

Socio Economic Impact of MGNREGA on Poverty Alleviation

*¹ Janaki P and ²Dr. J Udhayakumar

¹ Assistant Professor, Department of Corporate Secretarayship -Shift II, Dwaraka Doss Goverdhan Doss Vaishnav College, Arumbakkam, Chennai, India.

² Associate Professor, Department of Economics, Government Arts College for Men, Nandanam, Chennai, India.

Article Info.

E-ISSN: 2583-6528

Impact Factor (SJIF): 5.231

Peer Reviewed Journal

Available online:

www.alladvancejournal.com

Received: 15/Oct/2023

Accepted: 23/Nov/2023

Abstract

A very complex social issue is poverty. "Poverty is, first and foremost, a scarcity of means of subsistence and, secondly, a standard of living below a particular minimum standard, "In rural India, agriculture continues to be the predominant industry for employment. However, many farmers are compelled to forgo the slow agricultural season because farming is a seasonal enterprise. Industrialization and the service sector can generate jobs, but they are rare in rural areas. The seasonality of agriculture, its low output, and the dearth of other employment opportunities make rural poverty and unemployment more prevalent in this industry. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an employment initiative in India that intends to alleviate rural poverty and unemployment by generating a demand for productive laborers in Indian communities. By the construction of productive assets like roads, clean water tanks, soil and water conservation efforts, etc., it provides an alternate source of income that will minimize poverty, limit child labor, decrease migration, and assist villages in becoming self-sufficient. It has been named the world's largest anti-poverty program for these reasons. Despite being passed in 2005, the National Rural Employment Guarantee Act was not put into effect until 200 districts were carefully selected in 2006. Adopted in 2009, the Act is now known as the Mahatma Gandhi National Rural Employment Guarantee Act. The primary objective of the Act is to provide 100 days of paid employment to any adult residing in a rural area who desires to engage in unskilled manual labor.

*Corresponding Author

Dr. J Udhayakumar

Associate Professor, Department of
Economics, Government Arts College for
Men, Nandanam, Chennai, India.

Keywords: Poverty, unemployment, socio economic condition, mgnrega, alleviation programmes

Introduction

India's villages are essentially where people dwell. Out of the country's 1.21 billion people, 833.1 million (or roughly 68.84%) live in rural areas, according to the 2011 census. As a result, the UN stated in its "projection report" that "Though most nations would experience fast urbanization, India would retain its position as the country with the biggest rural population until 2050. Agriculture remains the only source of employment in rural India. However, because farming is a seasonal industry, many farmers are forced to skip the slow agricultural season. Employment can be created through industrialization and the service industry, but they are scarce in rural areas. Due to agriculture's seasonality, low productivity, and lack of alternative employment possibilities, increased incidence is ultimately the result.

Structural Unemployment: When a nation is unable to give its citizens jobs because of a lack of resources, this is referred to as structural unemployment.

Disguised Unemployment: Is the term used to describe a situation in which a person is found to be fully employed, but in reality, their work is only part-time.

Underemployment: Is a condition in which people are employed and make a contribution to production, but not to the full extent of their abilities and capacities.

Open Unemployment: Open unemployment occurs when people have the skills and desire to work but are unable to find employment due to a lack of available jobs.

Frictional Unemployment: Frictional unemployment is the state that occurs when persons move or change their line of work.

Seasonal Unemployment: Is the term used to describe people who are employed for a brief period of time due to seasonal differences in production but are otherwise unemployed.

Demographic Unemployment: Demographic unemployment refers to the influx of new workers into the labour force as a result of population growth or migration when there is a greater demand for jobs than there is room to fill them.

Technical Unemployment: Technological unemployment is a state of unemployment brought on by the usage of machines in place of manual labour services.

Link between Poverty and Unemployment

Poverty is a highly complicated social issue. "Poverty is, first and foremost, a scarcity of means of subsistence and, secondly, a standard of living below a particular minimum standard," says Hoult. According to C.T. Kurien, poverty is "a socio-economic phenomenon when the resources available to a society are used to satisfy the wants of the few, while the many do not have even their fundamental requirements addressed.

