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### Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in district Kupwara of Jammu & Kashmir (J&K)

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**Abstract:** The development policy of our country lays focus on providing development opportunities to everyone. This can be achieved by curbing all sorts of disparities – social, economic & regional- and by empowering the poor and the disadvantaged sections of our society. This would make the whole process more inclusive. MGNREGA works in this very backdrop. This paper seeks to review the progress of the scheme in Kupwara district of J&K. To review the performance of MGNREGA, a survey was conducted using schedule.

**Keywords:** MGNREGA, Poverty-alleviation, Employment, Rural, Inclusive growth.

#### INTRODUCTION

MGNREGA is the flagship anti-poverty programme of Government of India. Launched in 2005, it was earlier called as NREGA but was later renamed as MGNREGA by Amendment number 46 of 2006. MGNREGA addresses the issue of social security in rural India. MGNREGA is an attempt of the Indian government to promote pro-poor growth of the Indian economy (Hirway, 2006). Wage employment programs are widely seen as tools of development not only because of their ability to alleviate poverty but also because of their inherent propensity to use surplus manpower in a strategic way in order to promote pro-poor growth for achieving sustainable development (Tinbergen, 1994). MGNREGA seeks to combat poverty not only by generating employment but also by creating durable assets through the various projects (Ulvin, 2011). The underlying rationale for the scheme is that despite the surge in Indian economy over the past few decades, its social protection system does not match the needs of its vulnerable population (World Bank, 2011c). The ability/ potential of MGNREGA to rein in corruption sets it apart from the earlier poverty alleviation/ employment generation schemes (Dreze et al, 2008). The troubled rural economy can be revived by means of the “big push” that MGNREGA is capable of giving (Shah, 2007). MGNREGA is often counted as a shining

example of direct intervention that can lead to poverty eradication. Economists & social scientists point towards the instrumentality of MGNREGA in removing poverty by ensuring guaranteed minimum wages. The provision of having country wide wage rate guaranteed by MGNREGA has provided a definite answer to the debate on feasibility of having a nationwide minimum wage (Sankaran, 2011). An increase in income from MGNREGA leads to socio economic development. Azhagaiah and Radhika (2014) conducted a study titled “Impact of MGNREGA on the Economic well-being of Unskilled Workers : Evidence from Puducherry Region”, and found out that MGNREGA had a significant positive relation with such determinants of socio-economic development as children’s education, savings as well as spending more for family.

### MGNREGA

MGNREGA is an actualization of the dream of “right to work” that our Constitution foresaw and embedded in Article 41 of the Indian Constitution<sup>1</sup>. The goal of MGNREGA is “to foster conditions for inclusive growth ranging from basic wage security and recharging rural economy to a transformative empowerment of democracy” (Ministry of Rural Development, 2008). Using this definition as a reference point, four main objectives of the Act can be identified – 1) reduction of poverty, 2) encouraging sustainable development in agriculture sector, 3) creating new opportunities of sustainable rural development and, 4) furthering both transparency and accountability governance structure of rural India (Ulvin, 2011).

More than eleven years have passed since the Act came into force, so it is only apt to look into its functioning. Apart from providing unprecedented employment opportunity to the rural populace, it has turned out to be a major source for development of sustainable assets (NREGA Monitoring Report on Status in Chhattisgarh). The success stories abound despite the loopholes. Creation of assets like schools, roads etc. are bringing about a positive change in the lives of people. A study conducted by Naomi Jacob (2008) in Villupuram district of Tamil Nadu has shown that the roads constructed in the area under MGNREGA have helped in the development of the region. It is not just the community level benefits that are worth mentioning; the gains made at the individual level are no less important. Employment Guarantee programs/schemes are known for their impact on the beneficiaries.

A study undertaken in Bangarposi by National Federation of Indian Women (2008) found out that one of the many positive impact of the program was that 80% of the respondents found Employment Guarantee Act are useful not just for asset creation but also for economic gains. On an individual level, MGNREGA is known to increase not just consumption but also savings. Beneficiaries in Gulbarga district of Karnataka reported the positive impact that the scheme brought to their household income (Jaffer, 2008). The same study had some beneficiaries stating that close to about 50% of the income that they had earned under MGNREGA was set aside for savings either at home or at banks.

