Volume : 5 | Issue : 3 | March 2016 • ISSN No 2277 - 8179 | IF : 3.508 | IC Value : 69.48

Research Paper

Implementation Mechanism of MGNREGA- an Analysis of Process Simplicity and Facilities At The Work Place: A Study Conducted in Davangere District

Economics

KEYWORDS : MGNREGA, Employment Programme

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ABSTRACT

Government of India opted for a right's based and guaranteed wage employment program intervention. Accordingly, the Indian Parliament passed the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005, which came into force in February 2006. The significant trends that have emerged during the last nine years of MGNREGA implementation evidently indicate increase in employment opportunities, and market wage rates and reduction in poverty. This paper attempts to get an insight into the process of getting the MGNREGA cards and to check whether this is considered to be simple enough for the respondents. This study is restricted to Davanagere and Jagalur taluks only.

1. Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian job guarantee scheme, enacted by legislation on 25 August 2005. The scheme provides a legal guarantee for at least 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 120 (US$2.20) per day in 2009 prices. If they fail to do so the government has to pay the salary at their homes. The Central government outlay for scheme was 4000 billion (US$74 billion) in FY 2010–11. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work of people living in rural India, whether or not they are below the poverty line. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed as Mahatma Gandhi National Rural Employment Guarantee Act on 2nd October 2009.

In 2011, the program was widely criticised as no more effective than other poverty reduction programs in India. Despite its best intentions, MGNREGA is beset with controversy about corrupt officials, deficit financing as the source of funds, poor quality of infrastructure built under this program, and unintended destructive effect on poverty. The Mahatma Gandhi National Rural Employment Guarantee Act, with its legal framework and rights based approach, aims at enhancing livelihood security by providing up to one hundred days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act is currently being implemented in 619 rural districts of the country. Mahatma Gandhi NREGA is the first ever law internationally that guarantees wage employment at an unprecedented scale.

The primary objective of the Act is augmenting wage employment. The auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and thus encourage sustainable development. Mahatma Gandhi NREGA has been a vehicle for inclusive growth and the marginalized sections of society have high percentage of participation under the Act. In order to increase transparency and bring the rural poor under the organized banking sector and credit system, agencies for wage payment are being separated from implementing agencies through accounts-based wage payment. Initial experiments in the use of smart cards and biometric signatures for wage payment to MGNREGA workers in remote villages are being supported. An Ombudsman for effective grievance redressal is being instituted for each district.

The implementation of MGNREGA was left to the Gram Panchayats. According to government sources, since the inception of the scheme, the government of India has incurred a total expenditure of INR 289817.04 crores towards the scheme, thereby employing 68,26,921 workers on 2,61,942 worksites (data as of June 2015). The minimum wages initially determined were INR 100 a day but later revised in keeping with the state labour employment conventions. The minimum wages are now determined by the states and range between INR 163 in Bihar to INR 500 in Kerala[1]. Thus, NREGA fosters conditions for inclusive growth ranging from basic wage security and recharging rural economy to a transformative empowerment process of democracy[2]

MGNREGA has tried to solve the problem of rural under- employment and improving the lives of people. The question is however, to ensure that the process of enrolment is simple, and the facilities are available to the card holders at the work place so as to enable the poorest of the poor to be a part of this mega program. Many control mechanisms are employed at different levels to check and monitor the activities under MGNREGA. Many studies have been undertaken to evaluate the effectiveness of the programme. However, Davanagere and Jagalur taluks have not been studied in detail about the changes MGNREGA has made in the lives of these villagers. In this backdrop, this study has undertaken with the objective to study the level of simplicity of the MGNREGA implementation mechanism

2. Methodology

This study is based on the primary data which have been collected through survey of a sample of MGNREGA card holders by structured interview schedules, focused Group Discussions (FDGs) with different stakeholders and worksite visits. Results have been presented in the tabular form. Process Simplicity Index has been constructed. Variables used for the purpose is given in the results and discussion chapter. This was measured on a 5 point Likert scale ranging from 5=strongly agree to 1=strongly disagree. The maximum that a respondent could score was 55 (11 times 5) and the minimum was 0 (11 times 0). Higher score was considered as better and indicated more simplicity. Lower score was considered as not so good and indicated complexity.

3. Results and Discussion

Obtaining the Job card is the first step in availing the benefits of MGNREGA. Respondents were asked about the difficulty faced in availing the job cards and results have been consolidated in table-1. It could observe that 70.6 percent of the card holders have felt that they did not face any difficulty in getting their MGNREGA cards, whereas 29.4 percent of them have expressed that they did face difficulties in acquiring their cards. Chi-square

Volume : 5 | Issue : 3 | March 2016 • ISSN No 2277 - 8179 | IF : 3.508 | IC Value : 69.48

value has been calculated to test the significance of association between the administrative units (Taluks) and difficulty involved in obtaining the job cards. The calculated chi-square value found to be statistically significant at one percent probability level. Relatively higher percentage of respondents of Jagalur taluks is facing difficulty in obtaining the job cards.

