

RURAL POVERTY ALLEVIATION THROUGH MGNREGA - A MACRO STUDY IN SIKKIM

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The paper analyses the district-wise performance of the MGNREGA under different performance indicators in alleviating poverty in the state of Sikkim. There is a gamut of facets of the MGNREGA implementation in Sikkim where its uniqueness can be gauged. The paper tries to capture some noteworthy facets that could represent the essential uniqueness in the implementation of MGNREGA.

The development of rural India is an imperative for inclusive and equitable growth and to unlock the huge potential of the population that is presently trapped in poverty with its associated deprivations. MGNREGA is a flagship programme of Govt. of India which forms the second strand for development of rural areas, the first being the Bharat Nirman Programmes. These programmes typically provide unskilled workers with short-term employment on public works. They provide income transfers to poor households during periods when they suffer on account of absence of opportunities of employment. In areas with

high unemployment rates and under employment, transfer benefits from workfare programmes can prevent poverty from worsening, especially during lean periods. Durable assets that these programmes create have the potential to generate second-round employment benefits as requisite infrastructure is developed. Based on the experience of these programmes the National Rural Employment Guarantee Act (NREGA) was enacted in 2005 to reinforce the commitment towards livelihood security in rural areas. The thrust of the Eleventh Five Year Plan (2007-12) is social inclusion coupled with provision of improved livelihood opportunities. NREGA is conceived as a holistic approach to make the growth more inclusive.

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the most advertised and widely dispersed flagship of the government of India, was carved out of a Statutory Act notified by the Indian Parliament on September 7, 2005.

The main and immediate objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

The above objective is overarched by a set of goals that are embedded in the framework of just social development. This include; a) a strong social safety net for the vulnerable groups by providing a fall back employment source, b) a growth engine for sustainable development

of an agriculture economy through the strengthening the natural resource base of rural livelihood and create durable assets in rural areas, c) empowerment of rural poor through the processes of a right-based law and d) introducing new ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy.

Thus, MGNREGA seems to foster conditions for inclusive growth ranging from basic wage security and recharging rural economy to a transformative empowerment process of democracy.

Objectives and Methodology

This paper seeks to evaluate the performance of MGNREGA in each district of Sikkim from 2006 to 2010 by using various indicators:

To study the comparative analysis of performance of all the districts in Sikkim in the state from 2006 to 2010:

And to identify the uniqueness in the workings of MGNREGA in Sikkim from 2006 to 2010.

The secondary data has been taken from the various official websites of MGNREGA. The data have been taken for the financial year 2006-07 to 2009-10. The comparative study of the performance of all the districts of Sikkim has been measured by using the various indicators like the average number of person-days generated per households in the state; proportion of wage payment through bank account;

proportion of total funds spent to total funds available in the state; proportion of women participation in each scheme; number of works taken up.

MGNREGA Works in Sikkim

Adult members of rural households are required to submit their name, age and address with photo to the Gram Panchayat. The Gram Panchayat registers households after making enquiry and issue a job card which contains the details of adult member enrolled and his/her photo. Registered person can submit an application for work in writing (for at least 14 days of continuous work) either to Panchayat or to Programme officer. The Panchayat/Programme Officer accepts the valid application and a letter containing work details is issued to the job holder. The employment is provided within a radius of 5 km and if it is above 5 km, extra wage will have to be provided to the job holder.

On the basis of the collected data it has been found that four major types of work are executed or implemented in Sikkim under the MGNREGA. More or less they confirm to the list approved by the program guidelines. The types of work are: Water conservation; Irrigation; Water tank; Water storage units; Land development; Playground development; Protection wall; Land terracing; Construction of shed; Plantation and Afforestation; Orange plantation; Orange rejuvenation plantation; Bamboo plantation; Tree

plantation; Teak plantation; Road connectivity; Footpath development; Motor-able road development (Kachcha road)

In Sikkim MGNREGA has been implemented from 2nd February, 2006 in North District, from 1st April, 2007 in South and East District and from 1st April 2008 in the whole state with the objective of providing 100 days of guaranteed unskilled wage employment to each household opting for it. The MGNREGA, a demand- driven scheme has its focus on works relating to water conservation, drought proofing (including afforestation/ tree plantation), land development, flood-control/ protection (including drainage in waterlogged areas) and rural connectivity in terms of all-weather roads.

