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MANREGA AND INDIAN RURAL ECONOMY

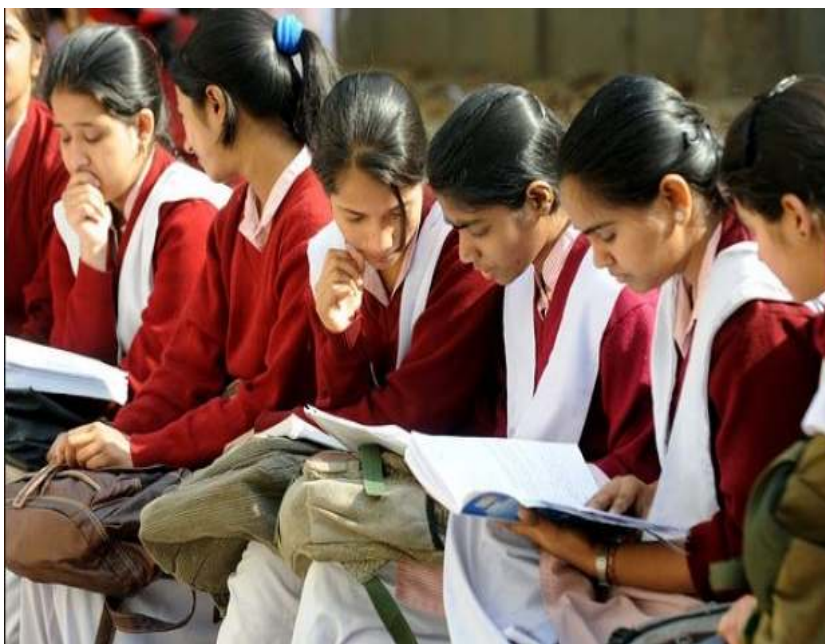


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Short Profile

Seraphinus Kispotta is working as an Assistant Professor at Department of Economics in Guru Ghasidas, Vishwavidyalaya, Bilaspur, Chhattisgarh, India.



**ABSTRACT:**

The Government has given now the opportunities in terms of many schemes, one among them, being the MGNAREGA, it is the local administration to look into them and have the proper utilization. At present, the scheme is not so successful in the sense that there are politics and corruption at each level. There is lack of proper and transparent documentation at different levels of implementation. There are, however, rooms for improvement like shifting asset creation, infrastructure building activities, reducing transaction costs, better

monitoring, extension to urban areas. Since there are unskilled labourers in the rural areas, there should be a component of training to the target people. Emphasis should be given on the transparent implementation and accountability to the funds.

**KEYWORDS**

*Indian Rural Economy , local administration , self employment , Supply of Improved Tool-kits for Rural Artisans (SITRA),*

## INTRODUCTION

To uplift the poor people, Government is running so many programmes in the rural area, in order to achieve the objective of having welfare of the inhabitants. In order to alleviate the existing poverty in the rural area, the self employment oriented programmes should be conducted. However, the Government of India has been implementing some of the programmes, like Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Tool-kits for Rural Artisans (SITRA), Million Wells Scheme (MWS), Ganga Kalyan Yojana (GKY), in the late 1970s and early 1980s.

However, all the above programmes were merged on 1st April 1999 and a new self-employment programme has been introduced under the banner on Swarnajayanthi Gram Swarozgar Yojana (SGSY). Of course on 6th July 2009, Finance Minister of India Shri Pranab Mukherjee in his budget speech announced renaming of SGSY as National Rural Livelihood Mission (NRLM). However the basic objective of SGSY has not been changed. The salient features of the SGSY were:

- The scheme involves organization of the poor into Self Help Groups (SHGs) and building their capacities through social mobilization, training and skill development, selection of key activities, planning of activity clusters, creation of infrastructure, technological and marketing support, etc.
- The objective being to bring up the BPL families above the poverty line by ensuring appreciable increase in income on a sustainable basis through creation of income generating assets.
- SGSY is a credit-linked programme where credit is the key component and subsidy is the enabling element. Banks play an important role in every stage of the implementation of the project of SHGs.
- 30% of the project cost is given to an individual swarojgari as subsidy, while it is 50% for the persons belonging to the SC/ST and disability category, subject to a maximum of Rs. 10,000.
- The scheme is implemented through District Rural Development Agencies (RDAs) with active involvement of Panchayati Raj Institutions, including NGOs.
- For SHGs the subsidy is 50% of the project cost, subject to per capita subsidy of Rs. 10,000, per cent of total subsidy of Rs. 1.25 lakh, whichever is less.
- It is centrally sponsored scheme financed on 75:25 cost sharing basis between the Centre and the States, except in the case of North Eastern states where it is 90:10 basis.

SGSY also has the provisions of taking up special projects in the area where it is felt that BPL families are required to be brought above the poverty line in a time-bound manner.

### Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):

It is an Indian job guarantee scheme, enacted by Legislation on September 7, 2005. MGNREGA is country's largest public work programme carried out almost in all States and Union Territories. The scheme provides a legal guarantee for One Hundred Days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage of Rs. 120 per day in 2009 prices. However, the rate differed place to place like it is Rs. 120/- in Uttar Pradesh, Rs. 124/- in Gujarat, Rs. 150/- in Kerala, Rs. 125/- in Orissa etc. In

phase I, it was introduced in 200 of the most backward districts of 27 states in the country, starting from the village panchayat, Bandalapalli, of Anantpur district in Andhra Pradesh. It was implemented in an additional 130 districts in 2007-2008 under phase II and keeping in view the demand, the scheme was extended to the remaining 284 rural districts of India (614 districts in total) from April 1, 2008 in phase III. The scheme was renamed as Mahatma Gandhi National Rural Guarantee Act (MGNREGA) on 2nd October 2009.