Dandekar and Rath claim that "an adequate level of employment must be defined in terms of its capacity to provide minimum living conditions to the population."⁹ Sen has an opinion about the method of determining unemployment using a low income level. He that in order to tackle poverty, growth alone cannot be sufficient and that it must be complemented by effective redistributive measures. What they referred to as a "growth plus" tactic.

Rural Employment Development Programmes in India

Since the late 1990s, the Integrated Wastelands Development Project (IWDP) has been in operation. To ensure that the initiative was implemented correctly, the Indian government released new instructions. Additionally, by involving people in the implementation of wastelands development programs, this Scheme helps to increase employment in rural areas.

Rajiv Gandhi National Drinking Water Mission

The Government of India launched the Accelerated Rural Water Supply Programme (ARWSP) in 1972–1973 to assist the State governments in expanding the coverage area of drinking water supply. The National Drinking Water Mission (NDWM) was created in 1986 as a result of the program's integration with the Technology Mission of Drinking Water and Related Water Management. The Rajiv Gandhi National Drinking Water Mission (RGNDWM) was given a new name in 1991. The main distinguishing characteristics of the program were: (a) the transition from a normative to a need-based approach for allocating funding to the States under the ARWSP. Compared to the States with more resources, the States with "less covered," more desert and hard rock areas vulnerable to drought, would receive more funding.

Indira Awaas Yojana

Began in 1985 as a part of the Jawahar Rozgar Yojana (JRY). It has evolved into a separate plan by the year 1996. The program's objective is to give BPL households living in rural areas financial support for new housing construction and kutch house upgrades.

Centrally Sponsored Rural Sanitation Programme

In 1986, the Centrally Sponsored Rural Sanitation Program was established. The program's goals were to raise the standard of living for rural residents, offer sanitation services, and support women's right to privacy and dignity. The

initiative was expanded in 1993 to cover personal hygiene, clean drinking water, and water disposal.

National Social Assistance Programme

In 1995, the National Social support Programme (NSAP) was established to provide social support to low-income households. Three plans are part of this program: The National Family Benefit Scheme (NFBS) provides assistance to BPL families upon the death of the earning family member between the ages of 18 and 65; the National Old Age Pension Scheme (NOAPS) provides assistance to poor elders who are 65 years of age or older; and the National Maternity Benefit Scheme (NMBS) provides assistance to pregnant women who are 19 years of age or older who are from BPL families up to the first two live births. Cash was given as support before the delivery or even after the baby was born.

Jawahar Gram Samridhi Yojana

On April 1, 1999, the Jawahar Gram Samridhi Yojana (JGSY) was introduced. It was the revised, inclusive, and updated version of the former Jawahar Rozgar Yojana (JRY). The program's primary objective was to provide the rural poor with additional resources in order to improve their quality of life.

Swarnajayanti Gram Swarozgar Yojana

The Ganga Kalyan Yojana (GKY), the Million Wells Scheme (MWS), the Supply of Improved Tool-Kits to Rural Artisans (SITRA), the Development of Women and Children in Rural Areas (DWCRA), the Training of Rural Youth for Self-Employment (TRYSEM), and the Integrated Rural Development Programme (IRDP) were all replaced by the Swarnajayanti Gram Swarozgar Yojana (SGSY), which was launched on April 1, 1999. SGSY's primary goal is to address issues that plagued past self-employment programs.

Sampoorna Grameen Rozgar Yojana

On September 25, 2001, Sampoorna Grameen Rozgar Yojana (SGRY) was launched. The program sought to improve community assets, including social and economic ones, as well as food security, wage work opportunities, and employment opportunities. The program's previous target groups included wage laborers in agriculture, unskilled workers outside of agriculture, marginal farmers, women, SC and ST members, and parents of children who had been removed from dangerous occupations. It also included parents of handicapped children or adult children of handicapped parents who desired to work in waged employment.

By merging the National Food for Work Program (NFFWP) and Swaranjayanti Gram Rozgar Yojana (SGRY) to create the National Rural Employment Guarantee Act (NREGA) in 2005, the Indian government made history by addressing the aforementioned issues and shortcomings of the earlier wage employment programs.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

By creating a demand for productive laborers in Indian villages, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an employment initiative in India that aims to end rural poverty and unemployment. It offers an alternative source of income that will reduce migration, restrict child labor, lessen poverty, and help villages become self-sufficient through the creation of productive assets like roads, clean water tanks, soil and water

conservation work, etc. For these reasons, it has been dubbed the largest anti-poverty program in the world.

