



Getting Real on Rural

MGNREGS, Rural Livelihoods, Incomes and Employment

“So that’s the story. Decades of public intervention, however tardy or inefficient, in everything from the provision of food, housing, education and health care to roads, power, and telecommunications and circulatory migration to distant labour markets across the country – i.e., the visible hand of the state combined with the invisible hand of the market – has radically transformed the lives of these villagers in one of the remotest and most backward corners of India. Poverty has not been eliminated. Most of the people we met are still very poor. But the haunting images of extreme deprivation, emaciated and hungry people in tatters I saw everywhere 45 years ago have mercifully disappeared.” Sudipto Mundle, *Live Mint* 2022, makes a brilliant summary of what he saw. He is indeed very real on rural.



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We need to understand what explains the gains as also the continued lack of sustainable and adequate incomes that makes someone earning Rupees twenty-five thousand per month in the top ten percent on income (State of Inequality Report; Niti Aayog; 2022). Just as 1991 marks a watershed in moving up the economic growth trend, 2005-06 onwards, social development indicators show improved performance, quality and learning outcome challenges notwithstanding.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Sarva Shiksha Abhiyan (SSA), National Rural Health Mission (NRHM), National Food Security Act (NFSA) for foodgrains to the poor, Ujjwala gas connections, Sowbhagya last mile electricity connections, Community Service Centres (CSCs), IT/DBT, use of Aadhaar, mobile phone penetration, Swachh Bharat Mission (SBM), National Rural Livelihood Mission (NRLM), Pradhan Mantri Awaas Yojana Gramin (PMAYG), Jandhan Bank accounts, Mission Indra Dhanush and last mile immunization, are all developments over the last 15-20 years, and they seem to have contributed to India bringing 415 million persons out of Multi-Dimensional poverty over the last fifteen years (UNDP – MDPI Report 2022). Rural Areas were the poorest and saw the fastest reduction in MPI value. Deprivations in sanitation, cooking fuel and housing fell the most from 2015-16 to 2019-21. “Despite tremendous gains, the ongoing task of ending poverty for the 228.9 million poor people in 2019-21 is daunting – especially as the number has certainly risen since the data were collected.” (UNDP-2022). The World Bank Study on slipping back into poverty (2022) had also alluded to similar challenges. How to transform lives and livelihoods of the deprived in the context of the real rural today?

First, the 85 million women in over 8 million Self-Help Groups of the Livelihood Mission offer social capital that is unprecedented in opportunity for human development, credit, enterprise, and sustainable poverty reduction through diversified livelihoods. Their working together with the 3.3 million elected leaders of the Local Government, 43 percent of whom are also women, will be transformational if funds, functions and functionaries from the 29 sectors assigned to Panchayats as per the Eleventh Schedule of the Constitution are transferred to them by State Legislatures. The Central Government can make it mandatory that no funds will be released for these 29 sectors to States that do not comply with the Constitutional mandate for decentralized governance. The success of the Gram Swaraj Abhiyan in reaching seven key services to the deprived in 63974 purposively selected villages, the support for Swachh Bharat Mission, all came through the women’s collectives and Panchayats.

Second, to take responsibility for 29 sectors, besides the current functionaries who get transferred to them, Local Governments will also require skill sets that facilitate better governance outcomes at the cutting edge for citizens. Human resources, technology as a means, hand-holding, partnerships, will all have to be thrust areas for effectiveness. Finance Commissions have been emphasizing on human resources but the impact in most States yet is inadequate. Karnataka’s Panchayat Development Officers are a unique and effective office for decentralized action. Third, it is time ideological debates and arm chair conversations on MGNREGS give way to an evidence based assessment of its contribution to poverty reduction, mitigating global warming, and human well-being. Besides studies on successful water conservation thrust of MGNREGS by the Institute of Economic Growth (2018) under Dr. Manoj Kumar Panda and Ashok Pankaj’s work on Individual Beneficiary Schemes (2019) and their positive consequences on sustainable livelihoods, Dalberg’s Study on The State of Rural Employment 2022 covering Andhra Pradesh, Jharkhand, Karnataka, Rajasthan,

and Uttar Pradesh and Azim Premji University's Employment Guarantee During Covid – 19 (2022) covering Bihar, Karnataka, Maharashtra and Madhya Pradesh, offer useful insights on how a programme, once notorious for corruption and Bolero cars of Sarpanches in some States, is today a vital resource for deprived households and their coping with periods of distress. The Studies have identified areas for improvement but none of them conclude that the resources have gone down the drain or that durable and income generating assets have not been created. It is a few uninformed civil servants, elites, farmers having to pay higher wages and equal wages to men and women workers due to MGNREGS, who are loudest in their criticism. No one denies the need for improvement.

