS in Bilaspur district of Chhattisgarh, the migration for livelihood has gone down from 26,090 (prior to the start of Program) to 8,691 (in the course of implementation). This means that there is a clear cut reduction of migration (66.7%) as far as the migration for livelihood is concerned.

According to the survey conducted by Institute of Applied Manpower Research (2007) in the district of Lakhimpur (Assam), everyone agreed that there is
migration from their villages. Migration is taking place from districts such as South Garo Hills (Meghalaya), Medak (Andhra Pradesh), and Dahod (Maharashtra) in addition to almost all the districts from the eastern region. In some of these districts, the out-migration is to the extent of 40%. Contrary to the general perception of better wages upon migration, 70 per cent of the respondents revealed that the migration is only for just wages and not for any better wages. This implies that there is a distress migration for just minimum wages for livelihood and for survival rather than for better wages. Notable among the responses is that 82 % and 67 % of the households interviewed in the eastern and northern region respectively expressed that the out-migration is in search of work and meager wages rather than for better earnings which can be viewed as a distress migration. They preferred to stay in their native village if there is enough wage employment available locally.

The report, prepared by Centre for Science and Environment (2008), for the Ministry of Rural Development, Government of India, stated that the rate of migration is quite high in the district Nuapada in Odisha. With the prevalence of large number of marginal farmers and landless labourers coupled with poor resource base and an impoverished agrarian economy, migration as an option is exercised by a large part of the sample. Given the low percentage of work provided in the district under MGNREGS, the rate of migration has not come down at all. At best, a small proportion of the population has deferred their migration for a few days. However, informal interviews reveal that people perceive the potential of MGNREGS in reducing migration to be substantial. Many respondents stated that if full 100 days of employment were available in villages they would prefer to stay in the village.

The report further added that in Sidhi district (Madhya Pradesh) large scale migration has taken place during the winter months from December to February or early March. The labourers come back during March-April for the harvest season of rabi crops and to prepare for the monsoon. With MGNREGS works concentrated in January and February as well as summer months, these people now have the option to stay within the village instead of migrating outside looking for work. Migration has reduced by around 60% due to availability of work under MGNREGS. However, a lot of people feel that 100 days of work under MGNREGS per family is not enough. If each member in a family of 5 works under NREGA, then they can only work for 20 days in a year which is not sufficient to pass through the entire lean season. So they
have to migrate the rest of the year. Even the women accompany them in the migration when the work is suitable. In around 20-25% cases women also migrate with their husbands. According to the study, 73% respondents said they had migrated at least once in past two years. The average duration of migration for those over the past two years was 140 days. This implies that they migrate out of the village for over 20% of the year (around 2 ½ months per year).

Naomi Jacob (2008) has made a study on the impact of MGNREGS on rural-urban migration of Villupuram District of Tamil Nadu. It was found that 59 per cent of the population in Thoradippatu Gram Panchayat and 44 per cent of the population in Vellimalai Gram Panchayat was seasonal migrants. The workers (including women workers) mostly had migrated either to Yercaud for work in the Coffee plantations from February to March or to Karnataka and Kerala under contract labour. The women used to get ₹120-150 per day where as the men used to receive ₹250-300 per day. The women reported that they would not migrate now as MGNREGS has been implemented because they would earn less - as migrant laborers as they would earn from MGNREGS (₹15,000 per annum). The male workers mentioned that they would continue to migrate in general, unless they were old, because they used to earn up to ₹80 more per day as migrant workers and they couldn’t really afford to just depend on the MGNREGS, though it provided a good back up for them in lean periods of employment.

Thomas Solanki (2010) pointed out that the MGNREGS may benefit Scheduled Castes and Scheduled Tribes and, generally speaking, those with little or no access to positive migration opportunities. In other words, it may be a good way to curb distress migration, which is commendable. However, it is unlikely to succeed in reducing mobility for work in general, which is not desirable anyway. The program’s attempt to reduce labour mobility by providing unskilled, socially unrewarding work in rural areas stems from its misconception of migration for work as merely a product of ‘push-and-pull’ economic factors.

According to Indian Institute of Science Bangalore (2013), migration of landless or unskilled labourers has reduced in 29 out of 40 villages (by 8 to 100%) due to increased employment availability locally in the villages as a result of MGNREGS implementation in 4 districts namely Medak in Andhra Pradesh, Chitradurga in Karnataka, Dhar in Madhya Pradesh and Bhilwara in Rajasthan.
2.8 MGNREGS and its Success and Failure

The MGNREGS is an important step towards realization of the right to work. It aims at arresting out-migration of rural households in search of employment and enhancing people’s livelihood on a sustained basis, by developing the economic and social infrastructure in rural areas. The scheme has so far shown mixed responses.

