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MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE  
SCHEME AND POVERTY ALLEVIATION



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Short Profile

Joy Nerella is working as an Associate Professor at University College of Arts, Tumakuru.



**ABSTRACT:**

(MGNREGS) has been praised for its achievements in generating considerable amount of employment, arresting migration and reducing hunger, despite the usual problems of corruption and red-tapism. However, as the title of the scheme it suggests.

**KEYWORDS**

Poverty MGNREGA, NEREGA, Employment .

**INTRODUCTION :**

In India, a number of poverty alleviation programmes as well as agricultural policies and programmes have been in implementation since from independence with the introduction of Five Year Plans. The significance of MGNREGA lies in the fact that, it creates a right- based framework for wage employment programmes and makes the Government legally accountable for providing employment to those who ask for it.

**About NREGA:**

rural households with unemployed adult members prepared to do unskilled manual work. In the past, public employment programmes in India targeted at the poor are generally identified with poverty alleviation. The NREGA goes beyond poverty alleviation and recognizes employment as a legal right of an individual. The only example of guaranteed state-sponsored employment in India is, the Maharashtra Employment Guarantee Scheme, which was enacted and implemented under extraordinary circumstances of severe drought in the state during 1970 to 1973 as innovative anti-poverty intervention (Dev and Ranade 2001). Just as the NREGA provides opportunity for the rural household to extend a livelihood security, it presents formidable challenges to programme managers in its implementation. It is also needs to be mentioned that, the programme is to gradually expand to cover more districts-leading to increased outlays-and there will be much learning by doing in such a major programme. The employment generated under the Act has the potential to transform the geography of rural poverty.

NREGA launched on February 2, 2006 by our Prime Minister Sri. Manmohan Singhji in a district name called Ananthapur of Andhra Pradesh and this February, it has witnessed the third anniversary. As per the latest available data, 3 crore households on an all India basis demanded employment and close to the same 2.89 crore (99.65 percent) were provided with employment. Altogether 113.39 crore man days (average 38 man days per households demanded) were generated out of which 27.43 percent was accounted by SC's and 29.96 percent by /ST's. At the same time against the target of 30 percent, women accounted for 42.45 percent of total man days. A large number of projects about 15.03 lakhs on an all India basis were taken up out of which 4.83 lakhs (32.13 percent) were completed. As against the employment demanded by 2.61 crore rural households, 2.57 households have been provided wage employment during 2007-08. In 2006-07, Total Expenditure was Rs. 8,813 crores, and the budget allocation of Rs. 12,000 crore was made for 2007-08 and Rs. 10,501.02 Crore has been released till 30-01-2008 for 330 districts. Recent budget allocation under NREGS increased by 144 per cent to Rs.39,100 crore in Budget Estimate in 2009-10 115 pilot districts selected for convergence (Union Budget 2009-10) and recent budget allocation has no variation in funding.

## SALIENT FEATURES OF NREGA

- ▲ The State is to provide to every household whose adult members volunteer to do unskilled manual work not less than 100 days of such work in a financial year. Application seeking employment or from the date from which employment has been sought in the case of an advanced application, whichever is later, he shall be entitled to a daily unemployment allowance.
- ▲ Unemployment allowance shall be within the economic capacity of the State Government and shall be paid to the applicants of the households subject to the entitlement of the household at such rate as may be specified by the State Government.
- ▲ Unemployment allowance rate shall be less than one fourth of the wage rate for the first thirty days during the financial year and not less than one half of the wage rate for the remaining period of the financial year.
- ▲ A complaint redressal system has to be implemented. The disputes and complaints are to be disposed of within seven days of their receipt.
- ▲ Employment must be provided within a radius of 5 km of the village where the applicant resides at any time of applying. In case of employment provided outside such radius, it must be provided within the block, and the labourers shall be paid 10% of the wage as extra wages to meet extra transport and living expenses.
- ▲ The period of employment shall be at least 14 days continuously with not more than 6 days a week.
- ▲ Wages to be paid every week not later than a fortnight
- ▲ In case of any delay in the payment of wages, labourers entitled to compensation as per the Payment of Wages Act
- ▲ Provisions made for compensation and treatment in case of injury and for on-site
- ▲ safe drinking water, care of small children, periods of rest and a first-aid box
- ▲ Contractors and labour displacing machines banned
- ▲ At least 60 per cent of the expenditure under any project to be on wages.
- ▲ At least 50 per cent of the projects, in terms of value, to be implemented through
- ▲ The gram panchayats which must prepare a development plan
- ▲ The Programme officer to be responsible for the implementation of the employment Guarantee Programme in the block.

