
UNIT 25 SMALL FARMERS DISTRESS AND MGNREGA

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25.0 OBJECTIVES

After going through this unit, you will be able to:

- outline the issue of small farmers' distress in terms of its major elements/dimensions;
- describe the implementation process of NREGA with a focus on its critical aspects;
- assess the status of NREGA based on the five years of experience in implementation;
- state the 'new initiatives' introduced to NREGA/MGNREGA in 2009-10; and
- explain the concept of 'convergence' in MGNREGA and initiatives/progress made under this approach so far.

25.1 INTRODUCTION

As we noted in the previous unit in section 24.2.1, at the prevailing daily wage rate for manual labour in 2004-05, it was necessary for at least three members of an agricultural labour household to get employment for more than 200 days in a year in order to maintain itself above the poverty level. We also noted that since in reality it is difficult for many households to get this much employment, the poverty level in rural households is still high. Owing to this, again as we have noted in the previous units, the ground

reality continues to reveal disturbing trends. For instance, as we saw in unit 19, while the availability of foodgrains has come down in general (i.e. rural + urban) from about 510 grams in 1990-91 to about 444 grams in 2009, the per capita consumption of foodgrains in rural households has declined relatively more from 373 grams in 1987-88 to 313 grams in 2009-10. Further, besides a continued increase in the proportion of marginal farmers over time (vide Table 24.2), among all the three classes of agricultural households (viz. landless, marginal and small farmers), there is a significant income deficit (to a tune of 20 to 40 percent) to meet their minimum consumption needs (Table 24.3). As a result, the rural households are indebted with the landless/marginal/small farmers segment being more dependent on informal lending sources to meet their minimum consumption needs. More specifically, while in the aggregate close to 50 percent of rural households are indebted, more than 60 percent of landless labour incur debt for meeting their consumption expenditure. The wages paid to rural labour are often far below the statutory minimum wage and are differentiated by gender, location and nature of work/activity. Due to these disturbing trends, the government in its mid-term appraisal of the Tenth Plan (2002-07) raised serious concern on the 'distress' experienced by agricultural labourers and marginal/small farmers. Following this, as noted in unit 22 (section 22.4.2), the government has since taken many steps to mitigate their hardship experienced. One of the notable initiatives of the government in the direction of providing guaranteed wage employment opportunities for rural unskilled manual labour was to enact a legislation (viz. the National Rural Employment Guarantee Act, NREGA) in 2005. The Act guarantees employment at statutory minimum wages for all those persons who sought manual unskilled labour for at least up to 100 days in a year. Subsequent to this, a National Policy for Farmers was announced in 2007 stressing the need for focusing on the 'economic well-being of the farmers, rather than just on production'. An assessment of the implementation of NREGA for its initial years of performance revealed that while there are critical lapses in its implementation, there are also signs of the programme catching up on many fronts. With these insights, the scheme has since been reoriented with many 'new initiatives' introduced to improve its effectiveness. Against this background, the present unit appraises you with the specific features of NREGA, 2005 and the modifications introduced into its rechristened version in 2009 viz. the MGNREGA. The unit then discusses the concept of 'convergence' towards which the efforts of the government in the MGNREGA has since been sought to be dovetailed with those of many other efforts initiated by the government. The progress achieved on the convergence front in terms of the initiatives taken by some state governments is also discussed in the unit.

25.2 NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (NREGA), 2005

The earlier experience of implementing poverty alleviation programmes like IRDP, RLEGP, DPAP, EGS, SGSY, SGRY, etc. had two objectives, one regarded as primary and the other regarded as secondary. The primary objective was to generate wage employment opportunities for the unskilled manual labour and the secondary objective was to generate productive/durable assets as an outcome of works undertaken in those programmes/schemes. While the degree to which the two objectives were achieved have varied, one of the most disconcerting findings of many evaluation studies of such programmes was that due to leakages in the system (e.g. expenditure on administrative machinery, presence of intermediaries and the consequent low wages paid to labourers, engagement of contractors for works, etc.), the actual benefit of increased income from wages received by the beneficiaries was very low. In the light of this experience, one of the priority objectives of NREGA was to institute mechanisms by which not only