Till 2010, the MGNREGA has completed 4 years of implementation in the state. This scheme is operational in all the 163 Gram Panchayats of the state. The scheme has been able to put money in the hands of the poorest of the poor on a scale that is unprecedented. During the financial year (2009-2010), a total of 55,000 (out of 80,000) of the rural household (mostly women) participated in the program. The program attracted not only the 20,000 rural poor but also 35,000 APL families.

Wage payment to the tune of 52 crores was released to them during 2009-2010, creating a multiplier effects and stimulating the rural economy. MGNREGA was able to dignify labour work in the villages and provided purchasing power among the rural households. When these poor household spends this additional money, they create a

demand for commodities. The production of these commodities, in turn, creates demand for capital, raw material and workers. In Sikkim this multiplier effect has been reflected in the increased investment in livestock (cows, pigs, poultry etc.) and quality education in rural areas.

The state government has been focusing on the creation of durable assets under MGNREGA. In 2009-2010, the state was able to complete 175 rural footpaths, 132 flood control works, 71 water conservation works, 414 drought proofing and plantation, 89 micro irrigation channels and 148 land development works.

In order to enhance rural water security, the state has initiated new spring-shed development program jointly with People's Science Institute, Dehradun and WWF - India under the banner of MGNREGA Dhara Vikas. The outcomes of the initiative have included the preparation of a "Village Spring Atlas" which could increase in the discharge of the spring water. Pilot Spring-shed Development works were already underway in the villages of Duga, Samduk, Kuluk and Namthang.

In order to ensure transparency, more than 90% of the wage payment is being routed through the 57,000 newly opened bank and post office account. A grievance redressed mechanism has also been established along with transparent material purchase norms and a toll free helpline 7979 is operational.

The muster rolls were also read out in the Gram Sabha during Social Audits conducted by reputed NGOs in all the villages. Sikkim is amongst the few states in the country to complete the Social Audits and Labour Budget planning in all the Gram Panchayats in a time bound manner. Full time professional manpower is now at the village, Block District and State level, greatly improving the administration of the scheme.

The shelf of works to be taken up in the village are proposed by the Gram Sabha, estimation is done by the Block office, technical sanctions are done at the District level and financial sanctions by the Zilla Panchayat. No contractor or middle men are permitted and 100% implementation of work is done by the Gram Panchayat.

MGNREGA has helped in strengthening Panchayat Raj Institution by bringing real democracy to the grassroots, and facilitated the transformation from Contractor Raj to Panchayat Raj. The scheme's implementation has received an unpatrolled public response and about 50,000 rural household are currently participating in this programme.

Performance of MGNREGA in Sikkim

Indicators	2006-2007	2007-2008	2008-2009	2009-2010
District under MGNREGA	North	North, East and South	All districts	All districts
No. of Job cards	4,498	30,907	66,213	69,800
Households employed	4,107	19,787	52,006	54,155
Person days	2,42,000	8,59,000	26,33,591	34,67,000

Person day/household	59	43	51	64
No. of works taken up	159	514	632	2107
% of wage payment through account	0	0	24	87
Wage material ratio	81	68	61	64
Women participation	26%	42%	38%	48%
Total funds available (Crore)	8.32	15.81	49.50	98
Total Expenditure (Crore)	2.69	10.55	38.08	52

Source: Official Websites of MGNREGA, Sikkim

The total Labour Budget for the state for 2009-10 was Rs 75 crores. Sikkim is amongst a few states where 100% implementation is being done by the Gram Panchayat. The average outlay for a GPU is about Rs 45 lakhs annually.

