# IMPLEMENTATION OF MGNREGS IN INDIA SPECIAL REFERENCE TO THE STATE OF KERALA

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#### **ABSTRACT**

This paper examines the role and impact of Mahatma Gandhi National Rural Employment Guarantee Scheme in state of Kerala. This scheme implemented in February 2, 2006 in 200 backward districts. In Kerala, the Scheme was implemented in three phases. Kerala was located on southern part of India. Any government scheme has certain aims, like the MGNREGS scheme also have certain aims. Major aims and objectives of MGNREGS are as follows:

- It solves unemployment problems in rural area all over the nation
- Poverty alleviation
- Abolishing of wage discrimination
- Minimum of guaranteeing 100 working days for unemployed poor peoples in rural areas etc

After the implementation of this scheme Kerala achieves several goals like, decline of rural unemployment rate, empowerment of rural women's with their leadership qualities, it helps to reduce the wage discrimination in rural areas etc.. The new rate of daily wage for workers under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) Scheme will be Rs 311 in Kerala.

*Keywords*: MGNREGS, Self – sustaining, empowerment, rural development, multi dimensional, urbanization, poverty alleviation, rural development

## INTRODUCTION

Rural development is the main pillar of a nation's development and therefore it is to be considered a strategy designed to improve the economic and social life of the rural poor (Mahaeshwari, 1995). A World Bank publication defines rural development as 'improving the living standards of the low-income population residing in rural areas and making the process of their development self-sustaining' (Lee, 1975). It consists development of Villages into healthy, self-sufficient, and prosperous units of living and also provides the basic requirements for a healthy and comfortable living. Rural development involves the improvement of the living standards of the poor through opportunities for better utilization of their physical and human resources (Parthasarathy & Mathew, 1987). More comprehensively, rural development is not merely the development of rural areas but also the development of the quality of life of the rural masses into self-reliant and self-sustaining modern little communities' (Mishra & Sunderam, 1974), (Ganiee, 2014), (Gangopadhyay, Mukhopadhyay, & Singh, 2008). According to a UN Report, "rural development has come into international usage to denote the process by which the efforts of people themselves are united to those of Governmental authority to enhance the nation's economic, social, and cultural conditions and link them to their ability to actively participate in national initiatives" (Govt. of India, 1966). Thus, rural development is a multidimensional process that includes the development of the socioeconomic conditions of the people living in the rural areas, extending the benefits of development to the weaker and poorer sections of rural society, and ensuring their participation in the process of development. Since time immemorial, India has been predominantly a rural country. Despite our population's rising urbanization, a sizable portion of people still lives in villages. As per the 2011 Census, sixty-nine percent of the population lived in rural areas as against seventy-five percent in 2001. During the period from 2001 to 2011, the growth rate in the rural population was 1.2 percent while it was 1.7 percent from 1991 to 2001. In contrast, the urban population grew at 2.8 percent per year during both periods (Census, 1991, 2001, 2011). These rural populations can be characterized by mass poverty, low levels of literacy and income, high levels of unemployment, and poor nutrition and health status. So, rural development is taken as an obligation of the Government to raise the standard of living of the rural people and has always been the priority concern of national development. Since Independence, the Government had initiated developmental planning measures and implemented them through the Five Year Plans. So far, though eleven Five Year Plans have

been implemented, the problem of rural poverty and unemployment has remained largely unsolved. Even basic infrastructure facilities also are lacking in most of the Villages.

All the employment schemes, no doubt, did something really good in spite of many hurdles like lack of encouragement from the Government, lack of necessary financial support, inadequate and untrained staff, etc. (Thankappan, 2010). These schemes gradually disappeared from the scene and some were merged later with other Government-sponsored schemes. As far as the basic infrastructure for rural areas is concerned, there hardly seems any improvement despite reforms. It has become extremely difficult to provide clean and safe drinking water, particularly in rural areas. Though construction and maintenance of rural roads had remained an important component in the rural schemes, there is a long way to go before the goal is achieved. A vast portion of households in Indian villages did not have even toilet facilities. It is surprising to note that even at the turn of the new millennium, only 9 percent of the rural population had been covered by some form of sanitation (Govt. of India, 2000). It was at this juncture that the Government of India introduced Mahatma Gandhi NREGA with the twin objective of enhancing the livelihood security of the rural masses and creating durable assets and resource bases for the rural poor. The Act prescribes that the works undertaken should have the potential to benefit rural communities by connecting remote villages to input and output markets, improving irrigation facilities, and enhancing land productivity. According to the official guidelines, water conservation and water harvesting, drought proofing including tree plantation, irrigation canals including micro and minor irrigation works, provision of irrigation facility to land owned by SC/ST/ or IAY beneficiaries/small or marginal farmers, renovation of traditional water bodies including de-silting of tanks, land development, flood control, and protection works including drainage in waterlogged areas and rural connectivity, would be in the focus. These works also had the potential to generate environmental benefits like groundwater recharge, soil, water, and biodiversity conservation, sustaining food production, arresting land degradation, and bringing flexibility to current climate risks such as delayed rainfall, droughts, floods, etc. (Sebastian &