such leakages was minimized but the effective payment of wages paid to the workers was the highest. In order to achieve this, two of the specific objectives stated by the Act were to: (i) strengthen the grassroots processes of democracy by infusing transparency and accountability in governance; and (ii) adopt a decentralized approach by according a pivotal role to the PRIs (panchayati raj institutions) in planning, monitoring and implementation. The other objectives of the Act are to: (i) improve the livelihood status of rural poor by strengthening the natural resources management through works that address the causes of chronic poverty like drought, deforestation and soil erosion, and thereby, (iv) encourage the adoption of sustainable development practices through the works undertaken. Thus, what is particularly significant about this Act is that: (i) it is a first programme/Act which is based on the 'right to work' approach; and (ii) it makes significant contribution to the social security of the unorganised workers in the rural areas.

25.2.1 Key Processes in Implementation

The process of implementation of the Act/scheme works in stages as follows.

- 1) **Submission of Names and Issuing of Job Card:** Adult members of rural household can submit details of their name, age, address and photo to the Gram Panchayat (GP). The particulars of job seekers in the applications made are verified by reliable local sources in order that job cards are not issued wrongly. After due enquiry, the GP *registers* and *issue* a job card containing the details and the photograph of the member.
- 2) **Eligibility for Applying for Work:** A registered person becomes eligible to apply for work. Applicants are required to apply for at least 14 continuous days of work. The Panchayat or the Programme Officer accepts valid applications and issue a receipt. Letter of providing work would be sent to the applicant and also displayed at the Panchayat Office.
- 3) **Offer of Employment or Unemployment Allowance:** Employment would be provided within a radius of 5 km within 15 days of receipt of application. While the wage rates may be different for different regions, the per day wage for work provided shall not be less than Rs. 60 per day. The employment provided would be at least 100 days of employment per *household* per year. If work is not provided within this time limit, daily unemployment allowance will be paid to the applicant. If the distance for work offered is more than 5 km, extra wage is paid. The rate of unemployment allowance paid is to be notified by the state government and shall not be less than 25 percent of wages fixed by the state for the first 30 days during a financial year and not less than 50 percent of the wages during the remaining part of the financial year. Further, in the event of inability to disburse the unemployment allowance in time, the programme officer shall report the matter to the district programme coordinator with reasons for the non-payment duly specified.
- 4) **Cost Sharing:** The central and the state governments would share the cost of works initiated under the Act in the ratio of 3:1 i.e. 75 percent by central government and 25 percent by state government.

25.2.2 Unique Features

The objectives of the Act are sought to be served with the processes outlined above. For this, in addition to what follows from the above, certain other unique features of the Act are also facilitating. These are the following.

- 1) **Time Bound Character:** The stipulation of 15 days time limit for offering work and further stipulation of 15 days time limit for payment of wages accords the time bound character to ensure work and payment.
- 2) **Incentive/Disincentive:** In case of failure to provide employment within the stipulated period of 15 days, the payment of unemployment allowance is to be made by the state governments at their own cost. There is thus an incentive and disincentive built into the mechanism of implementation of works.
- 3) **Emphasis on Labour Intensive Work:** The Act prohibits engaging contractors and machinery and thereby emphasizes the undertaking of labour-intensive works. By this, the Act ensures that maximum share of total cost are paid as wages to the beneficiaries. For this, the Act specifies that the material cost of projects, including the wages of skilled and unskilled workers, shall not exceed forty percent of total cost of works.
- 4) **Protection of Women's Rights:** The Act mandates 33 percent of works to be allotted to women job seekers. This is an enabling feature of the Act to ensure higher female work force participation.

25.2.3 Critical Aspects

The ensuring of: (i) payment of correct wages to the actual beneficiaries avoiding misuse; (ii) job cards being given to the actual job seekers; (iii) work being planned for in advance so that within the stipulated time job offers can be made; etc. requires certain critical aspects to be ensured in advance. This is achieved in the following manner.

