

Role of NREGA- 2005 in Poverty Eradication in Remote Tribal Areas of Madhya Pradesh

(A Study of Dhar District of Madhya Pradesh)¹

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Introduction

A number of employment generation and poverty eradication policies are been implemented by Indian government since independence. In this series recently government of India has started a program with a new concept i.e. National Rural Employment Guarantee Scheme on 2nd February 2006 in Ananthapur district of Andhra Pradesh by Prime Minister which followed two hundred backward districts of the country. Since April 2008 the act came into effect all over the country. It is not a program but has been implemented as an act. It is a demand driven program, which ensures 100 days unskilled employment in a financial year to rural family who demands for it. Besides this, the scheme also aims at developing rural infrastructure and creation of durable assets. The implementation of the act has generated employment for 2.10 crore rural households in the first phase districts during 2006-07, creating 90.50 crore person days of work. A budget allocation of Rs 12,000 crore was made for 2007-08 and Rs 10,501.02 crore had been released till 30th January 2008 (GOI; 2008).² There are great expectations from this program, as government is spending huge amount of money for it. Secondly, all other programs were supply based. Government was continuously implementing numerous programs for poverty eradication and employment generation, without assessing people's need. Hence, on this basis NREGS can be unique effort of government in this respect.

In remote tribal areas, where there are no alternative employment opportunities, people take migration as a last resort for feeding their families. They are present in the village only during sowing and harvesting, rest of the year they are out in search of job. There are quite amount of evidences available of exploitation of laborers on work site. Secondly, they have to migrate leaving the older members, cattle and house back. This is at great risk in their absence. Considering these implications NREGA is a benchmark giving solution to all these problems, especially in

remote tribal areas where people lack employment opportunities and where multidimensional poverty exists.

Research Methodology

To give scientific approach to the study Madhya Pradesh as one of the BIMARU state of India has been identified to understand the incidence of poverty. Dhar district is purposively selected from 48 districts of Madhya Pradesh. The two reasons contributed to the selection of Dhar district are firstly, the district is inhabited by 53 percent of tribal populace. Secondly, it is one of the districts of Madhya Pradesh where NREGA was implemented in the first phase. To compare the benefits of the scheme, firstly, two talukas were selected for the study. Dharam puri as non-tribal and Gandhwani as tribal taluka. Secondly, to further concise the study and keeping the limitations in the mind six villages, 3 each from Dharampuri and 3 from Gandhwani were finalized. Lastly, a sample of 240 households was selected for in-depth study for the impact of development particularly the impact of NREGA on poverty profile households.

Data and Methods

The study is based on both secondary and primary data. Both tribal and non-tribal households were selected from the talukas for in-depth study. The analysis of the overall status of the villagers and their development position in the district is based on the secondary sources of information like published work, reports and government documents at state, regional and taluka level. The researcher considered the appropriateness of the following two methods for obtaining relevant data: (i) Village schedule, which included information at macro level or village level. It included information related to basic infrastructural, transport, communication, banking, health and educational facilities available in village. One village schedule was filled from each village. (ii) Household schedule was formed to collect required information by the heads of 240 selected households. Apart from

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interview schedules, group discussions and observation techniques were personally canvassed to the selected households of the area.

Finally, the collected data was processed and analyzed with the help of various statistical tools viz; Tabular analysis & Chi-square, Pearson's correlation, and ANOVA, and regression analysis to interpret the results and to derive conclusions and suggestions.

Objectives of the Study

1. To analyze the effectiveness of NREGS in generating employment opportunities in remote tribal areas. 2. To find out the reasons behind non-participation in the program. 3. To analyze the achievements gain through the scheme, especially reducing the incidence of seasonal migration.

Limitations of the Study

The information was collected through close ended interview schedule to only 240 households from the selected district, with pre-defined objectives. Therefore, the time constraint was one of the major limitations of the study. Things have to be generalized on the basis of information collected through 240 households of remote and non-remote villages.

Data Analysis

The analysis at micro level reveals that approximately 41 percent of the sample households were benefited by the unskilled work done under NREGS. 58 percent beneficiaries were from remote villages and 23 percent households (Table 1.1) of non-remote villages took the gain from the scheme. The data clearly demonstrate that maximum percentages of beneficiaries of NREGS are chronically poor households, followed by transitory non-poor and poor non-chronic households. The significant value of chi-square and correlation also implies that there is a pattern emerging from the table and the negative value of correlation helps us to prove that as we move from always non-poor to chronic poor the number of households dependent on NREGS for work increases.

The statistical tool analysis of variance helps us to be acquainted with cause and effect relationship which chi-square and correlation fails to do. The value of F statistics reveals that those who are chronically poor and poor non-chronic depends more on informal nature of employment in lack of other employment opportunities.