The National Rural Employment Guarantee Act was passed in 2005, but it wasn't implemented until 2006 in 200 carefully chosen districts. The Act's new name is the Mahatma Gandhi

National Rural Employment Guarantee Act, which was adopted in 2009. The Act's main goal is to offer 100 days of pay employment to every adult living in a rural home who wants to perform unskilled manual labor.

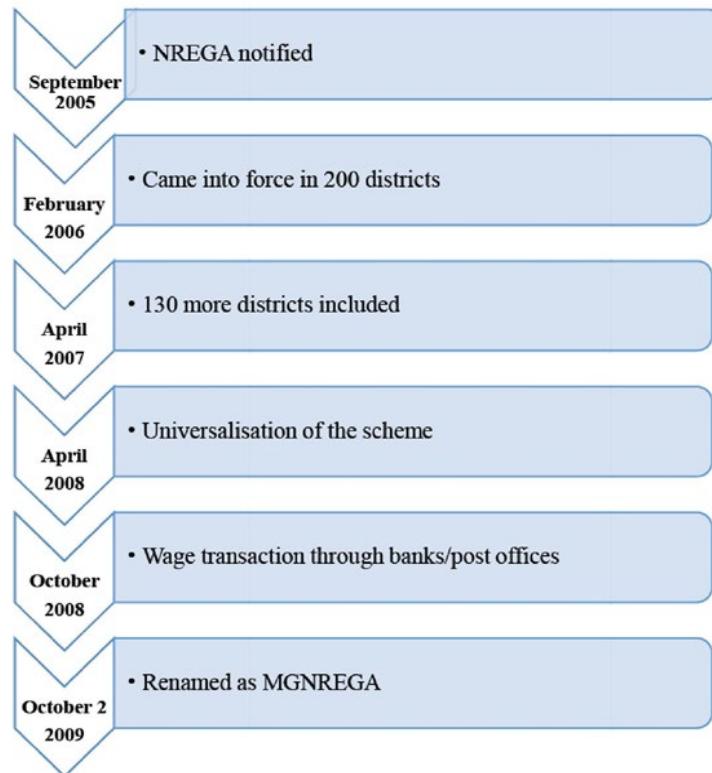


Fig: 1.1: Timeline of MGNREGA

Coverage

The Act was initially put into effect in 200 of the nation's poorest regions in 2006-2007. Later, in 2007-2008, 130 additional districts were covered. Additionally, this Act began to apply to 615 rural districts of the nation in April 2008. Overall, the law has been put into effect in three stages to include all of the nation's rural areas.

Out of 200 districts in the first phase, 44 percent were from the eastern area, followed by the western region with 27 percent, the northern region with 17 percent, and the southern region with 13 percent. The poorest states in the nation, including Bihar, Uttar Pradesh, Jharkhand, Orissa, Madhya Pradesh, Chhattisgarh, and Uttarakhand, had 58 percent of the districts covered in the first phase.

In the second phase, the eastern area accounted for 40% of all covered districts. While the western area made up 25% of the overall number of covered districts, it was followed by the northern with 21% and the southern with 14%.

The last phase was led by the northern region (34%), followed by the western region (25%). The remaining 20% and 18%, respectively, were split between the eastern and southern regions (NCAER-PIF, 2009).

Mandate and Objectives of MGNREGA, 2005

Every rural household with an adult member (over the age of 18) who voluntarily seeks to perform unskilled manual labor is required under the Act to provide 100 days of guaranteed pay employment in a fiscal year (Shah, 2013; MoRD, 2008).