Being demand-based and open ended, it is true that States like Kerala, Tamil Nadu, Andhra Pradesh, Telengana with low incidence of poverty still take up MGNREGS on a large scale. That does not make MGNREGS wasteful; far from it. MGNREGS has become a rural infrastructure programme as well with feminization of labour due to its lower wage rate. These States use MGNREGS for a greener future, for diversified livelihoods, water harvesting on scale, solid and liquid resource management, river rejuvenation, and so on. It is not that these States have only rich people. Besides 16.4 percent population in poverty, another 18.7 percent are very vulnerable to falling back into poverty. For rural areas the numbers are larger and this needs to be borne in mind. Strengthening utilization of funds in Bihar and Jharkhand by improving governance is a better way of tackling the challenge of resource allocation in poorer regions. Rajasthan, West Bengal, Odisha, UP, Chhattisgarh and MP also have high MDPI but they have started making more and more use of MGNREGS funds. Governance does make a difference.

Unprecedented gains in water conservation works, solid and liquid resource management, animal sheds, vermi compost and NADEP pits, afforestation on an unprecedented scale, contribution to rural housing, Aanganwadi buildings, *pucca* village roads, have all been possible due to MGNREGS. Rajasthan's Mukhyamantri Jal Swavalamban Yojana, Maharashtra's Jalyukta Shivir, Bihar's Hariyali Mission, Telengana's Plant Nursery in every Gram Panchayat and thrust on afforestation, segregation sheds, soak pits, percolation tanks, rural *Haats*, construction of Crematorium, Chhattisgarh's thrust on developing tillers given land under the Forest Rights Act using MGNREGS, etc. are all MGNREGS contribution.

State after State has used this resource for creating durable assets and for improving individual livelihoods through income generating assets like farm ponds and animal sheds. Sikkim used MGNREGS for spring-shed development to provide drinking water, animal sheds for dairy and organic farming, and cardamom plantations for income. Meghalaya's Village Employment Committees use MGNREGS for all-round village development and improving incomes, and so on.

Like any programme, there are areas of improvement link timely wage payment, better multi-year planning for water-sheds, adequate and timely provision of work with a lower differential with market wages, better administrative and technical management for better governance and hassle free access for the deprived to MGNREGS work, and so on. It is undeniable, however, that the programme has been a savior in difficult times and a resource for diversified incomes and livelihoods at all times for the deprived. Its pro-poor character due to self-selection for unskilled work and all-round village infrastructure development, cannot be questioned.

Fourth, it must be mandatory for elected Panchayat leaders to work in partnership with women's collectives and the social capital of the Livelihood Mission to ensure accountability and transparency. Women Self-Help Groups, adolescent girls in Higher education, opportunities for skilling and vocational courses, better health care services, access to collateral free credit from Banks, decline in fertility, explain the success of southern Indian States on poverty reduction. Many other States also have Gram Panchayats that have come out of poverty and score very high in the Mission Antyodaya rankings. I have visited over a hundred such Gram Panchayats in so called poor States, who have come out of deprivation by doing what the southern Indian States did. The real rural requires a convergent action for transformation under the partnership of Panchayats and Community organizations like the SHGs, Cooperatives, or any other active and effective informal community formation.

Fifth, given the inter – connectedness of sectors, it is only through a coordinated and convergent action on education, livelihoods, nutrition, health, employment, and skills that a breakthrough is possible. If the resources for the twenty-nine sectors, both financial and human, are available to Panchayats for a comprehensive plan for providing opportunity to every resident of the Panchayat to fully develop their human potential, the real rural can actually move to a more emphatic and irreversible freedom from poverty and disease. An inclusive India alone, that builds businesses from below, is capable of becoming the multi trillion-dollar economy that we aspire for. Human development is not only good social justice; it is also best for sustainable economic progress.

(The views expressed are personal.)

