

MGNREGA scheme to reduce poverty and empower women

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Abstract

The NREGA legislation was passed in 2005 by the parliament of India but later due to its shortcomings and the problems faced by the rural poor, MGNREGA was enacted. It is a scheme that covers about 200 districts and spends hugely, about 40,000 crores to provide work to the rural poor. MGNREGA has made a positive impact in terms of income and livelihoods of the most vulnerable households. Not only has it helped women in terms of giving them employment but has also empowered them by giving them a means to earn a living and having a say in the decision-making process in the household.

Keywords: NREGA, MGNREGA, women, poverty

Introduction

The parliament of India passed the legislation of the National Rural Employment Guarantee Act (NREGA) in 2005 which was later renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The MGNREGA is largely funded by the central government and is implemented in all states and it creates a justiciable 'right to work' for all households in rural India (Reetika Khera, Nandini Nayak, 2009).

Under MGNREGA, rural households are provided with 100 days of unskilled work in a year. The NREGA was enacted in 2005 because many activists and academicians highlighted the problems faced by rural poor in India related to food crisis and availability of work. Under MGNREGA, the local administration is bound to provide work on demand to any worker or group of workers who apply for work, within 15 days of receipt of a work application on public works operated under the MGNREGA (Reetika Khera, Nandini

Nayak, 2009). Other objectives of MGNREGA include strengthening the resource base of the poor and strengthening the Panchayati Raj Institutions (PRIs).

MGNREGA: coverage and expenditure

Talking about its coverage the scheme was initially implemented in 200 rural districts in its first phase of implementation i.e. in 2006-07. Then in 2007-08 130 more districts were included. And then from 1st April 2008 MGNREGA was implemented in the remaining districts.

Regarding the expenditure of the scheme, the scheme has an annual expenditure of rupees 40,000 crore (\$6.7 billion) and is the biggest public works program in the world (MGNREGA Sameeksha II, UNDP, 2015). The scheme directly focuses on people who are the ultimate stakeholders and not on the administration.

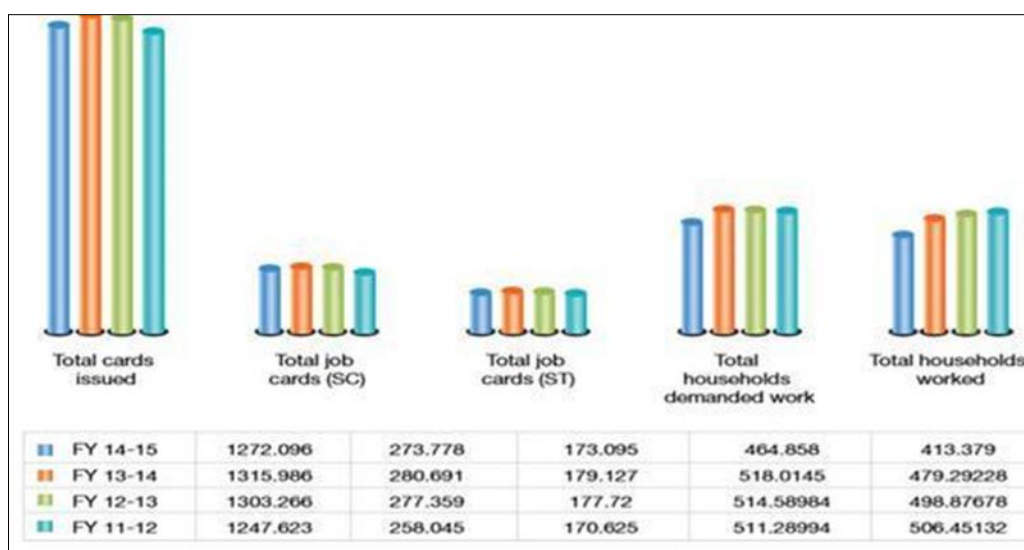


Fig 1: An overview of performance of MGNREGA on demand as on May 2015

SOURCE: MGNREGA Sameeksha II, UNDP, 2015

Now we look at MGNREGA in terms of entitlement to the rural poor and its impact on livelihood security. Under

MGNREGA the right to work is identified as a justiciable right with its very basic rule of providing 100 days of guaranteed employment. We look at whether MGNREGA

has been able to rightly target the poor, and if so, then how has it made an impact on income and livelihood security of these people.

Although there have been gaps in the implementation of MGNREGA, it has been successful in providing work to a number of rural households.