The Program's Goals are to:

- Ensure social protection for the most vulnerable

individuals living in rural India by offering employment opportunities

- Ensure livelihood security for the underprivileged through the development of long-lasting assets, enhanced water security, soil conservation, and increased land productivity
- enhancing rural India's ability to withstand droughts and manage floods
- supporting the empowerment of marginalized groups, particularly women, Scheduled Castes (SCs), and Scheduled Tribes (STs), through the implementation of rights-based legislation
- Deepening democracy at the grassroots by strengthening the Panchayati Raj Institutions (PRIs)
- Achieving greater transparency and accountability in governance
- Strengthening decentralized, participatory planning through convergence of various anti-poverty and livelihoods initiatives.

Major Features of MGNREGA

The major features of MGNREGA are as follows

Eligibility

Anyone who is at least 18 years old and resides in a rural area is eligible to apply for a job.

Entitlement

Any candidate is allowed to work for as many days as they have applied for within 15 days, with a cap of 100 days per household per year.

Registration

For registration purposes, a household is referred to as a unit. Any adult household member who lives in a rural location and is looking for unskilled manual labor may submit an application. He or she may apply in writing or orally to the neighborhood Gram Panchayat (GP) for registration.

Job Card

Every registered household is eligible to 100 days of employment, and after the address and age of each member have been confirmed, a Job Card has been provided. Within 15 days of registration, a Job Card with a special identifying number must be issued. The days of labor and payments given to the recipient are also intended to be noted on Job Cards as and when the work is completed.

Application for Work

A Job Card holder may submit a written application for employment to the Block Office or Gram Panchayat. The application must specify the start and end times of the required labor. The Gram Panchayat shall issue a dated receipt of the written application and a promise to offer employment.

Distance

Work must be performed, if at all possible and in any event, inside the Block, within a radius of 5 kilometers from the applicant's home. Travel expenses must be covered if employment is provided more than 5 kilometers away.

Wage

Unless and until the Central Government "notifies" a different wage rate, employees are entitled to the statutory minimum wage that is applicable to agricultural laborers in the state. Employees under the MGNREGA program receive a piece

rate or a set daily wage. Workers are paid depending on the amount of work accomplished under the piece-rate system, which is more typical.

Quick Payment

Workers must be paid once each week, but no later than once every two weeks. Wages must be paid directly to the individual in question.

Unemployment Benefits

According to the Act, the state must give the beneficiary an unemployment benefit if work is not found for them within 15 days. For the first thirty days and the next sixty, one-half of the wage rate should be offered.

Workplace Amenities

Workers have a right to a variety of amenities on the job sites, including access to clean water for drinking, shade for rest periods, and emergency medical care. A crèche must be available if there are five or more children under the age of six who are accompanying women workers at any location. A woman employee from this group will be assigned to look after these kids.

Private Contractors are Not Allowed

The Act forbids the employment of contractors or machinery in the execution of the works to guarantee that the workers receive direct benefits under the Scheme.

Acceptable Works

Schedule I of the Act contains a list of permitted works. These mostly deal with issues like rural roads, small irrigation, land development, and water conservation. The Schedule does, however, also permit any additional work that may be announced by the Central Government after consulting with the State Government.

Mgnrega: At National Level

Table 1.2: Status of MGNREGA at National Level

National	
Total No. of Districts	661
Total No. of Blocks	6,855
Total No. of Gram Panchayats	2,57,842
Job Card	
Total No. of Job Cards [In Crores]	13.27
Total No. of Workers (In Crores)	27.79
(i) SC worker% as of total Workers	19.55
(ii) ST worker% as of total Workers	15.05
Total No. of Active Job Cards [In Crores]	6.6
Total No. of Active Workers [In Crores]	10.53
(i) SC worker% as of total Worker	20.75
(ii) ST worker% as of total Workers	16.43

Table 1.3: MGNREGA Progress and Works at National Level

I. Progress		Financial Year 2016-17	Financial Year 2015-16	Financial Year 2014-15	Financial Year 2013-14	Financial Year 2012-13
Persondays Generated so far [In Crores]		0.7458	233.0074	166.21	220.37	230.46
SC persondays% as of total persondays		19.83	22.26	22.4	22.81	22.22
ST persondays% as of total persondays		17	17.75	16.97	17.52	17.79
Women Persondays out of Total (%)		53.96	55.07	54.88	52.82	51.3
Average days of employment provided per Household		6.77	48.46	40.17	45.97	46.2
(i) Average Household	Persondays for SC	6.11	47.51	39.68	45.28	44.92
(ii) Average Household	Persondays for ST	8.26	51.41	10.11	18.93	19.97

