

Impact of MGNREGA on Rural Livelihood of Assam

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ABSTRACT

MGNREGA is the remarkable programme of the Indian Government that directly touches the lives of the rural poor. The Act was enacted on 25th August 2005 and it came into force on 2nd February 2006. In Assam, MGNREGA was introduced in the state in the Financial Year 2006-2007 in 7 districts as the first phase and later it covered 27 districts by the FY 2008-2009. The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) focuses at enhancing the livelihood security of the people in rural areas by guaranteeing hundred days of wage employment in the FY, to a rural household whose members volunteer to do unskilled manual work. MGNREGA highlights in providing unskilled work for rural India in the rural areas. Ensures complete openness and ownership in the governance, improvise the entire system of democracy, ensuring sustainable development by improving the natural resources of land and water and providing an important role to the Panchayati raj. In the FY 2016 – 2017, the empowered Committee of MGNREGA focuses on the construction of Farm Pond, Construction of IHHLs and AWC Building, Construction of Vermi compost Tanks, Plantation and Paver's Block Road. The objective of the paper focuses to study the impact of MGNREGA on the rural life. The second objective focuses on the benefits the rural areas are achieving through the scheme and the problems associated with the implementation of the scheme. It also emphasizes on effective suggestions for the implementation of the scheme. The proper implementation of the scheme will be beneficial to the nation by reducing poverty and generating employment in the nation.

Keywords: FY, Financial Year, Government, MGNREGA, Scheme

1. INTRODUCTION

MGNREGA is the remarkable programme of the Indian Government that directly touches the lives of the rural poor. National Rural Employment Guarantee Act 2005 which was later renamed as “Mahatma Gandhi National Rural Employment Act” has become an Indian Labour Law and Social Security measure that aims to “guarantee the right to work”. The Act was first proposed by the Narasimha Rao Govt. in the year 1991. The Act was enacted on 25th August 2005 and was finally come into enforcement from 2nd February 2006. At the initial phase, the Act was implemented in 200 districts in India. Based on the pilot survey, MGNREGA was later in the year 1st April 2008, scoped to cover all the districts in the country. It was initiated with the objective of enhancing livelihood security in rural areas by providing atleast 100 days of guaranteed wage employment in the financial year, to every household whose adult members volunteer to do unskilled manual work. The Act also highlights to create durable assets (such as roads, canals, ponds, wells) in rural areas. Employment is to be provided within a distance of 5 km from the applicant’s residence and minimum wage to be paid. If the employment is not provided within 15 days, the applicants are entitled for unemployment allowance. It is implemented mainly by Gram Panchayats (GPs). Labour intensive task like creating infrastructure for Water Harvesting, Drought Relief and Flood Control are emphasized. Another area that is focused under this Programme is protecting the Environment, Empowering Rural Women, reducing Rural – Urban migration and fostering Social Security among the needy.

1.1 Salient features of the act

- a) Right based framework: For adult members of rural household willing to do unskilled manual work.
- b) Time bound guarantee: 15 days for provision of employment, otherwise unemployment allowance will be provided. Provision of up to 100 days of guaranteed payment in a financial year per household, depending on the actual demand.
- c) Labour intensive work: 60:40 wage and material ratio for permissible work, no contractors/ machinery.
- d) Decentralized Planning:
 - i) Gram Sabhas to recommend work,
 - ii) Atleast 50% of works by Gram Panchayats for execution,

- iii) Principal role of Panchayati Raj Institutions (PRIs) in planning, monitoring and implementation.
- e) Work site facilities: Crèche, Drinking Water, First Aid and Shade provided at work sites.
- f) Women Empowerment: At least one third of beneficiaries should be Women.
- g) Transparency and Accountability: Proactive disclosure through social audits, grievance reprisal mechanism.
- h) Implementation: Under Sec 3, states are responsible for providing work in accordance with the scheme and Under Sec 4, every state government is required to make a scheme for providing not less than 100 days of guaranteed employment in a financial year to those who demand work.
- i) Provision of Funding:
 - i. Central Government – 100% of wage for unskilled manual work, 75% of material cost of the schemes including payment of wages to skilled and semi-skilled workers.
 - ii. State Government – 25% of material including payment of wages to skilled and semi skilled workers cost. 100% of unemployment allowance by state.

1.2 Allocation of funds in MGNREGA

In the General Budget 2017, an allocation of Rs. 48,000 crore has been made towards the scheme MGNREGA. While this is the highest allocation ever made under the scheme, it has more than Rs.501 crore left unused during 2016-2017.

1.3 Importance of MGNREGA

India is agrarian country and one out of four person lives below the poverty line in rural India. Through the implementation of the scheme from 2006, it has changed the nature of labour market as it gives opportunity to rural households to earn minimum income by getting job cards under this scheme. There are 12 crore job cards issued as on today. Moreover, the scheme is inclusive – with higher participation of women and SC and ST individuals. Today near about one in two jobs created under the scheme is for women and about 40% for the SC and ST individuals. This scheme is an opportunity for the women to earn and a chance to their economic empowerment. Interestingly, the scheme has indirectly enabled the households to get them self freed from the clutches of local money lenders and also their payment is done by direct money transfer into the beneficiary accounts. This has turn people to open 10 crore new bank and Post office accounts. The newly opened accounts aided access to bank credit and it has also helped to improve education for children in MGNREGA households.