- 1) **Advance Planning:** To conserve on time, Gram Sabhas with the help of the Programme Officer are meant to make advance planning for identifying a 'shelf of projects' to be implemented under the Act. These must be made sufficiently in advance prior to employment demand and work allocation.
- 2) **Transparency and Accountability:** Besides the selection of all the works to be undertaken to be made by the Gram Sabha, there is a further stipulation that at least half of the works should be run by the Gram Sabhas. The list of works finalized should be displayed openly to ensure public choice and are as per the norm of wage-material ratio (i.e. 60 : 40) and that the works are non-contractor-based.
- 3) **Muster Rolls of Cardholders at Work Site:** To prevent contractor-led works and concocted work records, muster rolls of cardholders are required to be maintained at each work site. These are to be available for public scrutiny and used for 'measurement of work' to ensure payments are made at the prescribed rates.
- 4) **Payment of Wages:** In order to ensure correct payment to the actual beneficiaries, the Act mandates payment of wages through banks and post offices. This is also meant to close avenues for use of contractors, avoid under-payment of wages and remove corruption.
- 5) **Facilitating Engagement of Women:** The Act specifies establishment of facilities at work sites like 'shades for children' and 'where the number of children below the age of six accompanying women workers are five or more' provision to be made to depute one such woman worker, with paid wage, to look after the children.

Check Your Progress 1 [answer in about 50 words using the space given]

1) Mention the three empirical indicators which point out towards increasing “small farmers’ distress”.

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2) What was a significant step taken by the government to deal with the issue of “small farmers’ distress” in 2005? What did this action statutorily guarantee?

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3) What are the basic objectives of NREGA, 2005? How are these objectives proposed to be met in its implementation?

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4) In what way is the issue of sustainable development integrated into the basic objective of enhancing the livelihood status of rural poor through NREGA?

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5) State the specific role assigned to the Gram Sabhas in respect of the implementation of jobs/works under NREGA?

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6) What is the stipulation of NREGA on guaranteed work provision and wage payment?

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- 7) What incentive/disincentive has been provisioned to ensure the active involvement of State governments in the implementation process of NREGA?
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- 8) In what way the NREGA ensures that the interest of labourers are protected in terms of work allotment and payment?
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- 9) In what way the NREGA ensures that bogus payment are not made to non-registered and absentee workers?
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- 10) What would you identify as the particularly significant aspect of NREGA, 2005 as compared with the earlier programmes launched with similar objectives?
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25.3 STATUS OF NREGA: A FIVE-YEAR ASSESSMENT

Beginning with a coverage of 200 districts in 2006-07, by the year 2010-11 the programme/NREGA has been extended to cover all the 626 districts in the country. The cumulative total employment provided, measured in million person days, has progressively increased from 905 million in 2006-07 to 2836 million in 2009-10. There was a decline in this respect in 2010-11 with the total million person days of employment generated being 2571.5 million. The person days of employment provided per household also increased from 40 days in 2006-07 to 42 days in 2007-08, 48 days in 2008-09 and 54 days in 2009-10 and declined to 47 days in 2010-11. The average wage per workday has, however, steadily increased from Rs. 65 in 2006-07, to Rs. 75 in 2007-08, Rs. 84 in 2008-09, Rs. 91 in 2009-10 and Rs. 117 in 2010-11. Multiplying the average earning per workday with the person days of employment provided we find that the average earning per participating household from the work in the programme has increased steadily all through the five years. Indeed, with an increase of Rs.5499/- in 2010-11, it amounted to a significant addition to the incomes of the poor households in rural areas when seen from the objective of the programme which is ‘to supplement’ and not ‘substitute’ the main source of employment and incomes of the households

Table 25.1 NREGA: Progress and Performance (2007-2011)Small Farmers Distress
and MGNREGA

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Districts covered	200	330	615	619	626
Employment provided (million person days)	905.0	1435.9	2163.2	2835.9	2571.5
Percentage of women workers	40	43	45	49	48
Employment person days per household	40	42	48	54	47
Average wage per workday (Rs.)	65	75	84	91	117
Income addition (in Rs.) to participating household (rows 5 × 6)	2600	3150	4032	4914	5499
Budget outlay (Rs. billion)	113	120	300	391	412
Expenditure (percent)	73	82	73	68	58
Expenditure on wages (%)	66	68	67	69	72

Source: Papola & Sahu, 2012 (<http://nrega.nic.in/netnarega.mpr>).

and their members. It is particularly noteworthy that the percentage of women workers has not only been above the stipulated level in the Act but has increased steadily over the first four years of implementation of the programme with a slight dip, however, in 2010-11. Also, the works undertaken have had an increasing and larger share of expenditure on wages. These are positive aspects of works implemented under the Act.