Chart 1 also further supports the argument that the incidence of poverty is high when the household is dependent on NREGA for work, whereas on the other hand poverty incidence reduces significantly when the household is not dependent on this type of work.

Poverty is highest in remote villages and these villages lack alternative sources of employment. As the socio-economic profile of households here is almost same remote villages, there they do not get labour in the villages itself. Migration is only option left for them to opt. The implementation of NREGA has thus proved a blessing for them, as it has reduced migration intensity of poor and tribal households in remote villages.

The data clearly demonstrate that the percentage of beneficiaries from remote villages is twice as compare to non-remote villages. Another significant point that can be extracted from the table above is that in non-remote villages, households of chronic poor and poor non-chronic are by and large dependent on NREGA for work as compare to two other groups of households. But on the other side the households of remote villages, whether from chronic poor or always non-poor are significantly dependent on NREGS for unskilled work. Households in remote villages were comparatively more dependent on NREGS for work, because of the unavailability of other employment opportunities due to seclusion, whereas, in non-remote villages households could get the employment in the farms of big farmers and nearby connected town at comparatively high wage rate. But this is not the satisfactory answer, because there were many households who wished to work, but did not have the work due to numerous reasons. Table 1.4 below will illustrate the reasons of the negative answer to the question given by 59 percent households regarding work done under NREGS.

The implementation of NREGA is one of the appreciable efforts made by government for the development of rural human populace. Though, massive number of working class in rural areas is disguised unemployed. They are migrating to distinct places in search of work, leaving their families behind. Hence, this program has provided solution to all these tribulations. In spite of this, the data in the field shows that only 41 percent of the rural households are the beneficiaries of the program. In this 25 percent voluntarily did not apply for the work. What about the remaining households? Why were they excluded from it, though this program has been implemented as an act? The table above 1.4 bestows the grounds on which the people were devoid of the benefits. Though, 46.7 percent in non-remote and 32 percent of the total households in remote villages did not apply for the unskilled work in NREGS. Thereafter, 4 percent households in non-remote and 10 percent households in remote villages reported that they have been

excluded from it, giving many reasons related to eligibility criteria. 30 percent of the households seeking work in non- remote villages and 38 percent in remote villages were not provided work by the panchayats. They were told to be called when there would be any work for them. 17 percent in non- remote and 12 percent households in remote villages notified that they give very low wages. So much low, that the other alternate i.e. migration in remote villages and doing work on other's farm in non- remote villages is a better option for them.

Another objective of the program is to create durable assets and natural resource management in villages through panchayats. Therefore, in this respect the table above list the assets created during the work. In non- remote villages the major work done was construction of roads, panchayat buildings and plantation. On the other sides, the main work involved was the construction of wells for irrigation, as these areas are draught prone, construction of school buildings was also in process and construction of kuccha roads, as there was no roads in these villages. 71 percent of total asset creation work is done in remote villages, due to people's interest in it. There is also a provision of providing unemployment allowance to workers if they are not provided work within 15 days of application. The liability of payment of unemployment allowance is of the state. But no household received any type of unemployment allowance, in case of no work. They were totally refused when there was no availability of work, and were told that they will be called when there will be any work. The act also envisages providing worksite facilities to workers such as drinking water, shade, crèche and first

aid. Crèche is for women having children below six years of age. As 30 percent reservation is for women workers who demand work. But none of the facilities was found during observation, at the work site.

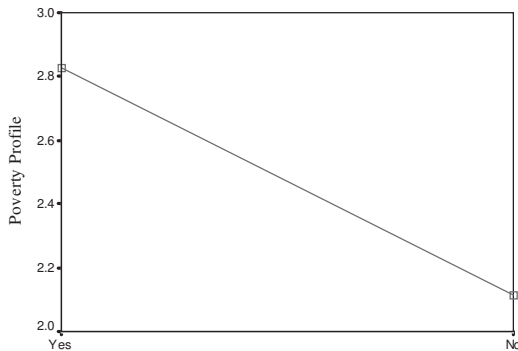
Conclusion and Policy Implications

Though quite amount of leakages were observed during the execution of the programs, still it has proved to be one of the successful program in the history welfare of programs. Especially in reducing the incidence of forced migration up to a large extend. Because seasonal migration by tribal households is opted in case of severe shocks (Sah & Bhatt). Still the program has a lot to do, in spite of its weaknesses. People in remote tribal areas are expecting quite a lot from it. It can therefore be concluded that NREGS has proved to be a fruitful program for poverty reduction in, as the major part of beneficiaries are from chronic and poor-non chronic households in remote villages. At the same time its relevance is very low in always non-poor households in remote and non-remote villages.