Azeez, 2014). (Tiwari, et al., 2011), (Ministry of Rural Development, 2012). The Revised Operational Guidelines (2012) insist on undertaking only those works which can result in the creation of durable assets and a wage-material ratio of 60:40 for all works. The chapter examines the socio-economic and political impact in Kerala under

the Mahatma Gandhi NREGA Scheme The change in the income, assets, and quality of life of the beneficiaries on account of their association with the Scheme is also looked into in detail.

#### SOCIAL IMPACT ON THE BENEFICIARIES

While planning and selecting works under MGNREGA, the Gram Panchayats have to adhere to the priorities laid down in Schedule 1 of the Act so as to link livelihood security with locally relevant eco-restorative activities that would have a long-term impact. The first priority was water conservation, followed by drought-proofing, micro irrigation, provision of irrigation facilities to land development on lands of SC/ST/BPL families, renovation of water bodies, land development, flood control, construction of roads, and other works notified by the Central Govt. including the construction of Rajiv Gandhi Sewa Kendra, provision of rural drinking water, rural sanitation, etc. The type of works and amounts spent on them in Kerala from 09 to 2013-14, till 2022. Flood control and protection works consumed the major part of the expenditure during

2008-09 and 2009-10 (33.66% and 33.76% respectively), while during 201011, 2011-12, and

2012-13 land development works consumed the major portion of the amount spent (31.91%,

42.18% and 46.67% respectively). During 2013-14, the amount spent on water conservation

and water harvesting works amounted to Rs. 154.42 crores (28.66%), followed by land development works for Rs. 139.65 crores (25.92%). The percentage shares of works are flood control and protection (14.4%), irrigation facility to land development (12.05%), renovation of traditional water bodies (9.96%), irrigation canals (5.69%), drought proofing (1.81%), and rural connectivity (1.1%), 'Other works' like construction of Bharat Nirman Rajiv Gandhi Sewa

Kendra, agriculture-related works, livestock-related works, coastal area works, provision of rural drinking water, rural sanitation works, fisheries-related works, etc., constituted only 0.42 percent of the total expenditure. The CAGR of the amount spent on each type of work over the period of 6 years is the highest (63.64%) for works relating to the provision of irrigation facilities to land development works on lands of SC:/STs/ BPL families, followed by water