The above trends reveal that although the employment provided under the programme to a household was far less than the at least 100 days of work promised by the Act, it has the promise of making a difference to the livelihood levels of poor rural families. An evaluation study on the implementation of the Act in 330 districts of the country up to 2007-08 reveals that massive demand for NREGA work exists [nearly 98 percent persons surveyed expressed the desire to work for at least 100 days]. The actual percentage of persons who were successful in getting employment to the extent of 100 days was only 14. The programme being an open-ended demand-driven programme with no budgetary constraint, the trend on the declining utilisation of available budget over the years 2009-11 (Table 25.1) suggests a lacuna on the front of 'shelf of projects' to be kept ready for implementation. This suggests a relative poor management of village councils (or gram sabhas who are responsible for the implementation of the programme) and the need to focus on improving their ability in this regard. In terms of performance by states, there is large variation in the average number of employment per household across states: 69 days in Rajasthan and 66 days in Andhra Pradesh to 28 days in Bihar and Punjab. More specifically, judged from this yardstick of 'intensity of work provided', taking the national average of 48 days of work per household as a benchmark for comparison, as many as 15 states' average was below this figure. A second yardstick adopted is to compare the 'share of states in person days generated under the programme with their share in rural BPL households'. In this, UP and Bihar emerge as the poor performing states with their employment generated being a good 10 percent less than their share in rural BPL households. As per this yardstick, Rajasthan and AP had performed well.

As mentioned before, elimination of middlemen for assisting the poor people to get jobs for a commission, or reducing corruption and inefficiency in management in general, had been realised as the prime need to be focused upon in NREGA works. The evaluation studies have revealed that weaknesses in implementation of works under NREGA have existed on the fronts of: (i) non-provision of works on demand; (ii) lack of transparency in calculating wages based on schedule of work; (iii) non-payment of minimum wages; (iv) non-payment of wages within the stipulated 15 days time limit; (v) use of contractors despite its prohibition; (vi) non-payment of employment/unemployment allowance; (vii) non-provision of worksite facilities; etc. Cases of ‘fudging’ of muster rolls to ‘sell’ entitlements have also been reported. These are areas in which focused efforts are needed for improving the implementation process of works under the Act.

Despite the above drawbacks on which focused efforts for improvement are needed, field studies to examine the empowerment effects of NREGA on rural women in four states of Bihar, Jharkhand, Rajasthan and Himachal Pradesh has found that women workers have gained from the scheme. The gains have been specifically observed in terms of: (i) income-consumption effect; (ii) intra-household effect; and (iii) enhancement of choice and capability. Other benefits include realization of equal wages balancing the gender discriminatory wages prevalent in the rural labour market. However, it has also been pointed out that as market wages are higher than the NREGA rates, men are not generally available for work in its programmes, and it is mostly women who offer to work in them. Indeed, women have constituted as high as 90 percent of workers in Kerala and 83 percent in Tamil Nadu as against the nationwide average of 48 percent in 2009-10. Notwithstanding this observation, the favourable findings on women employment in NREGA works are by themselves encouraging signals worthy of noting.

Check Your Progress 2 [answer in about 50 words using the space given]

- 1) Over the years 2007-11, what has been the trend in the performance of work under NREGA, in terms of: (i) average days of employment provided to a participating household; and (ii) the average wage per work day?

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- 2) Do you agree that the addition to income of a poor participating household has been able to make a difference to their livelihood status? Why?

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- 3) What percentage of persons seeking employment under NREGA could get work up to 100 days? What can this be attributed to and what needs to be focused upon for improvement on this front?