MGNREGA also addresses seasonal employment and the consequential distress migration (Sameeksha 2). MGNREGA has proved instrumental in reducing migration if not eliminating it altogether as noted down by Joshi & Singh (2008) in their study conducted in Rajasthan. Apart from the economic boost that MGNREGA provides to the rural economy, it is also responsible for increasing the confidence of the rural labour especially women who earlier faced stigma in leaving their villages in search of work (Roy, 2009). In rural households, the earnings are usually low and irregular. The income provided by MGNREGA is substantial and is used to supplement the other sources of household income (Nair *et al.*, 2009). MGNREGA is also associated with “multiplier effect”<sup>2</sup> that was particularly evident during the recessionary phase of

2009. This was possible as MGNREGA put money in the hands of those people in the society who had the highest mpc i.e., marginal propensity to consume (Shah, 2009). Also important to note is the impact that it had on one of the weakest sections of our society i.e., women. MGNREGA not just sent the confidence soaring among the rural women workers but also lead to the strengthening of their position in the labour market (Poonia, 2012). Another important aspect of MGNREGA is that it enables the beneficiaries to break free from the clutches of the unscrupulous money lenders (Singh, P.K, 2007).

MGNREGA works also have an important impact on Irrigation, Cropping Patterns and Crop yields. As per a study conducted by Indian Institute of Sciences (2013), MGNREGA in states of Andhra Pradesh, Madhya Pradesh, Rajasthan and Karnataka had led to significant improvements in levels of groundwater. The construction of wells, under MGNREGA works, helps in the improvement of irrigation. This helps in increasing the yield of crops (Aggarwal *et al.*, 2012).

### **OBJECTIVES**

1. To assess the level of performance of MGNREGA in Kupwara district
2. To identify if beneficiaries face any sort of harassment at the hands of the officials.

### **METHODOLOGY**

A survey was conducted using a Schedule. Sampling was done using multi-stage random sampling. In the first stage, 2 tehsils were randomly chosen out of a total of a total of 15 tehsils of Kupwara district. These 2 tehsils are Kupwara and Handwara. The second stage involved random selection of 3 blocks from a total of 24 blocks – Kupwara, Ramhal and Langate. In the last stage, three panchayats were randomly chosen from each of these blocks. Finally 150 beneficiaries were chosen at random from the selected blocks.

### **ANALYSIS**

Implementation of MGNREGA is carried out by using parameters like availability of job card, number of days taken for job allocation. Timely wage payment, average number of days of employment, harassment by officials, mode of wage payment, worksite facilities. These parameters were chosen as these have been clearly underlined in the provisions of the Act.

#### **Demographic Data**

The demographic characteristics of the beneficiaries have a great impact on the working of MGNREGA. These characteristics have been represented through social category, family size, occupation, monthly family income, education, ownership of agricultural land, size of land, owing debt and size of debt. The maximum number of beneficiaries, about 93%, belonged to General Category, followed by OBC, ST and SC respectively. This shows that contradictory to popular belief MGNREGA is not just meant for OBCs, STs and SCs but encourages participation from everybody in rural areas that is in need of employment. The maximum number of beneficiaries had a family of 5 or more members thereby indicating large family size of the beneficiaries which explains the need for additional income. Farming is the predominant occupation of the beneficiaries followed by unemployed people. This shows that the farm income of these people is inadequate for their sustenance. Also indicating that MGNREGA has successfully managed to draw

unemployed people towards it; thereby emerging as a source of income for all those who do not have any other means of earning livelihood. The maximum number of beneficiaries had a monthly family income less than 5000 rupees which they tend to supplement through wages earned from MGNREGA. Only about 9% had a monthly income greater than 11000 rupees. Only about 8% of the population has completed middle school education. 66.7% of the beneficiaries possess agricultural land; 1-5 kanals (1kanal= 1/8<sup>th</sup> of an acre) being the size of land for the largest percentage of respondents (30%). At the same time, about 40% of the beneficiaries owe debt; largely in the bracket of 1000-5000 rupees.

### Job Card Details & Other Documents

Job card is an important document that entitles the holder to a job under MGNREGA. So ownership of job card is an important indication of the transparency in the whole process.

**Table 1**  
**Do you own a job card?**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Yes	150	100.0	100.0	100.0

Table 1 shows that 100% of the respondents owned job card indicating that the primary criteria for getting job is met in the area.

**Table 2**  
**Documents needed for MGNREGA**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Aadhar Card	42	28.0	28.0	28.0
	Ration Card	72	48.0	48.0	76.0
	Bank account details	36	24.0	24.0	100.0
	Total	150	100.0	100.0	

About 48% of the sample has used Ration Card for attaining job card. Table 2 shows that Ration card continues to be the most popular document for identity verification. Further efforts by government can lead to investigation of the reason as to why ration card enjoys such popularity which supersedes Aadhar card.

