

MGNREGS - A Way of Resource Mobilisation for Unskilled Rural People

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Abstract

Common man has achieved tremendous transformation from the stage of isolation to the stage of decision maker in the era of globalisation. Increasing political concerns and neglecting attitude on common man have resulted in huge loss to the dictators and political parties. In view of the importance of common man, a great change has occurred in terms of concern for common man in the present era. Increasing initiations of social schemes like Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is one of the best examples which shows that the government is highly concerned for the development and as well as for empowerment. The main objective of the Act is to provide a safety net for vulnerable groups in rural areas, promote sustainable development of the agricultural economy, empower the rural poor through rights-based law, and advance new ways of doing business through the principles of transparency at grassroots of democracy. The scheme is one of the most popular schemes and world's biggest, social employment and empowerment initiated by the government. The Act permits to bring out the potential of work force and helps to create infrastructure for the development of the economy. The present paper critically examines the need for social scheme for common man. Further, the paper also contributes the benefits of the scheme. The paper provides the valuable observations on examining the impact of social schemes for the upliftment of common man. It brings out the effectiveness of the scheme on common man.

Keywords: Common Man, Inclusive Growth, Assets and Amenities Created, MGNREGA

Introduction

Common man has been the initiator and as well as the dictator of the success or failure of performance of government. Common man was treated in most negligent manner earlier but the governments of 21st century have bestowed utmost priority on common man. Many social schemes have been introduced to impress and as well as to achieve the support of common man. The successive governments are striving hard for the implementation even more importantly for the spread of the schemes especially to all vulnerable sections which are hugely suffering from lack of employment and basic amenities (Mukopadhyay & Raman, 2007). For this purpose, the required funds are procured from two sources i.e., domestic and foreign. Domestic resource mobilisation refers to the generation of savings from domestic resources and their allocation to socially productive investments (Culpeper, 2008). Such resource mobilisation can come from both public and private sectors. The public sector does this through taxation and other forms of public revenue generation. The private sector mobilises resources through household and business savings, working through financial intermediaries to convert these into productive assets.

In real terms, resource mobilisation means expansion of relations with the Resource Providers, the skills, knowledge and capacity for proper use of resources. Resource Mobilisation does not only mean use of money

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but its extensiveness denotes the process that achieves the mission of the Organisation through the mobilisation of knowledge in human, use of skills, equipment, services etc. It also means seeking new sources of resource mobilisation and right and maximum use of the available resources. Government of India adopted the strategy of providing welfare schemes through which the empowerment of beneficiaries can be achieved which in turn helps them in using their potential. From the point of view of the government, these social schemes are the vehicles through which the budgeted allocations reach the beneficiaries in terms of employment, social security, subsidy, financial assistance, capacity building, empowerment, self-sufficiency etc. From the viewpoint of individuals, these social schemes serve as resource mobilisation instruments as the benefits of the schemes provide them a platform to get employment, skills, knowledge, capacity building or make them not to worry about expenditure on education, health etc. The earnings which should have been spent on these things now can be converted into savings, asset generation or amenity improvement.

Conceptual Overview of Aam Aadmi

The word 'Aam Aadmi' is derived from two languages including Hindi and Urdu which narrates a common man. 'Aam' indicates common and 'Aadmi' in Hindi gives the meaning of man. The word 'Common Man' was first popularised commercially by United Progressive Alliance (UPA) to highlight their strategy of concern for common man in India in 2004 and 2009 elections. Based on the success with the tag word of 'common man', UPA government has later applied in bringing Mahatma Gandhi National Rural Employment Guarantee Scheme' in 2006. 'Aam Aadmi' word is quite familiar with Indian context to represent an Indian with a view to compare the beneficiaries or for schemes. 'Aam Aadmi' word later popularised by human rights activist Anna Hazare and Arvind Kejriwal.

According to Mr. Prakash & Acharia, Aam Aadmi is justified as anybody who has a stake in the system but doesn't have an effective say. Further, a common man is mostly treated as a representative of unorganised sector and also part of marginalised sections of the society.