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4) What has been the extent of variability in the performance of NREGA by states?

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5) Which two states stand out on the extreme ends of relative comparative performance? What are the two yardsticks used for making such a comparison?

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6) Mention the specific areas identified as weak spots in the implementation of works under NREGA.

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7) In what specific respects NREGA has been found favourable for women workers?

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25.4 MGNREGA: NEW INITIATIVES

The government has introduced many new initiatives to make the NREGA programme work in a more transparent and accountable manner. With this in view, it has changed the name of the programme to MGNREGA (dedicating the programme to the memory of the Father of the Nation signifying the commitment for greater transparency and efficiency in the running of the programme) in 2009 and enlarged the scope of work to include ‘provision of irrigation facility, horticulture plantation and land development facilities to land owned by households belonging to SCs and STs and other BPL families, etc. The ceiling on the wages under the Act has been increased to Rs. 100 with a further provision that states willing to pay more than this ceiling may do so with their own funds for the part exceeding the ceiling of Rs. 100. Further, to ensure that wages are paid to the real beneficiaries it has been made mandatory that wage to MGNREGA workers be paid through bank/post-office accounts. Besides strengthening the ‘vigilance and monitoring committees’ at state and district levels, for impact assessment and

concurrent monitoring a Professional Institutional Network (PIN) has been constituted with premier institutes and universities as their members. Studies conducted by PIN reveals that the productivity and multiplier effects of MGNREGA include: (i) improvement in ground water; (ii) improved agricultural productivity and cropping intensity; and (iii) livelihood diversification in rural areas. Some of the other specific initiatives taken are the following.

25.4.1 Complaint Settlement and Facilitation

Guidelines have been issued to states for the appointment of Ombudsman at the district level to help receive complaints from MGNREGA workers and others, consider such complaints and facilitate their disposal in accordance with the law. Such ombudsmen would comprise of well known persons from civil society with experience in public administration, law, academics, social work and management.

25.4.2 Strengthening Social Audit

Recognizing ‘social audits’ as an important tool, the Act has been amended to provide for procedures on conducting social audits. These are aimed at enabling the rural communities to monitor the quality, durability and usefulness of MGNREGA works. During the course of its work, the audit teams are tasked to mobilize awareness and enforcement of the rights of the workers among the people. For easy public access of information collated from such audits, a web site has since been created with data on all critical parameters like job cards, muster rolls, wage payments, number of days of employment provided and works under execution, etc. made available online.

25.4.3 Partnership with UIDA and National Helpline

To facilitate easy bank account opening and eliminate duplicate job cards and ghost beneficiaries, use of ICT (information and communication technology) devices especially biometrics, integration with Unique Identification Development Authority (UIDA) has been established by the MGNREGA. Further, a National Helpline (1800110707) has been set up to enable submission of complaints and queries for the protection of workers’ rights and entitlements under the Act. This is also being ICT-enabled and linked with the state and district level helplines to create a national network of MGNREGA helpline.

Besides the above, two other major initiatives introduced for greater inclusion and spread of MGNREGA activities are: (i) issuing of instructions to all Naxal affected states for implementation of MGNREGA works to intensify ‘awareness generation campaigns’ among rural households and (ii) construction of ‘sewa kendras’ to act as centres for dissemination of knowledge and delivery of public services to rural households. Most importantly, guidelines for ‘convergence’ of MGNREGS (mahatma Gandhi national rural employment guarantee scheme: an alternative name used in literature interchangeably for NREGA/MGNREGA) with different schemes and programmes have been issued. We will know more about this in the next section of the unit.

Check Your Progress 3 [answer in about 50 words using the space given]

- 1) Which two significant initiatives were recently introduced into the MGNREGS that can be identified as steps towards establishing a greater degree of transparency and accountability?

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2) What purpose is sought to be served by the establishment of Professional Institutional Network (PIN) in the MGNREGS? In which three respects do the assessment studies conducted by PIN indicate productivity and multiplier benefits to have accrued from the works undertaken in the MGNREGS?

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3) How is 'complaint settlement and facilitation' sought to be addressed under the new initiatives instituted into the MGNREGS?