In order to improve the technical management of this program additional technical manpower on contractual basis has been appointed. Amongst the new initiative, Bharat Nirman Rajiv Gandhi Seva Kendra (BNRGSK) at the GPUs level which functions as a MGNREGA village office and Resources Centre will soon be created.

There is facets of the MGNREGA implementation in Sikkim where its uniqueness can be gauged. Here, it has been tried to capture some noteworthy facades in the following paragraphs that could represent the uniqueness in the implementation of MGNREG scheme in Sikkim.

Two very strong facets of the social fabric of Sikkim are: a) just about half the number of total families has women as their main bread earners and b) almost all the families have their own land even though

not very big holdings. More than one third of the farming population possesses irrigation facilities as well.

It is found that unlike other states, planning for MGNREGA works in the state has been demand driven. More than 70% of the sites /project/ sub-scheme has been planned and sanctioned based on the consultations with the community. Of the beneficiaries surveyed, more than 75% reported that they had heard about the site level/ scheme level plans and little less than that number said that they actually took part in the planning process.

It was found that on the average, the Gram Panchayats have been able to provide work within 15 days, as stipulated in the guidelines, to about 3/4th of those who demanded. There are other indicators such as a) implementation of certain transparency safeguard, b) improvement in visibility of result and c) new initiatives employed that stand the state's performance. These are discussed below.

Sikkim could on average achieve 80 days for the wage seekers, with 23% of the household completing 100 days. This is significantly higher than the national achievement of 54 days. On this performance outcome, Rajasthan is ranked 3rd and Andhra Pradesh 4th. Sikkim also scores high on the transparency safeguard front, being the leading state in making the Ombudsman functional, having a universal coverage of social and having a virtual complaint-free implementation.

This scheme has been able to put money in the hands of the poorest of poor on a scale that is unprecedented. During the last financial year 2009-2010, 60% (about 54,000) of the rural household were provided employment. A sum total of Rs 43 crores through wage payment was pumped into rural Sikkim through 57,000 bank and post-office accounts. It created a multiplier effect and stimulated the rural economy. The wage payment of Rs 100 per day's work was given to almost every beneficiary. As per report, 94% of responded that they were earning Rs 100-125/ day and they used to receive the wage in 15-20 days and 60% of the responded had accounts in bank and 40% had accounts in post offices. However a large number of these 40% post office account holders, nearly 32.7% complaint about the delay in receiving the payment. They believed that this delay was due to slow work, lack of adequate liquidity, and poor administration of the post office branches.

It is a well-established economic fact that spending has multiplier effects. When these poor households spend their additional MGNREGA money, they create demand for several commodities. The production of these commodities in turn creates a demand for a raw material and workers. With its current level of coverage and intensity, MGNREGA is increasingly becoming a lifeline of the rural economy in the state.

Transparency Safeguard: The following safeguards have been put in place to ensure transparency in the implementation of MGNREGA:

100% implementation through Gram Panchayats.

57000 bank / post office accounts already opened.

Social Audit of all the 163 Gram Panchayats in all the 4 districts completed.

Complaint Grievance Redressal mechanism established.

MGNREGA toll free helpline7979 is operational on head office for providing help and redressal of complaints.

Sikkim is one of the few states to have no complaints in MoRD online portal.

Ombudsman has been appointed by a committee headed by the Chief Secretary.

Appointment of 163 Gram Rozgar Sahayaks at village level and 23 Technical Assistant at Block level completed.