- The skeleton of the MGNREGA ACT was drawn by Jaya Draise an Economist from Belgium.
- This scheme is the combination of "Sampurna Gram Rozgar Yojna" and "Kaam ke Badle Anaaz Yojna".
- This scheme is being financed by the Central and State Government in the ratio of 90:10.

#### OBJECTIVES:

1. To augment wage employment to each rural family.
2. To alleviate/mitigate the rural poverty.
3. To provide a strong social security mechanism for the vulnerable group of the society due to the inadequate employment alternatives/opportunities.
4. To have all round development of the rural poor.

The success of achieving the goal of sustainable development of this country lies at the heart of empowering rural India, where 68.84% of its population reside realizing the significance of rural development since independence. India has adopted a number of innovative approaches and strategies for ensuring the basic rights of rural population.

#### The strategy of rural development has mainly focused on

- Making provisions for basic amenities and infrastructural facilities through innovative programmes of wage and self-employment.
- Any applicant (18+ age) is entitled to work within 15 days for as many days as he/she has applied subject to a limit of 100 days per house-hold per year.
- Work is to be provided within a radius of 5 kilometers of the applicant's residence if possible and in any case within the block.
- If work is provided beyond 5 kilometers, travel allowance has to be paid.
- Workers are to be paid weekly or in any case not later than a fortnight.
- Poverty alleviation
- Promoting educational access in rural India
- Payment of wages is to be made directly to the person concerned in the presence of independent persons of the community on pre announced dates.
- Ensuring a better livelihood opportunities
- If work is not provided within 15 days applicants are entitled to get an unemployment allowances.
- Labourers are entitled to various facilities at the worksite such as clean drinking water, shade for periods of rest emergency health care and crèche arrangements for young children.

**REVIEW OF THE PROGRAMME:**

It is well known fact that every coin has two sides, so also every scheme has its two sides – positive and negative. Here one can say that the Central government has launched a blissful scheme in MGNREGA, keeping in view the development and empowerment of the common people in the rural as well as in the urban areas. In the process, however, there are so many players, to play their respective roles from top level to the bottom level. It is to be seen yet and to be reviewed honestly and sincerely, who has played the given role perfectly and who has not at different levels.

As per latest data of the Planning Commission, India Human Development Report, 2011, indicates fall in unemployment rates in both rural and urban areas between 2004-05 and 2009-10. In the rural areas unemployment rate has fallen from 8.2% to 6.8% whereas the same has gone down from 8.3% to 5.8% in the urban areas during the review period. Around 4.10 crores households have been provided employment till December 2010. Out of 145 crores person days created under the scheme during this period 23% and 17% were accounted for by SC and ST population respectively and 50% by women.

During 2009-10, 5.26 crore households were provided employment under the scheme as against more than 4.51 crores during 2008-09. During 2010-11 the budget estimate for the scheme had been Rs. 40,100 crores out of which just merely Rs. 30,000 crores had been released to the states and Union Territories till February 2010. Where has the remaining amount almost equal to Rs.10,100 crores, been siphoned? Rich people are becoming richer and richer and the poor people are becoming poorer and poorer. The gap between them is widening and deepening day by day. No government takes positive step to mitigate this gap, to level this gap. Everyone in India is selfish and thinks for himself only. This is a very sorry state. This is a very serious matter. This is injustice to the poor people. Whoever may be responsible for this lacuna, but this comes under the degree of corruption. In such situation how can one imagine the solution of the problems like unemployment and poverty in this country. Corruption is everywhere, in each nook and corner in india, in each of the departments. At last the common person gets tired and loses his heart to fight against this burning issue, the acute vice.

However, there is other side of the coin too. The set of data speaks that more than 75% rural people have been involved in the scheme. They have already experienced that the income level has increased and the purchasing power of the rural people has shown the positive line. In general people have shown their enthusiasm for this scheme, especially, in the state of Chhattisgarh, Andhra Pradesh, Jharkhand, Uttar Pradesh and other states as well. People would have been more happier and satisfied, if and only if they would have received their wages timely as mentioned in the Act. It is the responsibility of the responsible persons at every level of the implementation.

**CONCLUDING REMARKS:**

If the programme is properly implemented and planned with emphasis on generation of long term permanent employment base, creation of physical and human capital, the scheme can change the scenario of rural sector the their backwardness. There are, however, rooms for improvement like shifting asset creation, infrastructure building activities, reducing transaction costs, better monitoring, extension to urban areas. Since there are unskilled labourers in the rural areas, there should be a

component of training to the target people. Emphasis should be given on the transparent implementation and accountability to the funds. There must not be any room for the biggest vice i.e. Corruption, prevailing in many forms at the national and sub-national level and similarly this scheme too is not untouched with this vice. Apart from the issue of wages and the mode of payment of wages several other problems do exist that need to be sorted out in the interest of development and poverty removal in rural areas. On the other hand one cannot but praise the steps taken by the central government in mitigating the problems of unemployment and poverty.

Here, the author strongly recommends that whatever programmes or schemes have been and are being launched by the Central Government or State Government, the others like State Governments at state, district, block, panchayat, village levels, must cooperate in every aspects keeping in view the betterment of the common people. For this each one has to be honest and sincere, responsible and accountable, selfless and people-oriented, and self-lover as well as a nation-lover with strong will power.

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