## POVERTY SCENARIO IN INDIA

India's official poverty measure has long been based on solely upon the ability to purchase a minimum recommended daily diet of 2400 kcal. in rural areas where about 70 percent of people live and 2100 kcal. in urban areas. The planning commission, which is responsible for the estimate, currently estimates that a monthly income about Rs.356/- per person is needed to provide the required diet in rural areas and Rs.539/- in urban areas. The Dandekar Committee has (2009) raised the monetary cutoffs to Rs.447/- in rural areas and Rs.579/- for urban areas per month. The commission setup by the Ministry of Rural Development raised the cutoffs to Rs.700/- per month in rural areas and Rs.1000/- per month per person in urban areas.

In the last 12 years, India's economy has grown at an average annual rate of about seven percent, reducing poverty by 10 percent. However, 40 percent of the world's poor still live in India, and 28 percent of the country's population continues to live below the poverty line. More than one-third live on less than a dollar a day and 80 percent live on less than two dollars a day India's recent economic growth has been attributed to the service industry, but 60 percent of the workforce remains in agriculture. A country with such an unequal distribution of opportunities and wealth can never promise long term security and stability. Haves and have-nots would always exist and coexist. Out of the 456 million poor people in the country, 75.0 percent are living in the rural areas. About 25.0 percent rural households have no income generation assets and 80.0 percent of farmers are being small and marginal. The problem of perpetual poverty is seen more particularly in rural areas. Besides, seasonality of poverty is a peculiar feature of India poverty scenario. In other words, in one season people in the rural areas are in extreme poverty situation and in other season, they may be slightly relieved from poverty because, there is an opportunities to earn better as compared to the previous season.

#### POVERTY ALLEVIATION MGNREGA

Poverty reduction schemes are numerous and many scholars, planning agencies, non governmental organisations and governments have long reflected on the most effective poverty reduction methods. The success of any poverty reduction scheme is weighed by its ability to reach the poor, its efficiency in bringing poor and its capability to meet the targets. One such poverty alleviation scheme by its sheer scope is the In 2005 the ministry of rural development of India enacted by legislation a public policy targeting poverty in rural areas by guaranteeing hundred days of wage employment in a financial year to a rural . It came into force on February 2, 2006 and it is one of the largest single rights based social protection initiative in the world. MGNREGA is instrumental in reducing the massive influx of poor rural unemployed workers into the city slums, as well as helping the rural poor by creating sustainable assets and strengthening natural resources.

Poverty and unemployment are the basic problems of the rural India. More than 65 per cent of the country's population lives in rural areas and about 193 million rural people are poor and every three of the four people lives in rural India survive on less than US \$ 1 a day. India's unemployment rate as per 2008 estimated as 10.4 percent and as per 2009, it had increased to 10.7 percent. In the rural area, the proportion of unemployed is estimated as 37 persons/1000 population. Therefore, Employment generation and poverty alleviation are major priorities drawing the attention of the government and economic development planners all over the world. The approach in tackling unemployment problem has varied from time to time. The first wage employment programme was introduced in 1960s to provide employment to rural unemployed particularly Rural Landless Employment Guarantee Programme (RLEGP) in 1983, JawaharRojgarYojana (JRY) in 1985 and was redesigned in 1999 as Jawahar Gram SamridhhiYojana (JGSY), Employment Assurance Scheme (EAS) in 1993, Sampoorn GrameenRojgarYojana (SGRY) in 2001 (JGSY and EAS were merged to form SGRY in 2001 because of having some drawbacks) and National Food For Work Programme (NFEWP) in 2004. Similarly, a new



attempt of central government came into existence in the form of Act, on 25th August 2005; the parliament passed the Act called National Rural Employment Guarantee Act (NREGA), the most accessible approach to rural India for poverty alleviation through employment generation. NREGA came into force in September 2005 and was launched by the then Prime Minister Dr. Manamohan Singh, on February 17 2006, in the village called Bandlapalli in Anantpur District of Andhra Pradesh. The UPA Government on 2nd October 2009 renamed National Rural Employment Guarantee Act (NREGA) as Mahatma Gandhi, on the occasion of Mahatma Gandhi's 140th birth anniversary. This Programme is sponsored by the Ministry of Rural Development, Government of India. As MNREGA aims for employment at least 100 days in a year

### POVERTY ALLEVIATION AND NREGS:

In general quote, Poverty Alleviation in the individual perspective is the process by which an individual himself desires to change social background to achieved stage for them or it may be social distinguishing in cultural perspective in a large extent. Anyhow, it is the individual primary and system is secondary. Though Social system is secondary, it lays the foundation in transforming the lives. The Directive principles of the state and the Articles 39, 41 and 43 of the Constitution of India imply that State has the responsibility of providing work and help ensure livelihood security to its citizens.