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4) What importance is accorded to the conduct of 'Social Audit' under the new initiatives of MGNREGS?

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5) How is the issue of 'duplicate job cards' proposed to be tackled in the MGNREGS works? What specific initiatives have been taken in this regard?

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6) What are the two major initiatives introduced for 'greater inclusion and spread' of MGNREGA programme?

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25.5 CONVERGENCE

With an idea of creating durable assets and strengthening the livelihood resource-base of rural poor, the work undertaken in the MGNREGA is being dovetailed with many other programmes with similar objectives. The concept/scheme of 'convergence'

may, therefore, be defined as ‘adding value to MGNREGA works by enabling planned and coordinated works by public investment in rural areas’. It involves identification and prioritization of needs and preparation of suitable ‘shelf of projects’ with due involvement of all implementation agencies. More specifically, it seeks to optimize multiplier effects of MGNREGA by combining it with the objectives of National Horticultural Mission (NHM), Rashtriya Krishi Vikas Yojana, Bharat Nirman, Watershed Development programmes, etc. For this, the funds available with the PRIs (panchayati raj institutions) from other sources (like National Financial Commission, State Finance Commission, state government departments) under centrally sponsored schemes [like SGSY, backward region grand fund (BRGF), etc.] would be combined with the MGNREGA funds for the construction of durable community assets. The broad objectives of convergence may, therefore, be identified as: (i) add variety into the action plans of other implementing agencies for common purpose; (ii) meet the critical unmet demands of services created by other works so as to facilitate the raising of the productivity levels and thereby the income levels of rural families; (iii) achieve sustainable economic/social returns by transfer of new technologies; and (iv) ensure better returns as an outcome of the cumulative efforts made with similar objectives. With this in view, a total of 115 convergence pilot districts have been identified in 23 states and independent organisations have been instituted with monitoring from National Institute of Rural Development. The expected outcomes of such a convergence action may be identified as follows.

25.5.1 Expected Outcomes

The expected outcomes from the convergent action are the following.

- 1) **Increase in Physical/Social Capital:** The creation of durable assets, besides increasing land productivity, is expected to enhance social capital through collective planning and implementation among different stakeholders by improved management and output.
- 2) **Facilitation of Ecological Synergies:** Activities of afforestation, drought proofing, flood proofing and watershed are expected to add to environmentally sustainable development through natural resource regeneration. They are in turn expected to address issues of ‘climate change’ such as CO₂ emissions, industrial pollution and global warming (vide unit 21, section 21.2.2 and 21.2.4).
- 3) **Facilitate Sustainable Development:** In effect, the achievement of ecological synergy combined with the efforts for creation of durable assets, rural connectivity, productivity enhancement and capacity development would lead to sustainable development.
- 4) **Strengthen Democratic Process:** Convergence awareness and planning at the grassroots level will lead to increased participation of people in project formulation and implementation. This will strengthen the grassroots democratic process in the rural areas.

25.5.2 Progress

Early evidence of MGNREGA convergence mechanisms shows that many states (e.g. MP, WB, Kerala, AP) have taken good initiatives in this direction. For instance, the government of MP has introduced many sub-schemes (e.g. Kapil Dhara irrigation structures, Nandan Phalodyan for horticulture works on private land, Bhum Shilp for ‘farm bunding’ on private land, Vanya for plantation in community waste land, Resham for sericulture in community as well as private land, Nirmal Neer for well and tank

construction for community drinking water, Nirmal Vatika for construction of leaching pit and fruit tree plantation, Meenakshi for pisciculture activities, Sahasradhara for micro-irrigation structures with canals, etc.) for creation of durable assets through MGNREGS works. In WB, a Professional Assistance for Development Action Plan (PRADAN) has been instituted for training local PRI functionaries and district officials for ‘integrated natural resource management’ (INRM). With support from women SHGs (self help groups), MGNREGA activities have been undertaken to create decentralised water bodies as a key component of INRM. A comprehensive plan for 2000 ha area for INRM treatment is made through convergence of MGNREGS, NHM (National Horticultural Mission), etc. In Kerala, MGNREGA is implemented through Kudumbashree, a government sponsored women’s network for poverty reduction. The scheme’s implementation is totally controlled by local governments with each ‘gram panchayat’ having its own model of convergence. In AP, the convergence efforts have been structured through a web-based software for tracking and updating information helpful in monitoring the activities of registration of job seekers, work allocation and execution, payment for work and timely disbursement of unemployment allowance, etc. Special provisions for providing employment throughout the year in specific areas which are drought-stricken and migration-prone have also been made. Early evidence of convergence action captured through a study (ACCESS, 2010), undertaken with support from UNDP, have given evidence that farmers have significantly benefited from the convergence activities in the state.