Average Wage rate per days per person (Rs.)	158.11	154.36	143.92	132.7	121.41
Total No. of HHs completed 100 days of wage Employment	6	47,03,137	24,92,654	46,59,347	51,73,487
% payments generated within 15 days	100	38.42	26.85	50.09	50.09
Total Household Worked [In Crores]	0.1101	4.8086	4.14	4.79	4.99
Total Individuals Worked [In Crores]	0.1512	7.2096	6.22	7.39	7.97
% of Men Worked	43.59	49.71	49.77	52.03	52.93
% of Women Worked	56.41	50.29	50.23	47.97	47.07
% of SC Worked	21.4	22.32	22.26	22.93	22.79
% of ST Worked	15.03	18.21	18.39	17.88	17.92
% of Disabled Persons Worked	1.16	0.63	0.67	0.66	0.57
I. Works					
Number of Gram Panchayats with NIL expenditure	1,25,626	35,287	39,531	27,154	25,152
Total No. of Works Taken up (New+Spill Over) [In Lakhs]	94.48	117.89	97.65	93.52	104.62
Number of Ongoing Works [In Lakhs]	94.03	91.46	68.21	66.1	79.09
Number of Completed Works [In Lakhs]	0.45	23.43	29.44	27.42	25.53
% of Expenditure on Agriculture & Agriculture Allied Works	38.21	60.92	52.81	52.77	56.1

Performance since inception: Persondays Generated (In Crores): 2060.74 Total expenditure (Rupees in Crores): 327600.14 Today 6137678 workers are expected on 332587 worksites (as per e-MustRoll)

(Source: www.nrega.nic.in, retrieved on April 17, 20

Objectives

With the aforementioned context in mind, the suggested study was started with the following goals.

- To research how the MGNREGA program is being implemented at the state and district levels.
- To identify the key issues with MGNREGA's implementation and features.
- To investigate the effects of MGNREGA in the district of Bhagalpur.
- To learn how MGNREGA is funded and operates.
- To be aware of the advantages of the program in terms of generating money and jobs.
- To make recommendations for ways to make the program even better.

Conclusion

Agriculture remains the only source of employment in rural India. However, because farming is a seasonal industry, many farmers are forced to skip the slow agricultural season. Employment can be created through industrialization and the service industry, but they are scarce in rural areas. Due to agriculture's seasonality, low productivity, and lack of alternative work alternatives, rural poverty and unemployment are therefore more common in the rural sector.

References

1. World Bank, 2011.
2. Census of India, 2011.
3. Haq, Zia. "Real India to Live Villages for another 50 Years." Hindustan Times, Feb2, 2008.
4. Raj Krishna. The Growth of Aggregate Unemployment in India- Trends sources, and Macroeconomic Policy Options,- World Bank Staff Working Papers, Washington, D.C. 1982; 638:4.
5. Hoult TF, Dictionary of Modern Sociology, Totowa NJ. Little fiefs, 1969.
6. Dandekar VM, Rath N. Poverty in India, Indian School of political Economy, 1971, 17.
7. Sen AK. Dimensions of Unemployment in India", Mainstream. 1974; XII:20:9.
8. www.nrega.nic.in
9. Sharma AN. Agrarian Relations and Socio-Economic Change in Bihar Economic and Political Weekly. 2005; 40(10):960-972.

10. Banerjee A. Landlessness and Social Justice Patna, India: Ekta Parishad and Praxis, 2009, 1.
11. Sharma AN. Ibid, 2005, 960.
12. Sharma AN, "Political Economy of Poverty in Bihar, Nature Dimension and Linkage" Institute of Human Development, New Delhi. Economic and Political Weekly. 2007; 40(10):960-972.
13. Sharma AN. Ibid. 2005; 960:17.
14. Banerjee A. ibid, 2009, 4.
15. Sharma AN. Ibid, 2007, 43.
16. Chakrabarty A. 'Caste and Agrarian Class: A view from Bihar', Economic and Political Weekly. 2001; 36(17):1449-146.