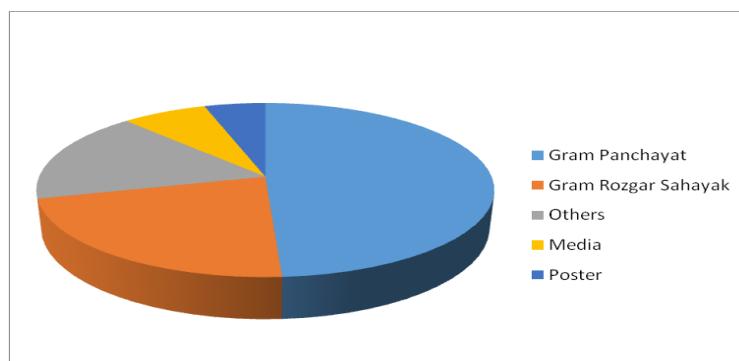
State MGNREGA cell with 6 professionals constituted in November 2009, full time Assistant Program Officer (APO) at block level in January 2010.

Planning of Works: As per the scheme guidelines, the administration prepares the plan in close interaction with community based on the community's demand. This fact has been reflected in the official report as well, where it has been found that 70% of the respondents informed

that planning was done as per the community's demand and they had taken part in plan development at village level.

The state administration has set up an effective communication channel for MGNREGA through a functional helpline. The administration has developed printed information material on MGNREGA for circulation. It is through the government machinery that the village community gets to know about MGNREGA. It has been found that the most important source of knowledge about MGNREGA is Gram Panchayat followed by Gram Rozgar Sahayaks. Such responsive communication has resulted in high awareness level among the beneficiaries. The success in creating awareness is complimented by an effective implementation by the administration.

Sources of MGNREGA Knowledge among the Population



Suggestions for Improvements

i) Empowering Workers – MGNREGA is a right- based statute and its effectiveness lies eventually in the extent to which wage seekers can exercise their choice and assert their rights to claim entitlements under the Act. The issues involved in empowering workers are in the range of enhancement of knowledge levels, development of literacy skills, organizing workers, and enhancing social security levels of workers. Opening savings accounts of workers’ in banks and post offices that has been initiated, needs to be supported on a larger scale so that thrift and small savings can be encouraged among workers. The inclusion of MGNREGA workers under the cover of various life and health insurance schemes will also raise their security thresholds.

ii) Linkages with other Development Programmes – Empowerment of workers and creation of durable assets depend to a great extent on the linkages between MGNREGA and other development programmes. In that way programmes like Indira Awas Yojna, Total Sanitation Campaign etc. should be linked to MGNREGA. In addition, it is recommended that a greater emphasis should be given on convergence with other schemes such as the National Rural Livelihoods Mission, National Rural Health Mission.

iii) Participation of people with disabilities: Special works (projects) must be identified for people with disabilities; and special job cards

must be issued and personnel must be employed to ensure their participation.

v) Utilisation of funds: The study found that a large amount of funds allocated for MGNREGA has remained unutilised. For example, in 2009-10, 53% of the funds remained unutilised. So he it is recommended that the Department of Rural Development should analyse reasons for poor utilisation of funds and take steps to improve the same. In addition, it should initiate action against officers found guilty of misappropriating funds under MGNREGA.

v) Regular monitoring: It is also recommended that the frequency of monitoring by NLMs (National Level Monitors) should increase and appropriate measures should be taken by states based on their recommendations. Additionally, social audits must mandatorily be held every six months. The Committee observes that the performance of MGNREGA is better in states with effective social audit mechanisms.

vi) Training of functionaries: Training and capacity building of elected representatives and other functionaries must be done regularly as it will facilitate their involvement in the efficient implementation of MGNREGA.

Conclusion

MGNREGA was launched in Sikkim in three phases and currently all the districts of the state have been covered under the scheme. In order

to make the “MGNREGA a ray of hope” for the rural people there is a greater need of transparency and full disclosure practices, honesty, dedication, self-motivation punctuality and zero political interference. While implementation remains uneven and patchy across districts, there is evidence to suggest that MGNREGA has contributed to i) increased rural wages everywhere; ii) reduction in distress migration from traditionally migration-intensive areas; iii) greater usage of barren areas for cultivation; and iv) empowerment of the weaker sections and offering them a new sense of identity and bargaining power.

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