Need for the Study

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was initiated under UPA Government

with a main emphasis on providing survival and sustainability for common man. This Act was formulated in achieving the sustainable growth in the rural India by emphasizing on labour intensive works prohibiting the use of contractors and machinery, ensuring the creation of durable community, social and economic infrastructure, and assets in the rural areas. The present study "MGNREGS - A way out to Resource Mobilisation for rural unskilled people" is a very important study which focuses on the various social schemes implemented by the government with special reference to MGNREG Scheme. The study helps to analyse the performance evaluation of the scheme. Further the study intends to analyse the resource mobilisation through MGNREGS with the help of an empirical study.

Objectives of the Study

The study mainly emphasizes on the various social schemes that have been initiated for the betterment of common man with special focus on MGNREGS. Further, the study investigates the evolution and implementation of MGNREG scheme. The study also aims to bring out the effectiveness of the scheme with the help of an empirical enquiry of the beneficiaries.

Methodology of the Study

The study is based on the primary and secondary data sources. Primary data is mainly limited to observation and personal interview with selected respondents (100 in number) who have been benefited from the scheme from three villages of the district Nalgonda which stands first in the issue of job cards (i.e., 7,50,813 households) under MGNREG Scheme in Telangana region of Andhra Pradesh State. Secondary data has been collected from the reports of MGNREGA and Gazettes of Government of India. Further, references from existing research works, articles, journals and website sources are also used to obtain information for the research study.

Social Schemes in India

Since 1947, the republican Government of India has been a source of inspiration for many countries due to its successful implementation of social schemes. Especially, post-independence, the governments started to show great concern on people who have been involved in different traditional and low income achieved wage jobs. Various welfare schemes for a cross section of the

society have been initiated either by centre, state or a joint collaboration between the centre and the states. The schemes focus on different types of beneficiaries such as women, unemployed youth, children, students, women, individuals, family, and community and so on. The

beneficiaries get financial assistance in the form of subsidy, loan, employment, training, and reimbursement. Some of the important schemes which have been implemented by the Government of India since post-independence are specified in Table 1.

Table 1: Social Schemes Initiated by Government of India (1954-2010)

<i>Scheme</i>	<i>Ministry</i>	<i>Year of Launch</i>	<i>Provisions</i>
Central Government Health Scheme	Mo HFW	1954	Comprehensive medical care facilities to Central Government employees and their family members
National Service Scheme	Mo YAS	1969	Personality development through social (or community) service
Integrated Child Development Services	Mo WCD	1975	Tackle malnutrition and health problems in children below 6 years of age and their mothers
Integrated Rural Development Program	Mo RD	1978	Self-employment program to raise the income-generation capacity of target groups among the poor
Indira Awaas Yojana	Mo RD	1985	Housing for the rural poor
National Literacy Mission Programme	Mo HRD	1988	Make 80 million adults in the age group of 15 - 35 literate
National Scheme on Welfare of Fishermen**	Mo A	1991	Financial assistance to fishers for construction of house, community hall for recreation and common working place and installation of tube-wells for drinking water
Pooled Finance Development Fund Scheme	MoF	1992	to provide credit enhancement to Urban Local Bodies to access market borrowings based on their credit worthiness through State-Level-Pooled Finance Mechanism.
Members of Parliament Local Area Development Scheme	Mo SPI	1993	Each MP has the choice to suggest to the District Collector for, works to the tune of Rs. 5 Crores per annum to be taken up in his/her constituency. The Rajya Sabha Member of Parliament can recommend works in one or more districts in the State from where he/she has been elected.
Midday Meal Scheme	Mo HRD	1995	Lunch (free of cost) to school-children on all working days
National Social Assistance Scheme	Mo RD	1995	Public assistance to its citizens in case of unemployment, old age, sickness and disablement and in other cases of undeserved want
RNTCP	Mo HFW	1997	Tuberculosis control initiative
Voluntary Disclosure of Income Scheme**	MoF	1997	Opportunity to the income tax / wealth tax defaulters to disclose their undisclosed income at the prevailing tax rates.
Kishore Vaigyanik Protsahan Yojana	MoST	1999	Scholarship program to encourage students to take up research careers in the areas of basic sciences, engineering and medicine
Swarnajayanti Gram Swarozgar Yojana	Mo RD	1999	Bring the assisted poor families above the poverty line by organising them into Self Help Groups (SHGs) through the process of social mobilisation, their training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy.
Pradhan Mantri Gram Sadak Yojana	Mo RD	2000	Good all-weather road connectivity to unconnected villages
Sampoorna Grameen Rozgar Yojana	Mo RD	2001	Providing additional wage employment and food security, alongside creation of durable community assets in rural areas.

