

Success of MGNREGA in the Rural West Bengal – A Case Study of Seven Blocks of South 24 Parganas

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Abstract: Employer of Last Resort (ELR) has been used by many governments in different forms. During last few decades, labour forces are being enriched in various ways by applying ELR scheme in developing countries including in India. This paper critically analyses the implementation of MGNREGA programme in South 24 Parganas of West Bengal and how this has helped the labour market in the form ELR. Present study too attempts to analyse the women status, who is working under MGNREGA.

Keywords: MGNREGA, rural empowerment, migration, lag in payment, ELR

1. Introduction

The theme of Employment Guarantee or the government as an employer of last resort (ELR) has been used by many governments in different forms. It started with the Poor Employment Act of 1817 in Britain, New Deal Programmes in USA in the 1930s, Argentina's Plan Jefes y Jefas, Morocco's Promotion Nationale (since 1961). During last few decades' government intervention in the labour market as an employer of the last resort has become an intimate part of labour market policies in many developing countries. This paper focuses on the implementation of MGNREGA programme as an ELR in South 24 Parganas district of West Bengal. It tries to analyse the effect of this programme in the labour market of South 24 Parganas district in creating jobs among the beneficiaries.

Saith (1992), in his article "The Rural Non- Farm Economy: Processes and Policies" viewed that, in developing economies, a high incidence of rural poverty is found to co-exist with a high rate of participation of rural population in non – farm activities.

Lipton (1996) in his discussion paper "Success in Anti Poverty" strongly claimed that higher resources per person go with less poverty and that both go with more human development but, above all, that there is plenty of scope for circumstance and policy to enable a country to succeed in deinking resource scarcity from poverty and poverty from misery. The paper then focuses on identifying the common principles underlying success against poverty in two main policy areas, viz.; programs to enhance the capital (credit) and labor (employment) resources of the poor. A similar type of article by Subbarao (1997) titled "Public Works as an anti Poverty Programme: An Overview of Cross-Country Experience" concluded that, the level of the wage rate is critical in determining the distribution of benefits from the program, as well as how much of the program is targeted towards the poor. Therefore, maintaining the program wage at the level no higher than the ruling market wage for unskilled labor can enable the poor to self – select themselves into the program. He emphasized that the timing and duration of employment determine the nature of benefits offered by the program. In general, more narrowly the program is restricted to operate only during agricultural slack season.

Another article on the effect of NREGS on labour market by Imbert and Papp (2013) titled "Labor Market Effects of Social Programs: Evidences from India's Employment Guarantee" opined that the public sector hiring crowds out private sector work and increases private sector wages. Their calculation shows that the welfare gains to the poor from the equilibrium increase in private sector wages are large in absolute terms and large relative to the gains received solely by programme participants.

The three main features of the MGNREGA make itself different from other EGS in respect of the opportunities it holds for rural household are:

- i. The Act grants for equal wages for men and women which is especially important where women often receive a lower wage than men do even for similar works.
- ii. A hundred days of work is entitled at the household level.

In addition to these three features, there are also provisions such as:

- i. Facilities of childcare at the worksites.
- ii. The condition that the work should preferably be within 5 kilometers of an applicant's residence.
- iii. The operational guidelines also incorporated measures sensitive to gender-related issues (Holmes, et al., 2011), like opening bank accounts for wage payments. Here the recommendation is that the local government should consider joint accounts to avoid crediting earnings solely to the male head of household.

iv. It also recommends that social audits must be suitably scheduled for MGNREGA workers so that women and marginalized communities can participate without constraints.

In the following years since its inception, there is evidence from administrative data that the MGNREGA has indeed drawn a large number of women to worksites. Proofs from field surveys support the idea that the MGNREGA has been inclusive and empowering of women (Dheeraja and Rao, 2010; Pankaj and Tankha, 2009; Sudarshan, 2006).

2. Objectives

- a. To analyse whether the MGNREGA programme sufficiently creates jobs.
- b. To analyse the reason for migration of the labour force.

3. Methodology

The research methodology of the present study is based on two steps:

Data collection – including sampling and questionnaire survey, and

Data processing – through various statistical techniques.

4. Data collection

The sources of data for the present study are primary. Primary data of the present study is collected after proper sampling and questionnaire survey. The present study is intended to cover few blocks of the South 24 Parganas district of West Bengal, India. The selection of these blocks is done through purposive sampling. Out of the 29 blocks in the district of South 24 Parganas 7 blocks (viz; Baruipur, Budge Budge-II, Canning-I, Diamond Harbour-I, Kakdwip, Kulpi and Sonarpur) are selected at random for the present study. Subsequently Gram Panchayats under randomly selected blocks are also selected at random. Then gram sangsads under randomly selected Gram Panchayats are also selected at random. Finally the beneficiaries living in the randomly selected villages are selected at random for the present study. The sampling technique which is used for the present study is multi-staged sampling. In the next step a suitable questionnaire is constructed after a pilot survey to gather data from the beneficiaries on major focus areas as per the objectives. The data of the present study is processed through 'p' test using Probit model.