Policy Implication

Ø All through the analysis we found the management part of the schemes very weak, which has resulted in non-participation of many households. Therefore, apart from other components the management department regarding management of funds, ensure complete 100 days employment to a household, providing unemployment allowance, etc should be given preference to put on people's trust in the program. Ø Health care facilities at the worksite for men and women should be provided to avoid any risk during work. Ø Government should attract non-skilled laborers financially and provide them various skills for work. This will not only reduce the incidence of migration but will prove to be an important human capital formation. Ø Women play an equally important role in rural economy; therefore women participation should be made equal to men. Ø In some places it was found that the payment was done through banks, which workers found very inconvenient. The mode of payment should be cash to take the program in the hands of each individual with least formalities. Ø One of the important reasons found behind the failure of government welfare programs are the unawareness of households about the government scheme. Therefore, provisions should be made to take these programs to every household of the village. Mass media campaigns and short skits can do this. Ø Access to employment and income is the key to break the poverty trap. Until recently, government through its welfare programs was

Chart 1 Mean of Poverty and NREGS



Benefited by NREGS

| Table 1.1 Beneficiaries of NREGS Worked under NREGS Profile of Poverty | | | | | |
|--|---------------------|---------------------|------------------|---------------------------|------|
| | Always Non-Poor | Transitory Non-Poor | Poor Non-Chronic | Chronic Poor ^s | |
| Total | 24.2 | 50 | 45.7 | 59 | |
| | 39.6 | 5.8 | 29.2 | 25.4 | |
| ** The values of Chi-Square and correlation are significant at 5 % level of Significance | | | | | |
| Table 1.2 ANOVA results for Poverty profile and Benefited by NREGS | | | | | |
| | Sum of Squares | DF | Mean Square | F | Sig. |
| Between Groups | 29.548 | 1 | 29.548 | 20.668 | .000 |
| Within Groups | 340.248 | 238 | 1.430 | | |
| Total | 369.796 | 239 | | | |
| Note: Dependent variable is Poverty Profile | | | | | |
| Table 1.3 Village Profile and Beneficiary of NREGA Worked under NREGS Village Profile | | | | | |
| | Non-Remote | Remote | Total | | |
| | 23.3 | 58.3 | 40.8 | | |
| ** The values of Chi-Square and correlation are significant at 5 % level of Significance | | | | | |
| Table 1.5 Asset Creation through NREGS | | | | | |
| Type of Assets | Village Profile | | Total | | |
| | Non- Remote Village | Remote Village | | | |
| Construction of roads | 60.7 | 58.6 | | 59.2 | |
| Construction of buildings | 21.4 | 37.1 | | 32.7 | |
| Plantation | 17.9 | - | | 5.1 | |
| Construction of wells (kapildhara) | - | 4.3 | | 3.1 | |

four categories. Namely: a. Always Non-poor- (poor 0 & point <=2); b. Transitory non-Poor (poor 0 & point >2); c. Poor but Non-Chronic (poor 1 & point <=2); d. Chronic Poor (poor 1 & point >2)

transferring the income (more work opportunity, irrigation and Yield increasing programmes) or through subsidies (food, irrigation and fertilizers) was able to transferring income to the vulnerable groups. However, government has not achieved significant success because these programmes were not targeted. The time has come when, a long term investment should be done in capacity enhancement of specific groups like, people trapped in poverty. Agriculture being prone to weather fluctuations, over dependency on agriculture should be restricted and people should be provided vocational training as well as work outside agriculture.

To identify poor households with chronic nature, in study area three indicators were taken, including economic poverty. They were (i) Missing of meals due to poverty (ii) Pursuing BPL card (iii) Suffered from shocks (natural or human). All these three indicators were given 1 point each. Therefore we had maximum 3 points. (On this basis households were divided into

Table 1.4 Grounds of Non-Participation in NREGS

| Village Profile | Reasons | Poverty Profile | | | | Total |
|--------------------|------------------------------|-----------------|---------------------|------------------|--------------|-------|
| | | Always Non-Poor | Transitory Non-Poor | Poor Non-Chronic | Chronic Poor | |
| Non-Remote Village | Ignored | 1.5 | 50 | - | 50 | 4.3 |
| | Not Applied | 59.1 | - | 20 | - | 46.7 |
| | Work Not Provided | 19.7 | 50 | 65 | 25 | 30.4 |
| | Give Comparatively Low Wages | 18.2 | - | 15 | 25 | 17.4 |
| | Other Reasons | 1.5 | - | - | - | 1.1 |
| Remote Village | Ignored | - | - | 5.6 | 19 | 10 |
| | Not Applied | 33.3 | 60 | 11.1 | 42.9 | 32 |
| | Work Not Provided | 33.3 | 40 | 38.9 | 38.1 | 38 |
| | Give Comparatively Low Wages | 16.7 | - | 27.8 | | 12 |
| | Other Reasons | 16.7 | - | 16.7 | - | 8 |

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