Table 1: Difficulty faced in getting MGNREGA card

Faced Difficulty in getting card	Taluk		Total	Chi Square
	Davanagere	Jagalur		
No	162 (87.6)	110 (55.0)	272 (70.6)	49.157*
Yes	23 (12.4)	90 (45.0)	113 (29.4)	
Total	185 (100)	200 (100)	385 (100)	

Note: Figures in Parenthesis are percentages to the respective column total
*** Indicate significance at one percent probability level**

The respondents who reported the difficulty in obtaining the job card were further asked about the nature of difficulty involved in obtaining the job card. The respondents' perception about the difficulty in obtaining the job card is consolidated in table-2. Majority of the respondents irrespective of their administrative unit reported that obtaining the job card is a long process (25.6%). It needs multiple follow ups (25.6%). The main reason for delay in obtaining the card is considered to be too much of paper work (17.1%). Instructions available to the people are not clear which is a hindrance in completing the paper work and quick completion of process involved in obtaining the job card. It is worth to note that bribe is not an issue in availing the job cards. It is because only negligible number of the respondents reported the problem of bribe in availing the job card.

Table 2: Difficulties faced in getting MGNREGA Card

Difficulties faced	Taluk of Davangere District		
	Davangere	Jagalur	Total
Too much of paper work	9 (39.1)	11 (11.7)	20 (17.1)
Longer processing time	9 (39.1)	21 (22.3)	30 (25.6)
Multiple follow ups	1 (4.3)	33 (35.1)	34 (29.1)
Unclear instructions	4 (17.4)	20 (21.3)	24 (20.5)
Bribed the officials	0 (0.0)	4 (4.3)	4 (3.4)
Any other difficulty	0 (0.0)	5 (5.3)	5 (4.3)
Total	23 (100)	94 (100)	117 (100)

Note: Figures in Parenthesis are percentages to the respective column total

The process Simplicity Index

The process simplicity of MGNREGA was measured on the basis of the answers to the following statements from strongly disagree to strongly agree. The statements used for this purpose includes; i) Process of registration is simple, ii) Issue of Job Cards is quick and timely, iii) Selection of work matches with ability, iv) Execution of work is done efficiently, v) Supervision at work site is good, vi) Distribution of wages is prompt, vii) Quality of work done is good, viii) The work done under MGNREGA is useful and relevant to the society, ix) Transparency is high(between what is promised and what is delivered), x) Participation of people is high, xi) Support of government officials is good. The responses given by the respondents were measured on a 5 point Likert scale ranging from 5=strongly agree to 1=strongly disagree. The maximum that a respondent could score was 55 (11 X 5) and the minimum was 0 (11 X 0). Higher score was considered as better and indicated more simplicity. One way ANOVA was used to compare the means between two Taluks Davanagere and Jagalur.

Descriptive statistics on MGNREGA's process simplicity variables is given in table-3. The process simplicity score has been calculated for 385 respondents out of which 200 were from Jagalur taluk and the remaining 185 were from Davangere taluk. The average score of the overall 385 respondents was found to be quite satisfactory as this score was about $3/4^{th}$ of the maximum possible score. Though the MGNREGA's implementation process is not fully simple it is very much close to the simple process. The average points scored by the respondents of Davangere taluk (44.30) was more the average score secured by the respondents of Jagalur taluk (39.6). This indicates that people of Davangere perceive that the process of MGNREGA is simpler than the process at Jagalur. High standard deviation in case of Jagalur with a lower mean reflects high variation between individual scores. This means that while few feel that MGNREGA is very simple, whereas others feel it is not very simple.

Table 3: Simplicity of the process-Descriptive statistics

Place	N	Mean	Std. Deviation	Minimum	Maximum
Davangere	185	44.31	5.25	14.00	55.00
Jagalur	200	39.60	7.48	19.00	55.00
Total	385	41.87	6.91	19.00	55.00

One way ANOVA was used to compare the arithmetic mean score secured by the respondents of Davangere and Jagalur taluks. The results of ANOVA are summarised in table-4. The calculated F value was found to be statistically significant at one percent probability level. The results of ANOVA reveal that the difference in average score between the two Taluks is significant and the null hypothesis is rejected. Therefore, it could be concluded that the average score secured by the respondents of Davangere taluk (44.3) is considerably more compared to the average scores secured by the respondents of Jagalur taluk (39.6). The simplicity of process involved in the implementation of MGNREGA depends on the region. There are certain taluks or administrative units which have adopted the most simple implementation mechanism whereas other regions/ taluks are lagging behind in adopting the simple procedure.

Table 4: Simplicity of the process-ANOVA

Particulars	Sum of Squares	Df	Mean Square	F
Between Groups	2130.633	1	2130.633	50.336*
Within Groups	16211.611	383	42.328	
Total	18342.244	384		

*** Indicate significance at one percent probability level**

4. Conclusion

MGNREGA has been successful in reaching the nook and corner of the country. The question was however, to ensure that the process of enrolment was simple, and the facilities were available to the card holders at the work place so as to enable the poorest of the poor to be a part of this mega program. Many control mechanisms were employed at different levels to check and monitor the activities under MGNREGA. The current paper also has stressed on the fact that the respondents in both Davangere and Jagalur have felt that the process is fairly simple. Majority of the cardholders in Davangere opined that MGNREGA has simple process and is not complicated, whereas in Jagalur, few felt that there were difficulties relating to multiple follow ups. Davangere has scored an average Process simplicity Index of 44.3 with a standard deviation of 5.25 whereas, Jagalur has scored 39.60 with standard deviation of 7.48. It is better to identify the administrative unity wherein the implementation

mechanism of MGNREGA is quite complex and motivate the officials evolve the simplest possible mechanism to implement the MGNREGA with due care to local conditions

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