### Job and Employment Details

**Table 3**  
**Number of days taken for job allocation**

	<i>Days</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	0-15	95	63.3	63.3	63.3
	15-30	31	20.7	20.7	84.0
	30-45	12	8.0	8.0	92.0
	>45	12	8.0	8.0	100.0
	Total	150	100.0	100.0	

Table 3 indicates that maximum number of respondents got job within 15 days which is a positive indicator considering the fact that the Act guarantees work within 15 days of making an application for work.

**Table 4**  
**Do you get paid on time?**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Yes	84	56.0	56.0	56.0
	No	66	44.0	44.0	100.0
	Total	150	100.0	100.0	

Table 4 shows that about 56% of the population indicated that they get paid timely. Since a sizable section of the sample i.e., about 44% indicated that they don't get paid on time, further research work should be undertaken to investigate why such a large percentage does not get paid on time.

**Table 5**  
**Average number of days of employment**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	<50	18	12.0	12.0	12.0
	50-100	46	30.7	30.7	42.7
	100	71	47.3	47.3	90.0
	>100	15	10.0	10.0	100.0
	Total	150	100.0	100.0	

Table 5 shows that only about 47.3% of the sample indicated that they got job for an average of 100 days; followed by 30.7% of the sample that indicated they got job for an average off 50-100 days. These numbers indicate that there is scope for further improvement so that more & more beneficiaries get employment for an average of 100 days in a year.

**Table 6**  
**Mode of wage payment**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Cash	36	24.0	24.0	24.0
	Bank	91	60.7	60.7	84.7
	Post Office	23	15.3	15.3	100.0
	Total	150	100.0	100.0	

Table 6 shows that payment of wages takes place primarily through banks. The Act mandates that payment be made either through banks or post office accounts; in this respect, more & more people need to be made aware of the benefits of post office accounts.

**Worksite facilities**

**Table 7**  
**Worksite facilities - Drinking Water**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	No	31	20.7	20.7	20.7
	Yes	119	79.3	79.3	100.0
	Total	150	100.0	100.0	

**Table 8**  
**Worksite facilities - First Aid**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	No	150	100.0	100.0	100.0

**Table 9**  
**Worksite facilities – Creche**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	No	150	100.0	100.0	100.0

**Table 10**  
**Worksite facilities – Shade**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	No	148	98.7	98.7	98.7
	Yes	2	1.3	1.3	100.0
	Total	150	100.0	100.0	

The Act clearly mentions the facilities which should be made available at the worksite for the benefit of the labourers. These include facilities for drinking water, first aid, crèche and shade. However, Tables 7- 10 show that it is only the drinking water which is widely available. All other facilities are markedly absent.

**Harassment by Officials**

**Table 11**  
**Have you ever faced harassment by officials?**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Yes	49	32.7	32.7	32.7
	No	101	67.3	67.3	100.0
	Total	150	100.0	100.0	

The success of a scheme depends on the extent to which it curbs corruption. Any sort of harassment indicates that the scheme still needs improvement. Table 11 shows that about 32.7% of the sample indicated that they have suffered harassment in one form or the other. This percentage needs to be brought down so that the whole system is transparent & corruption free.

**Table 12**  
**If yes, please specify**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Bribery	21	14.0	14.0	14.0
	Underpayment	26	17.3	17.3	31.3
	Forced overtime	6	4.0	4.0	35.3
	Not Applicable	97	64.7	64.7	100.0
	Total	150	100.0	100.0	

Table 12 indicates that underpayment seems to be the dominant problem with about 17.3% of the sample having fallen victim to this, followed by 14% having to pay bribes. The government needs to plug in these holes by coming up with more effective measures.

## CONCLUSION

It has been observed that MGNREGA is well implemented in the region. However, it also suffers from some drawbacks mainly underpayment of wages and lack of worksite facilities. The government needs to look into these aspects of the scheme and overcome these limitations. It is recommended the officials concerned be made to undergo training regarding the scheme so that they understand the objectives of the scheme and avoid any sort of malpractice.

## NOTES

1. Article 41 states that the State should strive to make provisions for securing right to work.
2. Multiplier effect refers to the process of demand creation. By putting tax-free money in the hands of labourers, MGNREGA enables them to use their newfound purchasing power to buy more goods. This demand creation leads to a cycle of production, employment and demand.

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