



ECONOMIC PERSPECTIVES OF MGNREGP IN THE CREATION OF SOCIAL ASSETS – SOME EXPOSITIONS

Economics

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KEYWORDS

Perspectiveness – Social Assets – Social Infrastructure – Women's Role

INTRODUCTION

MGNREGA has reached a major milestone by geotagging one crore assets created under it. The geotagged assets have been put in public domain. The scale of assets created under MGNREGA is massive and is estimated to be about 2.82 crore assets since the financial year 2006-07. On an average, it works out to a creation of 30 lakh assets annually. The type of assets created under MGNREGA includes water harvesting structures, plantations, rural infrastructure, flood control measures, individual assets for sustainable livelihood, community infrastructure etc. As per the Ministry of Rural Affairs, all assets created under MGNREGA will be geotagged and special focus would be given to geotagging of Natural Resource Management works primarily the water-related works. Geotagging of assets created under MGNREGA was started after Prime Minister Narendra Modi emphasised the need for online recording and monitoring of assets to check leakages. Subsequently, on June 24, 2016, the Ministry of Rural development signed a MoU with National Remote Sensing Centre (NRSC), ISRO and National Informatics Centre to geotag MGNREGA assets created under each village panchayats. The geotagging exercise commenced from 1st September 2016. Gram Rozgar Sahayak or a junior engineer uploads the photos of assets on the Bhuvan web portal run by ISRO's National Remote Sensing Centre via a mobile app. The time and location of the asset get automatically encrypted at the time of upload of the photos. In this way, within a span of seven months, one crore assets have been geotagged and shared in public domain.

BJP GOVERNMENT AND MGNREGP

Union Cabinet has approved 150 days employment per household under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in the drought hit areas of the country. Decision in this regard was taken by Union Cabinet Meeting chaired by Prime Minister Narendra Modi in New Delhi. Additional 50 days of unskilled manual work under the MGNREGA scheme will benefit people in drought-hit areas which are facing monsoon deficit affecting kharif crops and rural income. The move will enable state governments to provide additional wage employment to the rural poor from present 100 days in drought and natural calamities affected areas. Cabinet committee on Economic Affairs (CCEA) also approved setting up of committee to propose Exim bank scheme in order to offer concessional finance to companies bidding for infra projects abroad. In January 2017, Kangra district (Himachal Pradesh) became the first district in the country to geotag all the assets created under MGNREGA.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005 completes ten years of implementation. On this occasion, Union Ministry of Rural Development had organised MGNREGA SAMMELAN in New Delhi to highlight achievements MGNREGA. Union Finance Minister Arun Jaitley was Chief Guest in the Sammelan.

About Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005

- MGNREGA is a flagship rural job guarantee scheme that was announced by the then UPA government headed by Prime Minister Manmohan Singh in February 2006.
- The scheme aims at providing 100 days wage employment to every household to ensure livelihood security in rural areas.
- It also aimed at sustainable development to address the cause of drought, deforestation and soil erosion.
- One third (33 per cent) proposed jobs in the scheme have been reserved for the women.

- Union Ministry of Rural Development is nodal agency for the implementation of the scheme.

STATUS OF IMPLEMENTATION

- Since its implementation began the total expenditure on the scheme has amounted to over 3 lakh crore rupees. Out of this, 71% has been spent on wage payments to workers.
- The percentage of Scheduled Caste (SC) workers has consistently been about 20% and Scheduled Tribe (ST) workers has been about 17%. Women participation has rose to 57% well above the statutory requirement of 33%.
- Over 1,980 crore person-days employment have been generated in the programme. More than 65% of the works taken under MGNREGA are linked to agriculture and allied activities.

WOMEN EMPLOYED UNDER NREGA FOR DE-SILTING A TANK

Another important aspect of NREGA is the potential for women's empowerment by providing them opportunities for paid work. One third of all employment is reserved for women, there is a provision for equal wages to men and women, provision for child care facilities at the worksite - these are three important provisions for women in the Act. More recent studies have suggested that women's participation has remained high, though there are inter-state variations. One study in border villages of Rajasthan, Madhya Pradesh and Gujarat studied the effect on short term migration and child welfare and found that among children who do not migrate, grade completed is higher. The same study found that demand for NREGA work is higher, even though migrant wages are higher.

Corruption in government programmes has remained a serious concern, and NREGA has been no exception. According to recent estimates, wage corruption in NREGA has declined from about 50% in 2007-8 to between 4-30% in 2009-10. Much of this improvement is attributable to the move to pay NREGA wages through bank and post office accounts. Some of the success in battling corruption can also be attributed to the strong provisions for community monitoring. Others find that "the overall social audit effects on reducing easy-to-detect malpractices was mostly absent".

A few papers also study the link between electoral gains and implementation of NREGA. One studies the effect in Andhra Pradesh - the authors find that "while politics may influence programme expenditure in some places and to a small extent, this is not universally true and does not undermine the effective targeting and good work of the scheme at large." The two other studies focus on these links in Rajasthan and West Bengal. Several local case studies are also being conducted to identify the regional impacts of NREGA.