<i>Scheme</i>	<i>Ministry</i>	<i>Year of Launch</i>	<i>Provisions</i>
Deen dayal Disabled Rehabilitation Scheme	Mo SJE	2003	Create an enabling environment to ensure equal opportunities, equity, social justice and empowerment of persons with disabilities.
Kasturba Gandhi Balika Vidyalaya	Mo HRD	2004	Educational facilities (residential schools) for girls belonging to SC, ST, OBC, minority communities and families below the poverty line in Educationally Backward Blocks
National Pension Scheme	MoF	2004	Contribution based pension system
Livestock Insurance Scheme (India)	Mo A	2005	Insurance to cattle and attaining qualitative improvement in livestock and their products.
Udisha	Mo WCD	2005	Nationwide training component of the World Bank (External website that opens in a new window) assisted Women and Child Development Project (External website that opens in a new window). Udisha has been cleared with an outlay of about Rs.600 crores for five years. UNICEF is also a technical collaborator in the Project. The programmes aims to train child care workers across the country.
Janani Suraksha Yojana	Mo HFW	2005	One-time cash incentive to pregnant women for institutional/home births through skilled assistance
Mahatma Gandhi National Rural Employment Guarantee Act	Mo RD	2005	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.
Common Man BimaYojana	Mo LE	2007	Death and disability insurance for rural landless households
Gramin Bhandaran Yojana	Mo A	2007	Creation of scientific storage capacity with allied facilities in rural areas to meet the requirements of farmers for storing farm produce, processed farm produce and agricultural inputs. Improve their marketability through promotion of grading, standardisation and quality control of agricultural produce.
Rashtriya Krishi Vikas Yojana	Mo A	2007	Achieve 4% annual growth in agriculture through development of Agriculture and its allied sectors during the XI Plan period
Rashtriya Swasthya Bima Yojana	Mo LE	2008	Health insurance to poor (BPL), Domestic workers, MGNER-GA workers, Rickshaw pullers, Building and other construction workers, and many other categories as may be identified by the respective states
Bachat Lamp Yojana	Mo P	2009	Reduce the cost of compact fluorescent lamps
Indira Gandhi Matritva Sahyog Yojana	Mo WCD	2010	A cash incentive of Rs. 4000 to women (19 years and above) for the first two live births
Pradhan Mantri Adarsh Gram Yojana	Mo RD	2010	Integrated development of Schedule Caste majority villages in four states
Swavalamban	Mo F	2010	Pension scheme to the workers in unorganised sector. Any citizen who is not part of any statutory pension scheme of the Government and contributes between Rs. 1000 and Rs. 12000/- per annum, could join the scheme. The Central Government shall contribute Rs. 1000 per annum to such subscribers.
Sabla or Rajiv Gandhi Scheme for Empowerment of Adolescent Girls	MWCD	2011	Empowering adolescent girls (AGs) of 11–18 years with focus on out-of-school girls by improvement in their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills. Merged Nutrition Programme for Adolescent Girls (NPAG) and Kishori Shakti Yojana (KSY).

<i>Scheme</i>	<i>Ministry</i>	<i>Year of Launch</i>	<i>Provisions</i>
Swabhiman	Mo F	2011	To make banking facility available to all citizens and to get 5 crore accounts opened by Mar 2012
National Rural Livelihood Mission (NRLM)	Ministry of Rural Development (Mo RD)	2011	This scheme will organize rural poor into SHG groups and make them capable for self employment. The idea is to developing better livelihood options for the poor.
Food Security	MoA	2013	Food security for the people below poverty line.