2. REVIEW OF LITERATURE

Mesh Deka et al. (2015) in the paper titled “Employment Generation and social capital formation: A Study of the impact of MGNREGA in Assam” emphasizes on the impact of MGNREGA on the development of employment and social capital formation. It has been observed that there exists a positive impact on the two variables and it has also been seen that it is a game changer in the field of economic and rural development of the country.

Das and Darshana (2016) in the paper titled “Role of MGNREGA in Rural Employment: A Study of Barpeta District of Assam, India” states that India is a n agrarian country and most of the population of the country belongs to rural population. The policy makers has implemented various schemes such as IRDP, NREP, RLEGP etc but still the rural population was facing with the unemployment and acute poverty. To remove this problem govt. came up with the MGNREGA initiative. The study emphasizes on the object and implications of MGNREGA Act in rural areas and on the natural resources. It also focuses on the women participation in the scheme and role of MGNREGA in the sustainable rural development. It has been suggested that government should adopt more steps for its proper implementation.

Saikia et al. (2017) in the paper titled “Impact of MGNREGA on Rural Livelihood in Assam with special reference to Kamrup District of Assam.” highlights the implementation process of MGNREGA and its impact on the rural livelihood. It states that MGNREGA is the game changing step in the area of rural development but in Assam it is gaining momentum in a slower way. The paper also focuses the faulty implementation strategy has ruined the spirit of the programme. Religion and street biasness and favoritism in the case of distribution of job card, dominance of leading families, defective leadership and improper coordination among the stakeholders has become hurdles in the programme.

Borah et al. (2014) in the paper titled “MGNREGA and its impact on Daily waged women workers: A Case study of Sonitpur District of Assam” highlights the impact of MGNREGA on women empowerment and to identify the obstacles in implementing the scheme. The study also focuses income gains, social empowerment, intra house decision making, and creation of community assets etc. the paper also focuses that there exists barriers in implementing the

scheme especially in the case of women empowerment.

Rout and Gurukalyana (2013) in the paper titled “Women need more protection through MGNREGA: Role of Gram Sabha and PRIs” highlights the role of women in MGNREGA. It plays a vital role in empowering women citizen in the implementation of the scheme through gram sabhas and Panchayat Raj Institutions. The paper also highlights that In country like India due to lack of mobilization of disadvantage group like women, cultural non acceptance of female participants in the labour force, non parity of wages, non availability of worksite of facility, non involvement of SHGs, civil society organization, and non implementation of independent tool like Right to Information Act 2005. The paper concludes with the suggestions that women should be kept in front for planning, implementation, and evaluation of the MGNREGA programme.

In Assam, MGNREGA was introduced in the state in the Financial Year 2006 – 2007 in 7 districts as the first phase and later it covered 27 districts by the FY 2008 – 2009.

2.1 Objectives

The objective of the paper focuses on:

- To study the concept and structure of the Act.
- To study the impact of MGNREGA on the rural life of Assam.
- To study the benefit of MGNREGA on the rural areas and the problems associated with the scheme.
- To provide effective suggestions for the implementation of the scheme.

2.2 Methodology

The methodology adopted for the study is based on secondary data. The data has been collected from different secondary sources such as books, websites, journals, etc.

3. MGNREGA in ASSAM

In Assam, MGNREGA was introduced in the Financial Year 2006 – 2007 in 7 districts as the first phase and later it covered 27 districts by the FY 2008 – 2009.

Table 1: Details of MGNREGA in Assam

Total Number of Districts in Assam as on 08-08-2017	27
Total number of Blocks in Assam as on 08-08-2017	238
Total Number of GPs in Assam as on 08-08-2017	2684
Total No. Job Cards Issued (in lakhs)	44.23
Total No. of workers (in lakhs)	73.31
Total No. of Active Job cards (in lakhs)	22.62
Total no. of active workers (in lakhs)	33.79
SC worker against active worker (%)	5.22
ST worker against active worker (%)	17.92

It has been observed that there exists 27 numbers of districts in Assam and 238 blocks in Assam. The number of GPs in Assam is 2684 whereas job cards issued to the member are 44.23 lakhs. Total number of workers in the scheme is 73.31 lakhs and the active job cards are 22.62 lakhs. From the data it can be analyzed that as per the issuance of job cards the utilization of the cards are just the half of the numbers issued. It can also be observed that the no. of active workers are also less that the total workers. Thus it can be concluded that the proper utilization of the scheme is not done.