Convergent action agenda is moving faster in other states like Orissa, Uttarakhand, Maharashtra, Rajasthan and some parts of Northeast. The two major government programmes of National Rural Livelihoods Mission and National Food Security Mission converged with MGNREGA is expected to substantially improve Indian agriculture. This is expected to happen with its potential to contribute towards greening India by its focus on sustainable practices on the one hand and by benefiting the marginal and small farmers directly through convergent action on the other.

Check Your Progress 4 [answer in about 50 words using the space given]

- 1) Define the concept of ‘convergence’ in the context of MGNREGA and agricultural development.

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- 2) State the four broad objectives of ‘convergence’ initiative/scheme.

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- 3) What are the four broad expected outcomes of the ‘convergence’ scheme? Which of them can promote the objectives of sustainable development? How?

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- 4) Which states have taken the lead in implementing the concept of ‘convergence’ so far? What does the early evidence from the evaluation of convergence programme reveal?

25.6 LET US SUM UP

The employment deficit of a large number of rural agricultural labour and marginal and small farmers are provisioned to be tackled by the NREGA/MGNREGA. A demand-driven programme with no financial constraint, the scheme involves many built-in features of transparency and accountability in its implementation. Results of evaluation of NREGA, during the first five years of its implementation, reveal that although there is an increasing trend in the number of days of additional employment accrued to the participating households, the average actual number of days of employment is still below 50, far lower than the at least 100 days of employment promised under the Act. Among the reasons for this poor implementation is the lack of managerial skills on the part of village council by keeping a ‘shelf of approved projects’ ready. This is revealed by the declining percentage of allocated financial budget utilised. Further, the percentage of workers reporting to have received 100 days of employment is low at 14. There is, however, an increasing trend in the number of women beneficiaries, far higher than the one-third minimum ceiling stipulated under the Act. Although this is attributed to the relative higher wage in the market and the resultant reluctance of men to take up jobs under NREGA works, the increased participation of women is a trend which is empowerment oriented. The average wage earned by a participating household, when compared with the average number of days of employment secured, reveals a significant addition to the income of a participating household. In view of this, many evaluators, even while pointing out the many lacunae in NREGA works, have acknowledged that the scheme is by far the best among all the anti-poverty programmes implemented over the last four decades. Moreover, judged from the angle that the Act was meant to ‘supplement’ and not ‘substitute’ the usual other employment avenues, these trends indicate positive outcome from the project. The government has introduced many new initiatives by: (i) enlarging the scope of works to be performed under the Act to include land development activities, (ii) specifying that such activities should especially be undertaken in the land belonging to the SC/ST and BPL households, (iii) increasing the ceiling on wages to be paid to Rs. 100, and most importantly, (iv) announcing a scheme of ‘convergence’ with many other programmes with similar objectives in order to reorient the scheme for the creation of durable assets from the works undertaken under the MGNREGS. The evaluation results of the implementation of the convergence scheme has provided encouraging signals from the point of view of productivity and multiplier effects. Coupled with the efforts being made under the National Food Security Mission and the National Rural Livelihood Mission, and aided by the many institutional mechanisms introduced into the monitoring and implementation process of MGNREGA,

it is expected to make significant contribution to the livelihood status of poor agricultural labour in the country.