Source: Ministry of Social Welfare, Government of India

Table 1 clearly indicates that over a period of time, through different ministries, Government of India has been implementing various schemes and their provisions to support and for the economic emancipation of the common man. Some schemes aim at livelihood and employment whereas some schemes provide social and health security. A few schemes focus on capacity building and others on empowerment. Schemes to cut down gender injustice, caste discrimination also are found in the list. To sum up, all sections of the society are taken into consideration while designing these schemes.

Initiation of MGNREG Scheme

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) was notified on September 7, 2005 and the mandate of the Act is to provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act has been initiated by the government to ensure that 'common man' can get the following benefits.

1. Social protection for the most vulnerable people living in rural India by providing employment opportunities.
2. Livelihood security for the poor through creation of durable assets, improved water security, soil conservation and higher land productivity.
3. Drought-proofing and flood management in rural India.
4. Empowerment of the socially disadvantaged, especially women, scheduled castes (SCs) and scheduled tribes (STs), through the processes of a rights-based legislation.

5. Strengthening, decentralised, participatory planning through convergence of various anti-poverty and livelihoods initiatives.
6. Deepening democracy at the grass-roots by strengthening Panchayath Raj Institutions.
7. Effecting greater transparency and accountability in governance.
8. Thus, MGNREGA is a powerful instrument for ensuring inclusive growth in rural India through its impact on social protection, livelihood security and democratic empowerment.

Initially, the scheme was initiated in 200 districts in the first phase with effect from February 2nd 2006 and then extended to an additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from April 1st 2007 and 17 districts in Uttar Pradesh (UP) were notified with effect from May 15th 2007). The remaining districts have been notified under MGNREGA with effect from April 1, 2008. Thus, the MGNREGA covers the entire country with the exception of districts that have a hundred percent urban population. NREG programme has hugely benefited the tribes in strengthening the way of living right from procuring the basic amenities to purchasing the materials which are needed for their daily works. (Nidheesh, 2008). NREGS has the potential to transform rural economic and social relations at many levels. It is this capacity to cause change that is a source of strength and a weakness for the implementation of the programme (Sharma, 2009). NREGS aims to meet the practical needs of women workers in the short run and their strategic needs in the long run (Pankaj & Tankha, 2010). The beneficiary households utilised earnings from NREGS for purposes like food and health security, education, repayment of debts, construction/purchase of

house etc. which indicates that the rural poor only need opportunities for them to participate and grow to come out of the vicious cycle of poverty and lead a decent and dignified life (Kareemulla, Kumar, Reddy, Rao, & Venkateswarlu, 2010).

Performance of MGNREG Scheme

The study of implementation of the scheme indicates the success of the scheme and its effect on society. Good performance of the welfare schemes is of utmost important and helpful for the economic upliftment of Common Man. The scheme was initiated initially in 200 districts during the period of 2006-07 and by the end of 2008-09; the scheme was extended to all rural districts.

Table 2: Performance of the Scheme

Details of participants (in crores)	Performance of the scheme since inception						
	2006-07 (200 districts)	2007-08 (330 districts)	2008-09 (All rural districts)	2009-10	2010-11	2011-12	Total from 2006-2012
Number of households	2.1	3.4	4.5	5.3	5.5	5	--
PERSON DAYS							
SCs	23 (25%)	40 (27%)	64 (29%)	86 (31%)	79 (31%)	66 (32%)	358 (30%)
STs	33 (36%)	42 (29%)	55 (25%)	59 (21%)	54 (21%)	38 (18%)	281 (23%)
Women	36 (40%)	62 (43%)	104 (48%)	136 (48%)	123 (48%)	105 (50%)	561 (47%)
Total	91	144	216	284	257	209	1201
Average person-days per employed household	43 days	42 days	48 days	54 days	47 days	42 days	--
Budget outlay (in Rs crore)	11300	12000	30000	39100	40100	40000	172500
Expenditure (in Rs crore)	8824	15857	27250	37905	39377	37303	166516
Expenditure on unskilled wages (in Rs crore)	5842	10739	18200	25579	25686	24660	110706
[% of total expenditure]	[66%]	[68%]	[67%]	[67%]	[65%]	[66%]	[66%]
Works taken up (in lakhs)	8.4	17.9	27.8	46.2	51	73.6	146
Works completed	3.9	8.2	12.1	22.6	25.9	14.3	87