Table 2: Progress of MGNREGA in Assam

PROGRESS	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Approved Labour Budget (in lakhs)	500	408	432.74	373.29	353.16
Person days Generated so far (in lakhs)	161.11	467.46	486.33	210.95	298.47
% of Total LB	32.22	114.57	112.38	56.51	84.51
% as per proportionate LB	71.6				
SC person days % as of total person days	4.3	4.69	5.23	6.07	6.59
ST person days % as of total person days	16.78	19.89	18.75	15.16	16.18
Women person days out of total person days (%)	38.99	36.46	33.59	28.13	24.75
Average days of employment provided per household	20.5	29.73	32.37	21.81	23.65
Average wage rate per day per person (Rs.)	182.94	181.96	178.94	166.98	151.87
Total No. Of HHs Completed 100 days of wage employment	799	11502	42233	10449	15505
Total Households worked (in lakhs)	7.86	15.72	15.02	9.67	12.62
Total Individuals worked (in lakhs)	11.83	23.36	21.73	12.24	15.25
Differently abled persons worked	2504	5549	3738	1466	2385
WORKS					
No. of GPs with NIL Experience	358	298	449	449	342
Total No. of work taken up(New + Spill over)(in lakhs)	1.26	1.42	1.08	0.71	0.76
No. of ongoing works (in lakhs)	1.1	1.24	0.92	0.52	0.50
No. of completed works	16156	18107	15423	19213	25905
% of NRM Expenditure (Public + Individual)	41.59	39.53	38.69	33.74	35.80
% of category B works	26.16	24.81	18.91	10.39	11.61
% of Expenditure on Agriculture and Agriculture allied works	47.53	43.32	41.50	35.94	36.72
FINANCIAL PROGRESS					
Total centre release	64032.25	115659.74	50200.77	50023.46	57349.95
Total availability	109806.05	206307.63	65154.44	58626.82	75371.55
% Utilization	60.22	72.7	95.26	84.86	92.82

Total Expenditure (Rs. In lakhs)	66126.66	149989.47	62065.54	49748.4	69958.76
Wages (Rs. In lakhs)	36558.83	125670.27	38277.3	33167.54	45386.32
Material and skilled wages (Rs. In lakhs)	29104.17	15985.81	20974.49	13830.15	20748.7
Material (%)	44.32	11.28	35.4	29.43	31.37
Total Adm Expenditure (Rs. In lakhs)	460.67	8333.38	2813.74	2750.71	3823.74
Admin Exp (%)	0.7	5.56	4.53	5.53	5.47
Liability wages (in lakhs)	1653.60	2815.87	600.64	434.04	133.69
Average cost per day per person (in Rs.)	257.49	265.54	228.41	248.23	230.27
% of Total Expenditure through EFMS	100	99.99	99.98	98.41	4.79
% of payment generated within 15 days	66.56	59.98	18.58	29.68	83.21

It has been observed that the approved labour budget for the 5 financial years has been increasing. It has also been observed that the amount allocated for the person days are increasing till FY 205-2016 and later decreased in the FY 2016 – 2017. It has also been observed that women person days are increasing which we can conclude that women are more involved and are empowered. It has seen a fluctuation figure in average days of employment per households but it has been observed a decreasing trend in the year 2016-2017. The total number of households worked and individual participation are also showing a decreasing trend in the FY 2016-2017, similar is the case with the participation of differently abled worked persons.

The number of GPs with no experience had been shown an increasing trend initially and later declined. The number of works taken up has also increased in the previous years but later it has been observed with the declining figure. But the % of work in agriculture and allied activities has shown a growing trend as it has focused on the development of the agricultural sector which is the backbone of the Indian Economy.

The funds released from the different sectors had been showing an increasing trend in the initial stage but it declined in the later period. The % utilization of funds has also been shown a downward trend which is the major focus of the government. Total expenditure and total wages of the scheme has also been shown a increasing trend initially and later a downward trend. The material and skilled wages has been shown a increasing trend in the current Financial year. The average cost per day per person is also shown with a increasing trend and later declined. It has been observed an increasing trend in the % of total expenditure through EPMS and payments that are generated within 15 days.

4. Conclusions

Computational As we all know that majority of Indians live in rural parts of the country, economic upliftment of the rural masses where still we need to focus so that in the upcoming days we can be counted among the developed countries. MGNREGA is the scheme for the benefit of poor in this country. The International Food Policy Research Institute's Global Hunger Index has cited that the scheme and its benefits to the poor as the main cause for decrease in underweight children (under 5 years) in the country. There were 30% underweight children in 2014 as compared to 43.7% in 2005. However, for MGNREGA to flourish and achieve its objectives the government should take effective measure in checking the implementation of the scheme. As per the recent budget it has been cited that largest amount of funds has been allocated in the scheme but if we observed the utilization of those funds, it shows the clear picture that it is not fully utilized. Although Government has taken initiatives and brought changes in the payment mechanism to tackle the issues pertaining to delayed wage payments but still there lies a gap in the implementation process and many of the beneficiaries are not fully aware of how to derive maximum gain through this scheme. From the secondary sources it has been observed that government has adopted mobile monitoring system and also introduces real time monitoring of the progress of projects that employ labour market under the scheme. It also regulates attendance and work environment in the work sites. At the same time funds has been allocated to conduct social audit to maintain transparency by allowing public scrutiny of all records and accounts to minimize corruption.

Although lot many initiatives are taken in the form of policy measures, in reality rural people in India are yet to make MGNREGA as the peoples movement for economic empowerment under a corruption free, transparent and an environment of accountability, clarity and skilling.

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