All India	Cumulative No. of HH provided employment	No. of HH working under NREGA during the reporting month (Crores)	LB: Projected Person-days up to the month (Crores)	Cumulative Persondays generated					Cumulative No. of HH completed 100 days	No. of HH which are beneficiary of land reform/IAI	No. of Disabled beneficiary individuals
				SCs	STs	Others	Total	Women			
2012-2013	4.9	1.8	27.27	51.20 crore	410,010,688	138 crore	2,304,767,361	1,182,334,148	5,173,796	2,389,185	455,307
2013-2014	4.7	1.9	25.03	50.27 crore	386,158,956	131 crore	22,035,58688	1,163,972,569	4,659,447	2,426,497	486,496
2014-2015	4.1	1.2	48.70	37.09 crore	2,820,08051	100 crore	1,658,812,264	910,076,650	2,476,121	2,218,379	410,692

Fig 2: Cards issued over the last three years under MGNREGS (2012-15)

SOURCE: MGNREGA Sameeksha II, UNDP, 2015

In a paper by Joshi, Desai, Vanneman and Dubey (2014) [1], key findings suggest that poor households who have a low asset base are more likely to participate in MGNREGS. The study included 27,579 households and from each household at least one individual was surveyed. The survey found that there lies a negative relation between participation in MGNREGA and education, that is to say that people will participate less in MGNREGA the more educated they are. The authors have used this result to show that MGNREGA actually targeted the poor and exposed. The results showed that the scheme targeted the SCs and STs well.

One might ask that if MGNREGA was to be implemented in a way that it targeted a particular group then will that improve its targeting. the answer would be no, because the poor and marginalized are spread across the country in many parts with most of the poor living outside the poorest districts and hence limiting MGNREGA to the poorest districts would not be productive (MGNREGA Sameeksha II, UNDP, 2015).

By analyzing the national sample survey data for 2009-10 (66th NSSO round), one finds that the demand for MGNREGA work was the highest in the poorest states but at the same time these poorest states has the highest cases of unmet demand, even though these are the states that are the most in need of work (MGNREGA Sameeksha II, UNDP, 2015). Studies conducted in Bihar to find the potential of MGNREGS to reduce poverty have shown that MGNREGA has the potential to reduce poverty and reach the poor and deprived. In a study conducted on 3000 households in Bihar, author [2] saw that MGNREGS had the potential to reduce poverty in Bihar and the scheme is reaching the poor. Also if the scheme is implemented ideally then it will result in bringing down poverty rates by 14% or more (MGNREGA Sameeksha II, UNDP, 2015).

MGNREGA and Livelihoods

Looking upon how MGNREGA has made an impact on the income and lives of the rural poor and the vulnerable households. Poor households have been able to earn a constant flow of income in the peak agricultural season and in the lean season. In a study conducted by Klonner and Oldiges (2013, 2014) [3] in two districts, they found that there were no significant differences among rural households and the vulnerable households experienced large effects on

consumption and consumption-based poverty measures for lean agricultural season. This shows that the scheme helped in smoothening out consumption for these poor households. This further shows that the scheme is successful in reducing the consumption risk that the poor households face due to seasonal drop in income and hence in consumption, and it has successfully been able to increase the consumption level of these households.

Hence from these findings we can say that the act has successfully achieved its goal of reaching out to the most vulnerable and improving the livelihood of poor households. Similar findings can be found in paper by Ravi and Engler (2009) [4] and Liu and Deninger (2013) [5]. The rural households use MGNREGS as a safety net rather than viewing it as an alternative form of employment. When MGNREGS are used as a safety net then that affects the cropping decision of households and it also affects alternative employment. Studies have shown that MGNREGA work on individual beneficiaries' lands have had a significant impact on improving the quality of their land and generating extra income. And at the same time it has also aided small and marginal farmers in moving to dual and multi-cropping and in creating alternative sources of livelihood for households (MGNREGA Sameeksha II, UNDP, 2015).

Viewing all this, one can say that MGNREGA has contributed in increasing incomes and has also helped poor households in maintaining a constant income and hence has an impact on their livelihood.

Having looked at how MGNREGA has affected economic indicators, we now look at how it affects Human Development Indicators. Some studies provide a snapshot view of how MGNREGS affects the livelihood security of poor household workers. In their paper Ravi and Engler (2015) studied the impact of MGNREGA on poor rural households in terms of food security, savings and health outcomes. The study included a panel data of 1064 households from Andhra Pradesh. The key findings of the research indicate that monthly per-capita expenditure on food and non-food items increased significantly after MGNREGA. It further reduced the number of meals foregone and increased savings of households. Studies have suggested that although MGNREGA did not help much in improving the past deficiencies in health but it helped in offsetting the

current drought shocks (MGNREGA Sameeksha II, UNDP, 2015). In another study by Islam and Sivasansaran (2014) ¹⁶ results suggest that if the adult members of the household work in mgnregs then that lead to a reduction in child labor and have a positive impact on a child's schooling.