5. Results and Discussions

Table – 1: Whether job-card Information & lag in Payment of Wages are independent or not:

Test of Independence:

jinfo	lagpmt				Total
	1	2	3	4	
1	109	125	104	18	356
2	4	1	6	1	12
Total	113	126	110	19	368

Pearson chi2 = 4.3788 Pr = 0.223

P-Value of the test is more than 0.05. Therefore Null Hypothesis is accepted which means job card Information and lag in Payment of Wages are independent.

Thus the variables job card information and the lag in payments are dealt separately. First the variable the job card information considered and then the lag in payment of MGNREG wages is viewed.

Variable: job card information:

To analyze the impact of the job card information on the efficiency of the Panchayets, one null hypothesis and one alternate hypothesis is considered and the test statistic is done based on the hypothesis.

Table – 2: Panchayet’s efficiency depending on job card information:

One-sample test of proportion **jcinfofr: Number of obs = 368**

Variable	Mean	Std. Err.	[95% Conf. Interval]	
jcinfofr	.9673913	.0092586	.9492448	.9855378

p = proportion(jcinfofr) **z = 17.9322**

Ho: p = 0.5

Ha: p < 0.5

Ha: p != 0.5

Ha: p > 0.5

Pr(Z < z) = 1.0000

Pr(|Z| > |z|) = 0.0000

Pr(Z > z) = 0.0000

As per the result, the alternate hypothesis (Ha: p < 0.5) is rejected. That means Panchayet provides better and gives more information about the job card.

Variable: lag in payment of MGNREGA wages:

To analyze the impact of the lag in payment of MGNREGA wages on the efficiency of the Panchayets, one null hypothesis and one alternate hypothesis is considered and the test statistic is done based on the hypothesis.

Table – 3: Panchayet’s efficiency depending on lag in payment of MGNREG wages:

One-sample test of proportion **lagpmtpr: Number of obs = 368**

Variable	Mean	Std. Err.	[95% Conf. Interval]	
lagpmtpr	.3070652	.0240457	.2599365	.3541939

p = proportion(lagpmtpr) **z = -7.4023**

Ho: p = 0.5

Ha: p < 0.5

Ha: p != 0.5

Ha: p > 0.5

Pr (Z < z) = 0.0000

Pr (|Z| > |z|) = 0.0000

Pr (Z > z) = 1.0000

The result shows that the Alternate hypothesis (Ha: P < 0.5) is accepted. That means Panchayet failed to pay the MGNREG Wages in one week lag.

Therefore, based on the above observation in the present study it can be opined that the Panchayet has played a positive and active role in providing the beneficiaries about the information of job card. However, so far the lag in payment is considered the Panchayets failed to pay the MGNREG wages in one-week lag.

H₁: The program is not effective in generating sufficient employment in study area.

This particular issue of generating sufficient employment in rural areas may be analyzed in the present study mainly by the variables like ‘average period of working abroad’ (which deals with the migration aspect) and the ‘total number of working days in MGNREG programme’. The success of the MGNREG programme lies in making available more jobs in the local area so that the beneficiaries don’t go anywhere else to find new jobs.

To analyze this aspect first of all the variables ‘average period of working abroad’ and the ‘total number of working days in MGNREG programme’ are dichotomized. The beneficiaries who didn’t migrate at all are valued as ‘1’ (one) and others ‘0’ (zero). In case of the variable total number of working days in MGNREG programme, firstly the mean working days is calculated, which is 72 days in the present study. The beneficiaries who worked greater than or equal to 72 days are marked as ‘1’ (one) and others ‘0’ (zero). Another new variable ‘NREGA success’ is created with a logic that, the beneficiary who got job in the MGNREG programme and didn’t migrate is termed as ‘1’ (one) and others ‘0’ (zero).

The result infers that the overall model is significant because $\text{Prob} > \chi^2 = 0.0000$ (i.e.; LR Test is significant). The variable lag in payment is significant because $p - \text{value} = 0.000$. It indicates that the lag in payment induces the migration of worker from the MGNREG programme.

The first result showed that the present study has a positive migration effect as the beneficiaries from local area in search of new jobs as the programme is insufficient in providing ample jobs to the beneficiaries in the local area. The Probit model suggests that the reason for migration is the lag in payment of MGNREG wages to the beneficiaries.

6. Conclusion

This paper explores the success of the MGNREG Programme. The present study clearly indicates that the MGNREG Programme fails to provide jobs for good number of days to the beneficiaries. The present study also explains that the men and women are not discriminated in respect of getting job and wage payment. Moreover, the present study indicates that the lifestyle of the beneficiaries have increased after working under the MGNREG. Politics appears to play an important role in administrative rationing. The official data is in conformity with the observed data in the present study. Study found that those women economic status improved more better who are working more days away from their home under MGNREGA. The present study established this hypothesis after verifying bank accounts details of concerned beneficiaries. Rural women largely confined to work within household and within their own field but once they work as paid labourer, which empowers women and family status too. This has been established through the present study.

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