Source: NREGS report on performance of the scheme (2006-2012)

The scheme benefited a maximum of 5 crore people which indicates the greatness of world's biggest social employment and empowerment scheme. Further, 1200 person days work has been assigned during the period. Among the beneficiaries who have taken part in the scheme, it was observed that scheduled castes and tribes were comparatively high in number. Further, the scheme provided a huge benefit to the unemployed and unskilled women. Maximum of 48% of the women were benefited

by the scheme. The scheme succeeded in providing a maximum of 54 average person working days. Further, when it comes to works taken up so far, it is observed that 1.46 crore works have been taken up out of which a total of 87 lakhs of work has been completed. It shows that the success rate of completion of work is 59.6%. The scheme was granted an outlay of Rs. 172500 crores of which Rs. 110706 crores were spent as the wages for unskilled labour.

Results and Discussion of the Empirical Study

The sample consists of 46% men and 54% women with a mean age of 40.4 years. Majority of them (70%) have studied up to SSC followed by illiterates (30%). Half of

the respondents are in the income group of Rs. 25000 to 50000 followed by 30% of the respondents in the income group of Rs. 50000 to Rs. 75,000 and 20% are earning in the range of Rs. 75000 to Rs. 1,00,000.

Table 3: Resource Mobilisation through MGNREGS

House Hold Amenities	Number of beneficiaries		Worth of Amenities/Assets (Rs)
	Before Joining	After Joining	
Electricity	50	100	25000
Toilet	36	100	32000
Drinking water	18	100	201000
Fan	56	100	22000
Grinder	24	76	78000
LPG Connection	62	100	95000
Television	52	84	160000
Cell Phone	58	80	22000
Bicycle	90	90	-
Motor Cycle	32	50	630000
Total worth of assets/Amenities (Appx)			1245000

(Compiled from Primary data)

The average annual income is calculated at Rs. 54000. The total wage amount received by the respondents is Rs. 755200 the average wage being Rs. 7552. The classification of beneficiaries as per the caste indicates that BC, SC and ST benefited majorly from the scheme with 42, 36 and 20 percentages respectively.

Majority of the beneficiaries in the scheme (88%) are more burdened with 3 to more than 5 dependents and remaining 18% with 1 to 2 dependents. Fifty-two percent of them live in own house and 48% in rented house. The scheme is very popular among the jobless as 62% of the respondents indicate that 1 to 2 members of the family work in the scheme and remaining respondents mentioned the number as 3 to 5.

Table 3 indicates the response of the beneficiaries regarding the amenities and household articles which they could create with the help of the scheme. They could create assets nearly worth Rs. 1245000 which is certainly a sign of progress. Though the beneficiaries have been getting small amounts in terms of wages, the continuous employment guaranteed them a regular income. When the income is regular, there is a great scope for economic

planning with the help of which people can plan for the creation of assets, household amenities and repayment of debts. The effectiveness of the scheme lies in its providing a regular source of income.

Conclusion

The MGNREGA has given rise to the largest employment programme in human history and is unlike any other wage employment programme in its scale, architecture and thrust. Its bottom-up, people centred, demand-driven, self-selecting, and rights-based design is distinct and unprecedented. Though the scheme is laudable for its effects, lack of proper implementation and failure in monitoring the scheme has created a problem in achieving the goal of providing guaranteed employment for common man. Though the Government has taken many initiatives for increasing transparency, accountability and administrative management of the scheme, the challenges still persists. If the anomalies are removed, the scheme has potential to alleviate poverty in rural areas besides creating long term natural assets for sustainable development of the country. Effective improvement in the execution and initiating new development in terms of

monitoring, enhancing the benefits to wider sections will further strengthen the scheme to provide happiness and welfare of 'Common Man'.

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