Chapter 5

Conclusion and Suggestions
Summary/Conclusions
Poverty has become the major concern of India since independence, attracting the attention of sociologists, economists & political class people. Government of India (GoI) gave considerable importance to rural reconstruction and formulated a number of strategies for rural development. To meet the objectives of eradicating rural poverty & hence rural development, Government of India launched various rural development programmes (Desai, 2012) viz Community Development Programme (CDP) (1952), Small Farmers Development Agency (SFDA) (1969-70), Marginal Farmers and Agricultural Labourers (MFAL) Programme (1969-70), Integrated Rural Development Programme (IRDP) (1976-77), wage employment programmes viz; Food For Work Programme (FWP) (1977), Training For Rural Youth For Self-Employment (TRYSEM) (1979), Rural Employment Programme (1980), Jawahar Rozgar Yojana (1989), Swaranjayanti Gram Swarozgar Yojana (SGSY) (1999) & National Food For Work Programme (2004). All of these programmes however suffered from one or more deficiencies viz; (i) lack of awareness among local communities, (ii) little involvement of the local community, (iii) employment was provided on the basis of availability of funds and willingness of the implementers, (iv) absence of social monitoring and hence wastage
Conclusion and Suggestions

of resources, (v) leakages and corruption, (vi) inability to provide minimum livelihood security as there was no guarantee, (vii) low allocation and utilisation of funds, (viii) less number of days of wage employment per family, (ix) lack of right planning, (x) creation of low quality assets, (xi) involvement of contractors and use of machinery, (xii) false muster rolls etc. In these programmes, many people often lived under the mercy of implementing agency for employment. Thus all these supply driven programmes failed to achieve the set objectives.

To overcome the above problems and deficiencies of the earlier wage employment programmes, Government of India took a historic step by enacting the National Rural Employment Guarantee Act (NREGA) in 2005 by merging Swaranjayanti Gram Rozgar Yojana (SGRY) & National Food For Work (NFFWP) for enhancing livelihood security of the rural poor by providing a legal guarantee for 100 days of wage employment in every financial year to every rural household whose adult members are willing to do unskilled manual labour at the statutory minimum wage rate. Keeping in view the mandate of the programme an attempt has been made to make the impact analysis of the programme in district Rajouri of J&K state.

For present studies, 2 blocks of District Rajouri viz; Sundarban & Doongi were selected. 144 beneficiaries under different types of works in 12 different villages of block Sundarban & 96 beneficiaries from different types of works from 8 different villages of block Doongi were selected for the studies. In addition 100 non-beneficiaries were selected from both of these blocks. Questionnaires/Schedules were used for collection of primary data from MGNREGA beneficiaries & non-beneficiaries and secondary data from implementing agency (Department Of Rural Development).

Socio-economic profile of beneficiaries & non-beneficiaries

Appraisal of social status of beneficiaries revealed that 95% beneficiaries were male and also 64% respondents were from the Hindu families fallowed by Muslims (34%) and none from Christian family. Middle aged & old workers collectively were predominant respondents in the study area & also in MGNREGA works. Majority (73%) of the respondents were literate and the respondents who were literate up to primary level generated highest number mandays. It was also found from the field that most of the
respondents were from the deprived classes of society as 25% respondents were from SC & 31% were ST. General & OBC category respondents were also in good number as present study recorded 17% OBC respondents & 27% as General in the study area. Majority (51%) respondents were below poverty line.

Regarding economic profile of beneficiaries of study area, it was found that 87% respondents were having non-agriculture works as their occupation & only 13% were having agriculture as their occupation. Majority (64%) of respondents were marginal farmers. According to income groups 91% respondents were from the higher income groups & 9% respondents were from middle income group but there was none from lower income group.

Concerning non-beneficiaries it was found that gender wise all the respondents were males in the study area. It was also found that majority (59%) of the respondents were having primary level of education & 23% were illiterate. Middle and young aged collectively were the predominant respondents & majority (71%) comprised of marginal farmers, 34% belonged to below poverty line (BPL) category.

53% of respondent non-beneficiary belonged to higher income group & 44% & 2% respectively from middle income group & lower income group.

It was observed during present studies that out of 240 beneficiary households only 105 beneficiary households got employment which comes to be only 44%. Data further revealed that the employment generated by 105 beneficiaries comprised a total of 4910 mandays which on an average amounted to 47 days with respect to each beneficiary household in the study area.

Implementation Mechanism

Implementation mechanism of MGNREGA consists of a five tier structure starting from Gram Panchayat at the bottom to the Central Government at the top. Other components of tier include Block Panchayat, District Panchayat & State Government.