conservation and water harvesting works (46.99%) and land development works (46.6%). It is important to note that about 70.79 percent of the total expenditure was incurred on land development works, water conservation and water harvesting, and flood control. Regarding ongoing works, during 2008-09, 33.65 percent of the total amount was spent on the renovation of traditional water bodies and flood control works (21.78%) which consumed 55.43 percent of the total expenditure. During 2009-10, land development and flood control works were given important spent. During 2010-11, land development works alone constituted 42.34 percent of the total expenditure. Flood control and protection (17.55%) and water conservation and water harvesting works (11.42%) were also given importance during the year. During 2011-12 and 2012-13, expenditure on three major types of works (Land development, flood control, and protection and water conservation and water harvesting works) constituted 74.27 percent and 74.74 percent respectively. During 2013-14, the thrust areas were land development (36.38%) water conservation and water harvesting (21.24%), and irrigation facility to land development works on land owned by SC/ST/BPL families (13.49%), consuming 51.26 percent of the total amount.(Official website of Mahatma Gandhi NREGA) of the total amount spent in Kerala on different works under the Scheme is given in Table 7.3. On the whole, land development works (36.84%), flood control and protection (16.25%), water conservation and water harvesting (17.7%), and renovation of traditional water bodies (9.75%) are the most expenditureconsuming works. The components of the total amount spent on different works under the Scheme are detailed. Evidently, though the Act prescribes a wage-material components ratio of 60:40, actually, material constituted only 3.68 percent. In all, 91.93 percent of the total expenditure is paid as wages and 4.39 percent as related expenses. The huge amount spent on wage payment under the Scheme confirms the meagre sums spent on materials for works leading to durable asset creation. Regarding this scenario in Kerala, the comments of the Ministry of Rural Development are convincing. The Ministry reported that more emphasis on employment rather than the creation of durable assets was the major hurdle in the implementation of the Mahatma Gandhi NREGA Scheme (Ministry of Rural Development, 2010) Rural Assets Creation in Kerala for the purpose of the Act, the term asset' is distinctly associated with those durable assets that have been built using materials like stones and cement, and all other works are not viewed as assets. The official website of the Scheme gives only the details of the type of work undertaken during different years spending the total allotted amount under the Scheme. Published official data available on the website of the Scheme is silent about the value of durable assets creation at the national or at state level. On inquiry, it was known from the different Block Panchayat Offices in Kerala that accounting for assets creation under the Scheme, though it is meagre, had been started from the year 2013-14. A complete data of assets created under the Scheme, even for the years 2013-14, has not been so far (up to June 2014) compiled by the Mahatma Gandhi NREGS State Mission Office, Kerala. Therefore, the amounts spent on asset creation works undertaken in the different Block Panchayats in Kerala, selected as a sample for the study during the year 2013-14 are ascertained and depicted. In the southern region, out of the four Blocks selected, the Nedumangade Block had undertaken 19 works on rainwater harvesting, works like counter- bunding and geotextile works, renovation of traditional water bodies, etc., and had spent Rs 265 lakh which accounted for 18.01 percent of the total expenditure under the Scheme during 2013-14. In the Pothencode Block and Chavara Block of the Southern Region, no asset creation works were done during 2013-14 by spending any amount from the allocation under the Scheme. In the Kottarakkara Block of the region, 21.66 percent of the expenditure resulted in asset creation.

In the Central region, Vazhakulam Block Panchayat had undertaken 15 works resulting in assets creation which accounted for 7.77 percent of the total amount spent during 2013-14 in that Block. In the Vadavucode Block Panchayat of the region, 5.22 percent of the total expenditure was incurred on asset creation works. In the Thodupuzha Block Panchayat, 4.50 percent of the allocation was spent on asset creation works such as counter-bunding for land development, rural connectivity, water conservation, and water harvesting. The Adimaly Block Panchayat in the region spent only 1.74 percent of the total expenditure on asset creation (rural connectivity works). In the northern region, Sulthan Batherry Block had spent 28.11 percent of the total amount on various asset works during 2013-14. In the Kalpetta Block Panchayat, numerous works relating to water conservation, irrigation, renovation of water bodies, land development, flood control, and rural connectivity, which resulted in the creation of assets, were undertaken, which accounted for 4.05 percent of the total amount. In the Ponnani Block Panchayat of the northern region, 7 works relating to irrigation canals, water conservation, land development, and renovation of water bodies were undertaken for which 2.23 percent of the total amount was spent. In the Kondotty Block Panchayat, seven works were undertaken and the total estimated cost of these works was 0.59 percent of the total expenditure. On the whole, only 8.67 percent of the amount was spent in these 12 selected Block Panchayats under the

Scheme, which resulted in asset creation. While evaluating the performance of the Mahatma Gandhi NREGA in Kerala, the

Ministry of Rural Development (2010) reported that the outcome of the Scheme was quite encouraging as it had started yielding dividends in terms of improved wages, improved income, and marginal improvement in living standards. It was also reported that more emphasis on employment rather than the creation of durable assets was the major hurdle in the implementation. The observations of the Tata Institute of Social Sciences, while evaluating MGNREGA in Kerala, point to the heavy focus on water conservation and drought-proofing and to the restriction of the labour-material ratio to 60:40 limits assets creation (Tata Institute of Social Sciences, 2011).