According to L. Mathur (2007), the MGNREGS has impacted the poor. Migration has reduced in several villages in Andhra Pradesh, Chhattisgarh, Orissa and Rajasthan. The minimum wage rates have gone up in many states. The participation of women has increased significantly even in the districts of Rajasthan and eastern Uttar Pradesh.

The performance of MGNREGS, however, depends upon many factors. Variation in topography of the place, difference in public participation and the support from the beneficiaries, attitudes of the political leadership of the PRIs, and performance of the available NGOs are some key factors for better performance. This view was put forwarded by K. N. Nair, T.P. Sreedharan and M. Anoopkumar (2009). They also stated that the differences in efficiency of political leadership and support also make a difference in MGNREGS implementation. An efficient leadership successfully gathers a good political support from other members and that makes the implementation of MGNREGS more participatory and efficient.

Lack of communication from the District level to the Panchayat level and from the Panchayat to the villagers is often observed. In West Bengal, there is no denying the fact that every single person had heard of “Eksho Diner Kaaj” (100 days work) as they call it locally. However when it comes to the procedures to ask for that 100 days work and their rights under the scheme, they seemed to be utterly ignorant in some cases. The level of knowledge was so poor that in a few villages of Purulia, they didn’t even know that they should apply for the work by filling up an application form. Even those who had worked under the MGNREGS in the past were unaware of the procedures. The news that there is some MGNREGS activity in the village normally spreads through word of mouth and the villagers reach the site of activity directly. Panchayat workers, who are the implementer of this scheme, were not aware of the scheme in its true spirit. This was the finding of the researchers of Mudra Institute of Communications, Ahmadabad (2008).

According to the researchers of the Centre for Science and Environment, New Delhi, (2008), MGNREGS was not designed to be government officials led programs.
Conceptually, decentralization is a part of the scheme. The village has to make a development plan; the projects have to be cleared by the Gram Sabha and implemented by the Panchayats. As the study points out that there are reports of less and less people participation in Gram Sabha meetings on MGNREGS Work. Though there are efforts from the Panchayats to draft village development plans, due to various reasons Panchayats are not involved for taking up works under MGNREGS.

The study conducted jointly by researchers from the International Food Policy Research Institute, the Institute for Social and Economic Change, and the Tata Institute of Social Sciences, using Process- Influence Mapping in two districts of Bihar (2010) found that there were financial irregularities in issuing the job cards to the applicants in line with the CAG report finding. It is also found that a group of MGNREGS workers in the sample district pointed out that the gram Panchayat president asks ₹ 10 per applicant for job cards both at the time of submitting the job card application form and at the time of receiving the issued job card.

Ranjit S. Ghuman and Parminder K. Dua (2008) found that the performance of MGNREGS has not been encouraging in Hosiarpur district in Punjab during the first two years of its implementation. On an average a worker under MGNREGS was given ₹ 92.50 per day. It is to be noted that the poverty line in India was ₹ 327.50 per month per capita for rural India for 1999-2000 (Manna, 2007). In view of the current poverty line even 100 days of employment under MGNREGS does not help the households to cross the poverty line.

The finding of K. N. Nair, T.P. Sreedharan and M. Anoopkumar (2009) was that certain external effects of MGNREGS were already seen in the agricultural sector. Labour shortage in the agricultural sector had been a problem resulting in a decline in agricultural production. The MGNREGS works have compounded the problem of labour shortage in agriculture sector. This has added effect of pushing up wages in the agricultural sector. In all the three Panchayats where the study was conducted, the wage rate for women workers in agricultural works has shot up from ₹ 80 to ₹ 110 for a full day’s work. Even new workers who are coming into the rural labour market are not willing to work in the agricultural sector as a result of the MGNREGS.

The MGNREGS in Birbhum District of West Bengal appeared to be working well in terms of targeting and reaching a large number of poor households. According to Subhasish Dey (2010) its main weakness was the limited number of days of work
that are generated through the program and that there is little link between the lean period and the creation of jobs.

According to Mihir Shah (2009) MGNREGS has fallen short of its potential because the preparation needed for this revolutionary Act was not in place before it was launched. It replaces the contractor raj, which has dominated rural development in India, with Panchayat Raj planning, and social audit of works by gram panchayats under the oversight of the Gram Sabha. This requires the creation of a new cadre of dedicated executive agencies serving panchayats, with a team of barefoot engineers and social workers/activists.

Disa Sjoblom and John Farrington (2008) reported that except some isolated instances, there is little evidence that MGNREGS is being better implemented than any poverty focused schemes introduced by the Government of India in last 20 years.