Gram panchayat is responsible for the registration of households, issuance of job cards, providing work besides selection & implementation of 50% of the works. Block
panchayat is the second tier which mainly undertakes 50% of the works either at their own level or at district panchayat or jointly undertaken by them. The third tier District panchayat besides implementing non mandatory works, coordinates activities of the programme at district level & also prepares the district annual plan & the five year perspective plan in consultation with Gram & block panchayats. State Government acting as the fourth tier in implementation process functions like a facilitator in the flow of MGNREGA funds & seems also to be responsible for setting up the State Employment Guarantee Council (SEGC) which acts as an advisor to the government on implementation, monitoring & evaluation of the programme in the state. Central Government, which is at the top, happens to be the nodal agency for MGNREGA implementation. Central Government has the authority to set up Central Employment Guarantee Council for receiving advice on MGNREGA implementation besides independent evaluation & monitoring of the scheme. In addition it also prepares the budget & disburse the funds.

**Journey of MGNREGA**

In the state of Jammu & Kashmir, the act was extended partially in May, 2007, to be implemented in a phased manner from February 2, 2006 onwards. In phase-I it was introduced in 200 districts of the country including 3 districts of Jammu and Kashmir namely Kupwara, Poonch and erstwhile Doda. It was implemented in additional 130 districts of the country in Phase-II in 2007 including undivided districts of Anantnag & Jammu. The programme was then extended to all other remaining districts of the state from April 1, 2008 in Phase III.

The principle authorities for implementation of the programme are panchayats at (i) district level (ii) intermediate level and (iii) village level. In case of J&K state since intermediate/block & district level panchayats are not in place, therefore the District Development Board acts in its place.

**Impact of MGNREGA on income & employment**

Evaluation of the impact of MGNREGA on income & employment revealed that it (MGNREGA) has brought an additional employment of average 47 days in the study
area with an average income of Rs. 7342 to every beneficiary household who got work. Higher number of 4303 mandays employment was provided to marginal farmers compared to collectively just 342 mandays on account of small farmers & landless labourers. It was also observed that maximum number of mandays were contributed towards road connectivity generating 1960 mandays followed by 1520 mandays generated under water conservation. Other works in which workers got employment were land development generating 723 mandays and foot path generating 597 mandays. It was also found that least number of employment days were found in the works related to drainage which accounted for only 2%.

Data related to number of days workers employed under MGNREGA revealed that none of the respondent out of 60 in Sundarban could complete 100 days of employment. Highest number of 76-99 days of employment was offered to only 12 respondents & rest of the respondents were provided employment below 75 days. Concerning Doongi block although 2 respondents did get & completed 100 days of work but compared to Sundarban very less number of just six (13.66%) respondent were supplied work for 76-99 day & 14 (31.11%) for 51-75 day. Rest of the respondents were supplied work for less than 51 days.

Major share of income to the tune of 40% appears to be generated from the works related to road connectivity followed by water conservation (31%), land development (15%) & construction of footpath (12%) with the less income to be generated from the works related to drainage accounted to only 2%. It was also found that BPL beneficiaries generated a good income of 42% in the study area.

**Employment in relation to social variables**

Data on the employment in relation to some social variables revealed that significant results have been found in case of employment with the age groups of 20-30 years, 31-40 years, 41-50 years & 51-60 years in case of block Sundarban while in Doongi results are significant for the age groups of 20-30 years, 31-40 years & 41-50 years only. Also it seems that the results of education as a variable in comparison with employment in both the blocks seems to be significant for only respondents having primary & high school level of education.
Caste/community results are significant for the respondents of ST & General community in case of block Sundarbani while the results are significant for SC, ST & General community in block Doongi. As far as data on landholding in relation to employment is concerned, the results are significant for only marginal farmers in the study area which proves that the programme has benefited more to this category only.

**Income in relation to social variables**

Income in relation to social variables has also been worked out where it seems that in block Sundarbani there are only significant results for the respondents in age group 61 & above in relation to income while in block Doongi results are also significant for only group of 51-60 years. In case of education results are only significant for the illiterate respondents in block Sundarbani while these have been found to be significant for the respondents having primary level of education in block Doongi. Regarding caste/community results are only significant for ST community in block Doongi while as results in Block Sundarbani are significant for none.

Comparison of income & employment revealed that though MGNREGA has generated income in the study area but the results are not significant in case of block Sundarbani while in block Doongi results are highly significant. The results for employment seems to be highly significant in both the study blocks. This thus makes it clear that the impact of MGNREGA has been visible in generation of the income & employments in the study area.

**Income inequalities**

Income inequalities have been worked out before & after MGNREGA programme through Gini-coefficient & Lorenz curve which clearly depicted that socio-economic status of the beneficiaries has been raised & many got shifted from lower to the higher income group but this impact was visible in middle & higher income group households only as programme was not observed to benefit much to the lower income group households. These results simply strengthens our hypothesis that benefits under MGNREGA had not percolated to the lowest strata.
An endeavour has been made so as to see where does the major share of income the respondent households earn is utilized by them. It was found that beneficiary households were usually spending good part of their income on food, clothing, education, transport etc. in the study area which clearly means that socio-economic status of the household has been positively affected.