# THE ECONOMIC IMPACT ON THE BENEFICIARIES

One of the major objectives of MGNREGA is to improve the income levels and to enhance the quality of life of village folks who are afflicted with a meager income, low wages, and frequent interruptions in wage earnings. The mean scores of the perceptions of beneficiaries regarding the change in income, assets, and their quality of life, collected on a Five-point Likert type scale, are presented the percentage score of 97 (mean score 4.85) indicates exceptionally higher levels of agreement of the beneficiaries regarding their increase in income as a result of involvement in Mahatma Gandhi NREGA. As regards the increase in household assets, the overall mean score is 4.20 (84%) disclosing a higher level of agreement by the beneficiaries in that respect also. It is considerably lower in the central region (3.79) (75.80%), though significantly higher than the neutral score (3). The beneficiaries were of the opinion that they could spend more on the education of their children after joining the Scheme. The overall percentage score of 80 (mean score of 4) justifies this opinion. Region-wise, in the central region, the beneficiaries did not have a very high level of agreement in this regard. Irrespective of the regions, the beneficiaries have a very high level of agreement (overall mean score 4.65, 93%) regarding the increased expenditure on health care as a result of increased income by way of the Scheme. The percentage score of 59.2 discloses the disagreement of the beneficiaries in all the regions regarding increased expenditure on entertainment. The beneficiaries were of opinion that involvement in the Scheme resulted in increased savings

(mean score of 4.47) and increased social involvement (mean score of 4.78). Taking all the dimensions together, the overall mean score of 4.27 (85.4%) reveals the agreement of the beneficiaries as to the increase in family income, household assets, expenditure on children's education, health care, savings, and social involvement as a result of involvement in Mahatma Gandhi NREGA Scheme. The Kruskal Wallis ANOVA performed conforms a significant difference in the positive perception of the beneficiaries, region-wise, regarding the change in income, assets, and quality of life of the beneficiaries (P value <0.001). Among the regions, the highest perception is found in the southern region (4.395), followed by the northern region (4.279), and the lowest in the central region (4.141) stands rejected as the overall-mean score of the perceptions indicating such change is 4.27 (significantly higher than the moderate/neutral score 3)The Kruskal Wallis test confirms the significant regional difference in the perception Women Empowerment Through The Scheme In Kerala.

The perceptions of the women beneficiaries regarding the qualitative impact of the Scheme on their empowerment are depicted in Table 7.9. In all, 91 percent of the selected beneficiaries are females (official records 93.43 percent in 2013-14). The women beneficiaries strongly feel that, after joining the Scheme, they have been recognized as earning members of their family mean score 4.89; 97.8%). They confirm that the Scheme helped them in getting more involved in decisions regarding the creation of household assets (mean score 4.54; 90.8%). Again, the involvement of women in borrowing decisions at their homes has also increased considerably after joining the Scheme (mean score 4.73; 94.6%). Involvement in decisions regarding daytoday family affairs at home has increased after having been associated with the Scheme (4.86; 97.2%). The opportunity to work in groups has brought in a collective spirit to work and this exposure has given them the ability to stand on their own feet and to have better involvement in social activities. The higher level of agreement of women beneficiaries in this aspect is evident from the higher mean score value of 4.89 (97.8%). Noticeably, the association with Mahatma Gandhi NREGA Scheme has not encouraged the beneficiaries in involving in political affairs. The mean score value of 1.09 (21.80%) confirms the opinion of the beneficiaries in this regard.

## **OUT-MIGRATION DURING NON-MGNREGA WORKING DAYS**

The responses of the beneficiaries regarding their work engagements during non- NGNREGA working days reveal that they are not going in for any other wage-earning work in the same locality (mean score 2.67) or in the nearby localities (mean score 1.12) or outside the districts (mean score 1.04) or outside the State (mean score 1.06). Thus, it is evident to a large extent that the only means of livelihood of the beneficiaries in the Scheme is their wage receipts from the Scheme. The Kruskal Wallis ANOVA performed, region-wise, confirms a significant difference in the perceptions of the beneficiaries regarding their engagement during non-MGNREGA working days (P value <0.001). Among the regions, the lowest engagement during non MGNREGA working days is reported by the beneficiaries in the central region (mean score 1.21), next in the southern region (mean 1.431) and lastly in the central region (mean score 1.78). The examination of the creation and development of the rural asset possible through the Scheme since its full-fledged implementation in Kerala made in the above pages reveals significant findings in many aspects. Though the Scheme entails sizeable amounts of money targeting employment generation and rural asset creation, the creation of the durable asset was found to be meagre. However, the Scheme could help the beneficiaries in Kerala to make significant positive changes in their income, assets, and quality of life. Moreover, the women empowerment possible through the Scheme has also been highly acknowledged by the beneficiaries (Official website of Mahatma Gandhi NREGA).

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