Poverty Alleviation in the NREGS perspective implies the uplifting poor at the bottom, with low / no assets, who depend on their hard labour for survival. Since they neither possess risk bearing capacity to undertake independent ventures nor have an easy access to credit (due to low credit worthiness) they demand wage work for survival. The poverty of these poor, who suffer from acute deprivation including starvation, is addressed through NREGA in the form of providing work, social security and adequate wages regularly to feed their households. The Social Security measure makes the right to work a fundamental legal right for the first time (ManoharPuri, 2006). In the other way, NREGA is creating durable assets in the village by them (poor working labour), for them and to them. NREGA is a qualitative dimension of the employment strategy in view of its synergy with some socio-economic objectives including poverty alleviation and provision of basic needs which signifies rural moulding. A gainful employment benefits the individual is fulfilling his/her needs but as well contributors to enhancement of resource –use efficiency.

### Previous Strategies for Poverty Alleviation in employment perspective:

Prior employment strategies associated with public works programmes have identified a number of shortcomings like improper maintenance of records, leakage and rent seeking by the implementing authorities (Kumar, Misra and Panda, 2004). The main lacuna in the wage employment programmes has been the inadequacies of planning suitable projects and the consequent inability to build productive assets through employment. Still, this is considered necessary to supplement the results of overall growth in poverty reduction but the need to make them more effective by better integration with the overall development process is well recognized (Papola, 2004). Here an attempt is made, to show the previous employment strategies taken by the government to transform the rural face.

Since, the end of the third plan in post independent India providing social security through wage employment for rural poor is a common phenomenon. The Rural Manpower Programme (RMP) (1960-61) was launched as a pilot project for providing 100 days employment to at least 2.5 million people against the backdrop of seasonal unemployment and under employment in rural areas. There after this programme had taken different names in different time period which has been captured below in a skeleton form:

#### WAGE EMPLOYMENT PROGRAMMES JOURNEY:

##### 1970's (CRSE,PIREP, SFDA, MFAL, FWP)

**April, 1971:** During the fourth five years plan period Crash Scheme for Rural Employment (CRSE) was introduced to provide wage employment for 1000 persons in 350 districts of the country followed by Pilot Intensive Rural Employment Programme (PIREP) [1972], Small Farmers Development Agency (SFDA), Marginal Farmers & Agricultural Labour Scheme (MFAL) to benefit the poorest of the poor.

**1977:** These experiments were translated into a full-fledged wage-employment programme in the form of Food for Work Programme (FWP).

##### 1980's (NREP, RLEG, JRY=NREP+RLEG)

**October, 1980:** National Rural Employment Programme (NREP) was launched to provide wage employment for the rural people ' with no assets' or 'with grossly inadequate assets'

**1980-81 to 1984-85:** Rural Landless Employment Guarantee Programme (RLEGP) was introduced for assuring 100 days of employment to at least one member of each landless household in the rural areas during the sixth five years plan.

**1985-86 to 1990-91:** During the seventh five years plan RLEGP and NREP were merged together in the name of JawaharRozgarYojana (JRY). It is to note that while RLEGP was a completely central sponsored programme, JRY has been designed to have 20 percent contribution from the state governments.

##### 1990's: (EAS, JGSY)

**1992-1997:** During the eight five years plan Employment Assurance Scheme (EAS) was launched in 1778 economically backward blocks. It became universal since April 1, 1997 to cover all 5448 blocks of the country. The primary objective of the programme was to generate employment along with the secondary objective of creation of economic infrastructure and community assets in the rural areas for sustained employment and development.



**Ninth five years plan (1997 – 2002):** JRY was revamped as Jawahar Gram SamridhhiYojana (JGSY) and SwarnajayanthiGrameenRozgarYojana (SGRY) to create economic infrastructure and community assets for sustained employment and local development. **Tenth five years plan (2002 – 2007):** National Food for Work Programme (NFFWP) was started in 2004 to address the hunger and also providing daily labour with payment in the form of kind mostly. In February 2006, National Rural Guarantee Employment Programme (NREGP) was initiated by the Union government to solve the employment delicacy.

**2000's: (SGSY = EAS+JGSY, NFFWP)**

**Reasons for Failures above programmes:**

- ⤴ Maharashtra Model
- ⤴ Bureaucracy
- ⤴ Shortage of funds
- ⤴ Lack of local focus
- ⤴ Lack of right Planning

**CONCLUSION:**

MGNREGA has an instrumental role of employment programmes in alleviating poverty and generating social and productive assets, though not to be ignored, is then only secondary. It is transforming rural society in diluting the bias of gender discrimination, reducing poverty, creation of community rural assets and infrastructure, improved incomes in labour intensive works in rural community even though it has coupled with the complications, critiques from the all sections of the society from the ground level of implementation of the scheme. Indeed, it is doing the right and it has the potential not only to strengthen social security and transformations in rural India, but also to strengthen community mobilisation, ensure better responsiveness of local governments to community needs and priorities.

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