**Income & employment of non-beneficiaries**

Income & employment of non-beneficiaries which has been worked out on the basis of mandays during base & current period from sources other than MGNREGA revealed that on an average 171 mandays got generated by them in the study area. Also it was observed that on an average Rs. 49588 income was generated by the respondent household in the study area. On comparison between beneficiaries & non-beneficiaries it was found that non-beneficiaries have performed well both at income as well as employment front in both blocks of study area.

**Women & MGNREGA**

As per the guidelines of MGNREGA it is mandatory that 1/3rd of the beneficiary should be women. Contrary to the guidelines it has been observed that a very dismal percentage of just 3.80 women worked under MGNREGA. This insignificant participation of women is really far below the 1/3rd as per guidelines.

**MGNREGA & financial inclusion**

MGNREGA & financial inclusion has also been taken into consideration in the study area. It was evident from the field that though all the beneficiaries were taken under financial inclusion but the purpose of opening an account was only bound to MGNREGA related activities and no other savings were kept in these accounts which means that they have no any role in greater financial inclusion.

**Constraints/ problems**

Though all the efforts have been made to make the programme successful & also to eradicate poverty but still there are some constraints/ problems which hampers the success of the programme. Present studies were designed to look into various
problems/constraints which are hampering the programme in the study area. Constraints presently have been studied under following broad categories. (1) constraints faced by beneficiaries (2) constraints faced by women beneficiaries (3) constraints faced by implementing agencies (4) constraints faced by financial institutions.

The constraints faced by beneficiaries in the study area comprises of (i) selection of works & workers, (ii) less wage rates, (iii) no timely employment, (iv) lack of awareness, (v) delay in payments/wages, (vi) gram sabhas are not frequently held, (vii) issuance of dated receipts, (viii) irregular flow of funds, (ix) payment to fictitious workers, (x) no regular social audit, (xi) less days of employment, (xii) non-availability of muster rolls at worksite.

Constraints being faced by women beneficiaries in the study area include (i) low level of awareness, (ii) non-availability of child care facilities, (iii) nature of works, (iv) poor worksite facilities, (v) no fixed works for women beneficiaries, (vi) problem of working hours.

Besides beneficiary households, implementing agency too were confronted with many constraints. Some of these were (i) organizational defects (ii) planning process (iii) shortage of staff & lack of adequate training (iv) corruption & irregularities (v) lack of focus on objectives (vi) gender discrimination (vii) provision of minimum wages (viii) lack of people’s participation (ix) unequal labour budget (x) wage material ratio.

Financial institutions too projected some constraints coming in their way such as (i) illiteracy of respondents (ii) unawareness (iii) lack of staff.

On the basis of present findings it can be concluded that though the MGNREGA programme has generated additional employment & income in the study area but benefits of the programme do not appear to have percolated to the lower strata. Also programme appears to be more friendly for functionaries rather than beneficiaries. It is therefore high time that some stringent action & strategies be chalked out so that MGNREGA can become a successful programme for the eradication of poverty & miseries of the rural poor.
Suggestions/Recommendations
During the course of present investigation, an attempt has been made to study the impact of MGNREGA in District Rajouri. The different aspects relating to this study have been examined & analyzed at length in the light of information gathered through field survey. These studies brought in light some of the problems/constraints which the respondent households, implementing agencies, women beneficiaries & bank officials are facing in the study area during the implementation of MGNREGA programme. Based upon these problems, a few of following suggestions have been made;

1. **Creation of awareness:-** MGNREGA programme though have a number of provisions like unemployment allowance, worksite facilities, obtaining dated receipts, 1/3rd of beneficiaries should be women, equal payment of wages for men & women, guaranteed employment & a demand driven programme but the people in the rural areas were not having any awareness about these provisions. It is therefore suggested that awareness programmes should be organized at war footing in the rural areas for educating people about these special provisions,
which can go a long way in bringing further improvements in the implementation of the programme.

2. **Additional staff:** - During field surveys the implementing agencies stated that there is acute shortage of staff and that the present staff dealing with MGNREGA is overburdened. They further disclosed that in addition to NREGA work, they have to attend other works like conducting of survey, election duties etc. Hence it is suggested that additional staff should be provided specifically to attend NREGA works only. The staff should also be competent enough in preparing of plans, shelf of projects, conducting of social audit, supervising, implementation & coordination with different departments.