ASSESSMENT OF THE ACT BY THE CONSTITUTIONAL AUDITOR

The second performance audit by the Comptroller and Auditor General (CAG) of India covered 3,848 gram panchayats (GPs) in 28 states and 4 union territories (UTs) from April 2007 to March 2012. This comprehensive survey by the CAG documents lapses in implementation of the act. The main problems identified in the audit included: a fall in the level of employment, low rates of completion of works (only 30.3 per cent of planned works had been completed), poor planning (in one-third of Gram Panchayats, the planning process mandated by the act had not been followed), lack of public awareness partly due to poor information, education and communication IEC by the state governments, shortage of staff (e.g., Gram Rozgar Sewaks

had not been appointed in some states) and so on. Notwithstanding the statutory requirement of notification, yet five states had not even notified the eight-years-old scheme. The comprehensive assessment of the performance of the law by the constitutional auditor revealed serious lapses arising mainly due to lack of public awareness, mismanagement and institutional incapacity. The CAG also suggested some corrective measures.



Although the Central Council is mandated to establish a central evaluation and monitoring system as per the NREGA Operational Guidelines, even after six years it is yet to fulfill the NREGA directive. Further, the CAG audit reports discrepancies in the maintenance of prescribed basic records in up to half of the gram panchayats (GPs) which inhibits the critical evaluation of the NREGA outcomes. The unreliability of Management Information System (MIS), due to significant disparity between the data in the MIS and the actual official documents, is also reported.

To increase public awareness, the intensification of the Information, Education and Communication (IEC) activities is recommended. To improve management of outcomes, it recommended proper maintenance of records at the gram panchayat (GP) level. Further the Central Council is recommended to establish a central evaluation and monitoring system for "a national level, comprehensive and independent evaluation of the scheme". The CAG also recommends a timely payment of unemployment allowance to the rural poor and a wage material ratio of 60:40 in the NREGA works. Moreover, for effective financial management, the CAG recommends proper maintenance of accounts, in a uniform format, on a monthly basis and also enforcing the statutory guidelines to ensure transparency in the disposal of funds. For capacity building, the CAG recommends an increase in staff hiring to fill the large number of vacancies. For the first time, the CAG also included a survey of more than 38,000 NREGA beneficiaries. An earlier evaluation of the NREGA by the CAG was criticized for its methodology.

EVALUATION OF THE LAW BY THE GOVERNMENT

Ex-Prime Minister of India Manmohan Singh released an anthology of research studies on the MGNREGA called "MGNREGA Sameeksha" in New Delhi on 14 July 2012, about a year before the CAG report. Aruna Roy and Nikhil Dey said that "the MGNREGA Sameeksha is a significant innovation to evaluate policy and delivery". The anthology draws on independent assessments of MGNREGA conducted by Indian Institutes of Management (IIMs), Indian Institutes of Technology (IITs) and others in collaboration with United Nations Development Programme (UNDP) published from 2008 to 2012. The Prime Minister said:

MGNREGA's other quantitative achievements have been striking as well:

- Since its inception in 2006, around ₹1,10,000 crore (about USD\$25 billion) has gone directly as wage payment to rural households and 1200 crore (12 billion) person-days of employment has been generated. On an average, 5 crore (50 million) households have been provided employment every year since 2008.
- Eighty per cent of households are being paid directly through bank/post office accounts, and 10 crore (100 million) new bank/post office accounts have been opened.
- The average wage per person-day has gone up by 81 per cent since the Scheme's inception, with state-level variations. The notified wage today varies from a minimum of ₹122 (USD\$2.5) in Bihar, Jharkhand to ₹191 (USD\$4) in Haryana

- Scheduled Castes (SCs) and Scheduled Tribes (STs) have accounted for 51 per cent of the total person-days generated and women for 47 per cent, well above the mandatory 33 per cent as required by the Act.
- 146 lakh (14.6 million) works have been taken up since the beginning of the programme, of which about 60 per cent have been completed.
- 12 crore (120 million) Job Cards (JCs) have been given and these along with the 9 crore (90 million) muster rolls have been uploaded on the Management Information System (MIS), available for public scrutiny. Since 2010–11, all details with regard to the expenditure of the MGNREGA are available on the MIS in the public domain.

CONCLUDING REMARKS

Civil society organisations (CSOs), nongovernmental organisations (NGOs), political representatives, civil servants and workers of Rajasthan and Andhra Pradesh collectively organise social audits to prevent corruption under the NREGA. As the corruption is attributed to the secrecy in governance, the 'Jansunwai' or public hearing and the right to information (RTI), enacted in 2005, are used to fight this secrecy. Goetz 1999 Official records obtained using RTI are read out at the public hearing to identify and rectify irregularities. "This process of reviewing official records and determining whether state reported expenditures reflect the actual monies spent on the ground is referred to as a social audit." Aiyar 2009, pp. 8–9 Participation of informed citizens promotes collective responsibility and awareness about entitlements. Chandoke 2007.

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