There has been a sharp decline in allocation of funds allocated to the GPs over the years. According to the findings of the Centre for Rural Development (Institute of Media Studies) in Deogarh District of Odisha, an amount of ₹ 10.47 crores was allocated to all the 60 GPs in 2006-07 and that amount was reduced to ₹ 7.22 crores in 2007-08 and ₹ 3.04 crores in 2008-09. On an average each GP has been allocated ₹ 34.57 lakhs at the rate of ₹ 11.52 lakhs per annum. The amount allocated per GP over three years period varies from the lowest ₹15.81 lakhs for Reamal to the highest ₹ 53.82 lakhs for Karlaga GP in Reamal block of Deogarh. The budgetary allocation to the Village Panchayats in the year 2008-09 is below 27%, which is below the statutory norm of 50%.

The discrepancies are also found in the completed works under the MGNREGS in terms of measurement between approved plan and measurement books. According to the study conducted by the Institute of Media Studies, Centre for Rural Development on Census of MGNREGS Works in Deogarh District of Odisha (2006-09) over 42% of the completed works in the Deogarh district are found having discrepancies in measurement. The discrepancy varies from the lowest 26% in Tileibani Block to 47% in Barkote and Reamal Block. The discrepancy is observed to be the highest 47% for the works completed in 2006-07 compared to 38% in the subsequent years. The discrepancy in measurement is usually observed in case of WBM roads which are the predominant work category in the District.

Indian Institute of Science, Bangalore evaluated the Environmental Benefits and Vulnerability Reduction through Mahatma Gandhi National Rural Employment
Guarantee Scheme in 4 districts namely Medak in Andhra Pradesh, Chitradurga in Karnataka, Dhar in Madhya Pradesh and Bhilwara in Rajasthan. The total size of the sample households included in the study was 2057. The study reveals that the average number of days of employment increased in all the 40 study villages due to MGNREGS works’ implementation, in the range of 34 to 73%, including both direct and indirect employment that resulted from increased irrigated area and cropping intensity leading to increased crop production and processing.

In spite of all helps from the Central and State Governments for alleviating poverty in the country through its numerous programs and agencies, poverty still continues to exist. Some of the factors working against the successful operations of government poverty alleviation measures are:

a) Most of the programs are lacking target mechanisms for the poor.

b) Frequent policy changes and inconsistent implementation.

c) Very short run perspective of the objectives of the program.

d) Mismanagement of budgetary allocation and bad governance.

e) Many intervention programs are developed with erroneous assumption that the poor generally constitute a homogenous group and therefore relatively uniform prescription is applied.

Attempting to alleviate poverty for rural development, it must be realized that poverty is a dynamic phenomenon and so is its alleviation. As such, it can be alleviated if the intervention is sustained. Therefore, alleviating poverty in the society requires a logical, systematic, sometimes confrontational and sustained approach. Furthermore, scholars agree that for poverty alleviation programs to be effective it could be on short or long term basis depending on the degree and level of poverty intended to be alleviated.

The MGNREGS as a program for poverty alleviation and rural development would be a successful one if it fulfills the basic objectives of the scheme. Allocation of resource is not a problem but the management, implementation and technological expertise are some of the limitations inherited by the scheme itself. According to Amita Sharma (2010) there are various factors pushing the MGNREGS towards a certain course to respond to the needs of rural families in search of work. The MGNREGS to be fully invoked by all those who need it, its rights- based processes need to be more vigorously and clearly articulated. Rights can be ordained but their actualization is not the result of ordains, but of the capacity of the people and the
administrative system to enforce them. Further, rights do not exist within a confined and protected space. They pervade historical and contextual processes. Inevitably, the MGNREGS design encounters paradoxes that emanate from a larger system in which it operates. The rights-based design of the Act is premised on the assumption that certain conditions exist a priori to the Act. Under these conditions the MGNREGS works successfully in some parts of the country and in some parts success is mixed.

From the discussion cited in the above sub-sections, it is seen that MGNREGS provides employment which has directed the benefit of cash transfer and the benefit of productivity from public works created under the scheme across the country to the beneficiaries. The effectiveness of the scheme on socio-economic aspect of society is evident from the above cited literature. A large number of studies were conducted on different aspect of MGNREGS by different scholars, institutions and NGOs in different parts of the country. The effectiveness and the impact of MGNREGS on the socio-economic development are not studied extensively in the state of Assam in general and in Dhemaji and Lakhimpur districts in particular. Since MGNREGS has been implanted in these two districts from the first phase of implantation in 2006, an attempt has been made through this research work to analyze the impact of MGNREGS on socio-economic development of the two northern districts of Upper Assam as well as the same of the state, Assam.

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