3. **Training of Gram Sabha & Panchayat members:** - In the implementation of the programme, Gram Sabha plays a major role as 50% of the works are to be done by this body. So far as other tiers viz; Block Panchayat, District Panchayat are concerned they have to prepare the plans including shelf of projects, plan approval etc. For all these, they need specialized trainings so that they can function effectively for the success of the programme. It is therefore recommended that the specialised training programmes be organised in the rural areas preferably in the village panchayats so that these functionaries get proper training for the better execution of the works.

4. **Exposure visits:** - It is recommended that Gram Sabha and panchayat members should be sent for exposure visits to other states like Andhra Pradesh, Kerala where NREGA has done wonderful work. They should be exposed to best practices adopted by the implementing agencies in other states for bringing improvements in the implementation of the programme in the study area.

5. **Effective supervision:** - To curb corruption & malpractices, it is a requirement that MGNREGA works are properly monitored and supervised. By doing so these bad practices to some extent can be controlled. It is hence suggested that social audit should be conducted & rather it should become a regular feature as it can go
a long way in curbing the malpractices. The Gram Sabha members should also be educated properly for better results.

6. **Increase in wages**: As per the provisions of the programme minimum wages are to be paid to the workers. The agencies disclosed that as on date Rs 157 per day is the minimum wage rate in the study area. The implementing agencies further stated that people are not willing to work at Rs 157 as more than double of this wage rate is paid by the private owners in the local markets. Further it has been observed during field study that a uniform wage rate is paid to the workers involved in different types of works which appears to be unrealistic. It is therefore suggested that the wage rates to be paid under NREGA should be revised on one hand and subsequently every year there should be enhancement in the existing wage rates by a reasonable percentage say around 10-15% or so. In addition, there is a need for separate wage rates for different kinds of works.

7. **Wage material ratio**: As per MGNREGA provision the ratio of labour to material is 60:40 and because of this, quality & durable assets usually are not created. It is therefore strongly suggested that for creation of quality & sustainable assets, the percentage of material be increased to 60% instead of 40%.

8. **Timely Payment of wages**: It was observed during the field study that there is abnormal delay in the payment of wages to the workers. Due to this people have lost their interest in MGNREGA. It is therefore suggested that there should be timely payment of wages to the workers.

9. **Availability of worksite facilities**: Though the programme has provision for worksite facilities like drinking water, shade, crèche for children, first aid etc. but it was observed during field survey that except for drinking water in certain places, nothing was available on the site of the work. It is therefore suggested that all such facilities as are prescribed in the provision under the programme should be made available at the work site. In addition it is also suggested that temporary bathrooms should also be constructed especially for women workers.
10. **Increase in employment:** - The programme has the provision for 100 days employment per household. As such if a household who has more than one adult member, the mandays should be increased suitably however with some ceiling.

11. **Inculcation of Banking Habits:** - The Govt. of India made it mandatory that all payment under MGNREGA should be paid through saving accounts of banks/post offices. The idea was that the rural people should develop a habit of savings. It has been seen during study that not even a single beneficiary kept any amount in the saving bank account. It is therefore suggested that financial literacy centres should be opened only in the rural areas preferably in a cluster of 3-5 villages so that the rural people can understand what is financial literacy, financial inclusion & how the no-frills accounts can be used for saving purposes which can prove beneficial for the rural people in the days to come. The bankers should also be asked to organise awareness programmes only in the rural unbanked & unreached areas with a change mindset for providing basic banking services. During these programmes all the implementing agencies of NREGA should be asked to participate.

12. **Regular flow of funds:** - For the success of any programme, regular flow of funds is must. In the study area it was however observed that there was no timely flow of funds on account of non submission of utilisation certificates by the concerned agencies. It is therefore suggested that the process of submission of utilisation certificates should be strengthened so that there is regular flow of funds for better results under the programme.

13. **New types of works:** - In addition to existing works, it is suggested that new area specific works should also be included in the existing list. Mention may be made of snow clearance works in snowy regions & landslides clearances in hilly areas etc.

14. **Selection of works:** - A general feeling expressed by people of the study area is that the selection of works is not done on the felt needs of the people. It is therefore emphasized that rural people should be consulted in an organised way in
the Gram Sabhas while preparing shelf of works. It is also suggested that selection of the works should in no case be done under any political influence. In addition, it is also recommended that maintenance of assets should become a regular feature because otherwise it simply leads to wastage.

15. Minimization of Documents: - During the course of present studies it was disclosed by the officials of the implementing agencies that there is heavy documentation during the different levels of official works till the uploading of data on the MGNREGA website. It is suggested that as far as possible the documentation work should be minimized & made Gram Sabha/ Gram Panchayat friendly so that all the members of these agencies can handle work of MGNREGA.

To sum up, it may be inferred that above suggestions, if taken care of, will definitely make MGNREGA a real instrument for overall rural upliftment, in general & improve the lot of the rural poor’s, in particular.