25.7 KEY WORDS

- NREGA/MGNREGA/
MGNREGS** : Used interchangeably, the terms refer to the Act and the works performed under the Act or programme aimed at providing guaranteed employment on demand, or an allowance of unemployment if the guaranteed employment is not provided within a period of 15 days time, to any adult person voluntarily seeking work. The Act/programme is a major departure from the earlier many poverty alleviation programmes in that it is right-based and there are built-in provisions for transparency and accountability mechanisms.
- Farmer as per NPF, 2007** : The NPF, 2007 defines a farmer as a person actively engaged in the economic and/or livelihood promotion activities either by growing crops and/or by being engaged in the production of other primary agricultural commodities. It includes persons engaged in activities like - cultivation, agricultural labour, sharecropping, tenancy, poultry and livestock rearing, fishing, beekeeping, gardening, planting, sericulture, vermiculture and agro-forestry. The term also includes tribal families and persons engaged in shifting cultivation and collection, use and sale of minor and non-timber forest produce.
- Convergence** : Refers to ‘adding value to MGNREGA works by enabling planned and coordinated works by public investment in rural areas’. It involves identification and prioritization of needs and preparation of suitable ‘shelf of projects’ with due involvement of all implementation agencies. It dovetails the efforts of NREGA works with similar works initiated under other schemes with a view to generating durable assets for productivity enhancement.

25.8 SUGGESTED BOOKS/REFERENCES FOR FURTHER READING

- 1) ACCESS (2010), *Study on Convergence Monitoring*, Access Development Services, New Delhi.
- 2) Ashok Pankaj, *Right to Work in Rural India: Working of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)*, Sage Publications, New Delhi, 2012.

- 3) K. P. Kannan and Jan Breman (Eds), *The Long Road to Social Security: Assessing the Implementation of National Social Security Initiatives for the Working Poor*, Oxford University Press, New Delhi, 2012.
- 4) National Policy for Farmers 2007, Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India.
- 5) Pankaj Ashok and Rukmini Tankha (2010), Empowerment Effects of the NREGS on Women Workers: Study in Four States', *Economic and Political Weekly*, 24 July 2010, Vol. XLV, No. 30.
- 6) Papola, T. S. and Sahu, P. P. (2012), *Growth and Structure of Employment in India: Long-Term and Post-Reform Performance and the Emerging Challenge*, Institute for Studies in Industrial Development, pp 77-80.
- 7) Suryamani Roul, *Greening India Through MGNREGA – Convergent Action for Benefits Beyond Employment Generation*, Chapter 3, State of India's Livelihoods Report 2010, The 4P Report (ed. Sankar Datta & Vipin Sharma).
- 8) Reetika Khera (ed.), *The Battle for Employment Guarantee*, Oxford University Press, 2011.

25.9 ANSWERS/HINTS FOR CYP EXERCISES

Check Your Progress 1

- 1) See section 25.1 and answer.
- 2) See section 25.1 and answer.
- 3) See section 25.2 and answer.
- 4) See section 25.2 and answer.
- 5) (a) accepting application and issuing a receipt; (b) scrutinising/verifying the particulars in the application, issuing of a job card and sending the offer of work to the applicant; (c) advance planning for preparation of a shelf of projects; and (d) selection of work and actually running at least half of the works.
- 6) See section 25.2.1 and answer.
- 7) See section 25.2.1 and 25.2.2 and answer.
- 8) See section 25.2.2 and answer.
- 9) See section 25.2.3 and answer.

Check Your Progress 2

- 1) See section 25.3 and answer.
- 2) See section 25.3 and answer. The Act aims at 'supplementing'; not 'substituting'.
- 3) See section 25.3 and answer.
- 4) See section 25.3 and answer.
- 5) See section 25.3 and answer.
- 6) See section 25.3 and answer.
- 7) See section 25.3 and answer.

Check Your Progress 3

- 1) See section 25.4 and answer.
- 2) See section 25.4 and answer.
- 3) See section 25.4.1 and answer.
- 4) See section 25.4.2 and answer.
- 5) See section 25.4.3 and answer.
- 6) See section 25.4 last para and answer.

Check Your Progress 4

- 1) See Section 25.5 and answer.
- 2) See Section 25.5 and answer.
- 3) See Section 25.5.1 and answer.
- 4) See Section 25.5.2 and answer.

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