



From Poverty to Prosperity Through Mnrega

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ABSTRACT

Rural poverty eradication measures have been the part and parcel of national planning and have constituted the intellectual discourse since independence. Numbers of rural development programmes have been implemented to eradicate poverty. But, the overall eradication of poverty has generated varied impacts. It has been often felt that programmes have become important instruments in the development of strategies for alleviating poverty and hunger in many developing countries. This concept has been well recognized for a long time. It has been argued that even if land reforms are carried out successfully and the beneficiaries are provided with access to credit and modern agricultural inputs, a large fraction of the rural poor communities in a densely populated agrarian economy will remain unaffected because there is no surplus land to distribute among them. Furthermore, the potential beneficiaries may find that the income derived from cultivation of small plots falls short of subsistence requirements. Most of rural poor without access to land are forced to rely primarily on agriculture employment with long seasonal spells of inactivity. In such a scenario, rural public works have potentially significant role to play in poverty alleviation. Among which the MNREGA is one.

Keywords: MNREGA, Poverty Alleviation, Rural Upliftment

INTRODUCTION

The Ministry of Rural Development is the nodal Ministry for implementing the Mahatma Gandhi National Rural Employment Guarantee Act. This flagship programme of the Government of India touches the lives of the rural poor and promotes inclusive growth. The primary objective of the Act is augmenting wage employment. Its auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and so encourage sustainable development. The process outcomes include strengthening grassroots processes of democracy and infusing transparency and accountability in governance. The Act was notified in 200 districts in the first phase with effect from 2nd February 2006 and then extended to additional 130 districts in the financial year 2007-08. The Act has been notified throughout the country with effect from 1st April 2008.

SALIENT FEATURES OF THE ACT

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the first ever law internationally, that guarantees wage employment in an unprecedented scale. MGNREGA aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. Unique features of the Act include; time bound employment guarantee and wage payment within 15 days; incentive-disincentive structure to the State Government for providing employment as 90 per cent of the cost for employment provided is borne by the Centre or payment of unemployment allowance at their own cost and emphasis on labour intensive works prohibiting the use of contractors, and machinery. The Act also mandates 33 percent participation for women. Above all this scheme has made significant positive impacts on the society in order to bring the people from poverty to prosperity.

IMPACT ON POVERTY

MNREGA is boon for the rural mass and it is helped to face

the agricultural lean time by means of increasing employment opportunities during the first year of implementation (FY 2006-07) in 200 districts, 2.10 crore households were employed and 90.5 crore persondays were generated. In 2007-08, 3.39 crore households were provided employment and 143.59 crore persondays were generated in 330 districts. In 2008-09, 4.51 crore households have been provided employment and 216.32 crore persondays have been generated across the country.

ENHANCING WAGE EARNINGS

At the national level, average wage paid under MGNREGA has increased from Rs.65 (FY 2006-07) to Rs. 88.48 in FY 2009-10. This has led to a strengthening of the livelihood resource base of the rural poor in India. In 2008-09, 67 percent of funds utilized (Rs.18200.03 crore as wage expenditure) were in the form of wages paid to the labourers. In 2009-10, 69Percent of the funds have been utilized in the form of wages (Rs.18806.39 crore as wage expenditure).

PROMOTING EQUITY

The Programme had a high workforce participation of marginalized groups like SC/ST (54Percent) in FY 2008-09. Women workforce participation has also surpassed the statutory minimum requirement of one third participation. In 2008-09, women participation was 48 Percent which has increased to 49 Percent in FY 2009-10.

FINANCIAL INCLUSION

This programme also ensures that the Payment of wages through banks and post offices has been statutory. Its resulting in the financial year 2009-10, 8.57 crore bank and post offices accounts have been opened to disburse wages. Through which majority of the rural mass having the banking access and availing loan facilities for their further development.

INSURANCE COVERAGE

In those days among the rural mass there were no awareness about the insurance. Due to the implementation of this scheme the workers are advised and encouraged to have

insurance policy. Its result MGNREGA workers have been identified as a category for Jana Shree Bima Yojana of LIC for insurance cover. Efforts are also taken to extend the benefits of Rashtriya Swasthya Bima Yojana to MGNREGA workers.

IMPACT ON NATURAL RESOURCES

The MNREGA made significant impacts have also been noted on natural resources through water conservation, land development and afforestation projects taken up in large measure under MGNREGA. In FY 2008-09, 27.75 lakhs works were undertaken with 46 Percent water conservation works. Similarly, in FY 2009-10, 36.51 lakhs works were undertaken, of which 51Percent constituted water conservation, 16Percent rural connectivity, 14Percent land development and provision of irrigation facility to individual beneficiaries constituted around 17Percent with remaining 2Percent works related to other activities. Out of 36.51 lakh works undertaken, 13.75 lakhs works have already been completed.

IMPACT ON MIGRATION

As NREGA provides work within the village, the rural poor prefer to work in their own sphere. NREGA is also based on a demand driven approach which allows rural households to demand work during the lean season. As a result, there is a decrease in the migration of rural workers to urban areas which in turn will result in the decline of urban poverty. This will also stop farmers' suicides.

SOCIO-ECONOMIC CHANGES

NREGA gives economic empowerment to the rural poor and such meaningful employment makes them feel that they matter to society, and increases their confidence, which is necessary for social and human development. Their sense of belonging to society increases. The scheme has the potential of reducing exploitative phenomena like child labour and gender

discrimination. In particular, it holds the powerful prospect of bringing major changes in the lives of women. Women's work participation rate has increased over the years. The wider acceptability of NREGA work derives from several factors: it is locally available, being government work there is regularity and predictability of working hours, less chance of work conditions being exploitative and work is considered socially acceptable and "dignified" (Khera and Nayak, 2009).

IMPACT ON EDUCATION

NREGA also has a positive impact on education specially pre-primary and primary. As all the adult members of the family work under NREGA, children of the family are sent to government schools. Government schools also provide mid day meals which makes the school the best place for parents to keep their children. Subsequently, there is an increase in the number of students enrolled in school.

IMPACT ON MARKETING ACTIVITIES

MNREGA also act as a growth driver of rural marketing activities. Until the implementation of this scheme, the basic products consumption rates of the rural mass were very poor. After the implementation of this scheme demand for the FMCG products has been increased in considerable amount and it is also accelerated the FMCG manufacturers.

CONCLUSION

So far our Indian government has implemented wide range of rural development programmes for the welfare of the rural mass. But, there were no expected results. The MNREGA is a unique programme it is offered a possible results to the society in various ways. No one programme made such amount of positive outcome to bring the rural mass from the poverty to prosperity so far but it is become possible in the MNREGA.

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