MGNREGA has benefitted women and has recognized the role of gender empowerment and equality. It is far different as compared to other public work programs because it is gender sensitive in its formulation. Unlike other public work programs where the sites are unfriendly towards women. MGNREGA recognizes that women also have an equal right to get access to work, get an equal pay as male workers and have representation in decision making. States like Tamil Nadu have gender and disability friendly SORs the participation of elderly in MGNREGA has also been impressive (MGNREGA Sameeksha II, UNDP, 2015).

We'll now look at how MGNREGA has contributed towards women participation and has changed their economic life and decision making power. According to MGNREGA reports, women's participation was about 54.86% till May 2015 with states like Kerala, Goa and Tamil-Nadu performing well and states like Uttar Pradesh, Jammu & Kashmir and North-Eastern states being the worst performers. But one cannot be sure about change in decision making power with just higher women's participation. It can be seen that states with lower women participation are states that have low female literacy levels and skewed sex ratios. It is also seen that there is a high correlation of female literacy rates and better sex ratios with female participation rates in MGNREGS.

Now we look at how MGNREGA has led to a change in market wage rate for women and what are the conditions of the worksites. Under MGNREGA men and women are entitled to equal wages and this works as the basis for gender empowerment. MGNREGA has been able to achieve equality of wages for men and women but still different states have different wage rates. Generally in the fastest urbanizing blocks of a particular area the wages that the workers get from private employers and contractors are higher as compared to the wages that they get under MGNREGA. It has been observed that in these areas the women prefer to work under MGNREGA while the men work with the private employers and contractors. A study by Pellissery and Jalan (2011) shows that since MGNREGA provide a constant source of income and also a small sum of money so it gives women a sense of empowerment because they do not have to borrow money from the male members of the household and also they get to work in the social spaces (MGNREGA Sameeksha II, UNDP, 2015).

Feminists often link gender and poverty and use a term called "Feminization of poverty". UNIFEM describes it as "the burden of poverty borne by women, especially in developing countries". It is often argued that women work in MGNREGA so that they get at least partial empowerment, this might be true for elderly men who cannot do much work because of their physical strength and may want a small amount of cash for their day-to-day activities. Under MGNREGA decent work conditions are provided for the women on the work sites but the condition is not the same in all the states. Different states have different implementations which need to be done more uniformly.

In a study by Bhattacharya and Vaquoline (2013) on the women workers in Assam the results show that work conditions like child-care still continue to be a problem (MGNREGA Sameeksha II, UNDP, 2015). Although the

women reported better decision making, they faced problems at the worksites which need to be addressed. MGNREGA has also helped women in the sense that they have gained economic empowerment and financial inclusion which are important for gender empowerment and equality. Under the MGNREGA scheme women workers have their own bank accounts in their individual names and sometimes in joint names as well. Steps like these show that women are more satisfied because now they are able to decide how to spend their income and now they can spend their income on themselves and their children. But the question still remains that do having access to bank accounts in their own name leads to a change in access to finance and change in the decision making power of the women as well as the consumption pattern of the household. One of the gaps that still remain in MGNREGA is that women participate less in the planning process. Less participation of women in the planning process means that women are considered as only laboring hands on the worksites. Self help groups (SHGs) play a key role in participation of women in MGNREGA especially in the southern states of India.

Some southern states have highly active SHGs. The famous scheme of Kadumbashree in Kerala is a work of the SHGs. SHGs help in higher participation of women in MGNREGA and they also help women in improving their economic life. But still there are problems that need to be addressed like difficulties that the women face at the worksites and difficulties faced by women headed households because they do not easily get a job card issued in their name. Proper facilities for childcare need to be provided for the women so that they can work stress free at the worksites. Women need to participate more in the gram sabha so that they contribute to the decision making, need to participate more in the planning process like ownership of completing works and selection of works.

But the paid employment under MGNREGA has to a great extent transformed the position of women in their household. In their paper Ashok Pankaj and Rukmini Tankha talk about how the various effects like income-consumption effects and intra-household effects have led to such a change. By income-consumption effect one means that as women start working under MGNREGS their paid income increases and this in turn increases her ability to choose her consumption basket. The paper talks about four districts and in all the four districts women's contribution to household income has increased through MGNREGS and hence they now have to depend less on male members of the house. By intra-household effects we mean the position of the women within the household. Since ages we have seen male dominated households, especially in the rural areas. But after MGNREGS since women earn their own income so they also get a chance to decide upon their earnings. This also means a change in gender relations in the sense that women now have an increased say in the decision making process.

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