



## DOES MENGRA REALLY FULFILS THE GAP OF LIVELIHOOD INTERVENTIONS?

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### Introduction

The development and sustainability is two pronged hydra, there no theory which really link them that they are directly related to each other, however when we talk of the system as whole they are part of economy of the country in question and this case India. For over four decades since it attained it independence, the only major number that has grown is the population, the disproportion caused has many cascading effects on the burgeoning economy, although the intensions were there from the initial planners in form of devising the five year plans, to check the development both in long term and short term, they are just folly then they really worked in long term, the mega goals of building the major irrigation projects costs, have gone beyond the estimates and though they are not built in time, on the industrial font, the same mistakes were done, what are supposed to be process of national infrastructure development have become white elephants, to top all there is no policy framework, which should support the growing population all that in place has become more hard with bureaucracy working as red tape.

Red or white tape has brought everything to standstill and by 1991 it is forced to bring the change, at the same time there is change of government and In July 1991, the Congress Party government, was faced with foreign-exchange problem where the reserves are sufficient only for a fortnight's imports. And slowly falling into crisis, it like now are never to bring the policy change and has to bring structural change to implement and then begin with process of stabilization and adjustment were brought in the various programs already suggested by the IMF and World Bank in the late 1980s. These programs included by first with abolition of licensing procedures for manufacturing investment, followed by a reduction in the high import tariffs which there for all the goods which are imported, but this was not consumer goods, liberalizing terms of entry for foreign investors and also for liberalizing capital markets, the changes that were introduced in 1991 are much more broader in scope and scale.





The changes that were brought in somehow Indian got lucky, on anything and everything the country political system is capable of bringing any change to, though government minority, somehow it pushed for the policy change, though some reservation still exist at that time, but correcting the policies at right time, brought in much more liberalization, for the first time one could see the change the governance approach, which helped in other governments to take this reforms further, employment is raining although it not to the levels that one could really see on the rural front, but with education and the English and strong technical skills are being developed, this has helped the other countries to rally on the technical and engineering skill of the youth, by the turn of the century information technology firms are biggest gainer of the change, the budgets are very small, so the social spending are small, but with the agriculture output crossing the million tones mark and the industry growing at the 5-6 % , and with it budgetary allocation for the social spending has gone up number of schemes are brought in to alleviate more than billion from below poverty line, during that decades of 90's much were under the consideration, but there are too many problem to tackle at on go, the issues most at the top most food, as the production increase they are being tackled to an extent and most, there other issues which are there but not able to bring them simultaneously, it some time.

The time seems to come by the turn of the century, with new words coined as social inclusion and financial inclusion, which are going through the rate of the development that is happening, the government of day trying change millions coming out poverty, the social spending almost touched 65 % of the budgets, infrastructure is a last point to score is improving that supply chains opened, the open market system and all most everything is changing for, but on the rural front the change though sought, is there but it can no way be equated with the changes that are taking place on the urban front, if the droughts are every frequent, the mass migration which is happening is able to contain, the local works which are available are only when there is a good monsoon, otherwise they are forced to some kind of bounded labor, and by mid of last decade this were to change and though there lot of questions still around but the inevitable happen by bring in path breaking scheme of NREGA, for the first ever in independent India, right to work has been enshrined into a law, and when it was brought in this was not looked from point of a welfare program, but as the creation wealth and enhance assets of the common man, which would enhance rural productivity. Moreover, the specification of minimum labor standards, the ban on the use of contractors, the provision for unemployment benefit were established and the emphasis laid on transparency and accountability, this will involve the





grassroots level planning , and created a monitoring mechanism to the new scheme , as they say when baby is born there plenty of problem and this is exception, there were many shortcomings in the program implementation part, however this paper is not get on with problem, but to believe that after spending more than billion dollars, there is stern impact in doing so this paper will look at Does MENGRA Really Fulfils The Gap of Livelihood Interventions? In the following, I will discusses various topics like Indian economy, pre-post 90's , the employment of post-pre 90 and the livelihoods and India, a bit of MENGRA and finally conclude with focus of the topic, but first I will start with Indian economy in general.

### INDIAN ECONOMY PRE-1991

The least we say it is better, after the India's independence and its separation, this country was left in lurch in poverty and by them most big economies of the time were in same state post second world war, then when queen fought war her colonies were there to supply, but by withdrawing from these nations, these nations have no option by fallback on the economic institutions which then newly formed, but with no structure to notion they are not ready to spare the booty which is parked by some nations, however only good thing of sought is its constitutions, which fairly defined the process of governance, that is of course every inadequate, it required far more, that they tried to clone from Russia, which is then hemmed with socialist policies and but then gone with year planning, but its economy is far better than India and more industrialized, while thinking was right, the execution is bad, since the durability of policy as always posed a questions, that with Russia they started some industries and the policy is such it very hard for the other countries to start any company, even those left by the British was taken over by the some established houses like either Tata's or Brilas, the banking is run by some people, but they never were innovative or every reculent to lend money for, to licenses for other products to produce there are millions problem, agriculture cultivation is hard since the land was in the hands of few landlords, they either encouraged ordinary farmer or there is no irrigation, a few under the rivers system is only source, which led to famine, hunger is everywhere a few cities has some jobs, which are mostly manual labor, the changes have come late 60's when few people where under influence of the communists, started to demand rights, labor security and protection they sought, but those were been put in place, the supply is high the demand to low, the five years plans are reaming as plans, since the cohesive policies are not able to generate the required confidence, the only thing that happen during that time is nationalization of banks, are brought under the preview of central bank which regulated from adverse financial crisis and they say India was saved a part of it due this, the populations was





doubled or trebled during next forty years, everything is a need and that need can fulfill only importing, some trends was set with some policy changes during late 70's and early 80's but then they are too little and too far, though technology was introduced, with space research is gaining, but then they are fraction of what needed to be done and by end of 90's it has dragged into deep economic crisis. It not that the whole thing that I have is an overall picture, it however there is some few and far impacts there in industry growth, but the problem is those produced are limited and the export on these product is almost nil. Since they were been consumed locally, since the dynamics of export business is stagnant and the import are highly oriented this way Foreign exchange reserves very precarious.

### POST 90's

The situation then in, India forced to bring the much needed economic change, although around mid-80's there was some drive and pushing for the reforms that they are just enough, since they are not effecting the desired change, by early 90's they are forced for a change to bring the economic condition to stability, although there some recommendations from the like of world bank and IMF, they can't be directly in consideration henceforth, since the minority government can't force these recommendations, which are suggested as there will be a lot of resistance, but the need of hour is somehow these recommendations need to pushed and good or bad they taken the political risk and what happened next is history, a proper strategy is applied and brought systematic changes to all that effect the functional economic, within three years one can see the change that mattered and the economic shift is made, what looks like deeply entrenched problem with exchange reserves started to improve, on the agricultural front the bumper harvests were is seen, the import of the basic commodities has come down the local markets started to rejuvenate, with MSP linking with the market demand the farmer, who has problem with selling of his produce has gained confidence, the industry which is strained with so many problem with licensing, has become better than the past, the employment has not really gone up, the matter fact the change is there, and by the turn of that century and enter 00's, the technology is slowly gaining it place, where the companies have best available technical graduates, many software companies has descended, throughout that decade, though change of government it is one way direction, and industry grown around 8-9%, that has really made governments of the day to derive schemes that would help further to in bring down the BPL levels, the spending is has really helped bring social security and welfare, although there many problem with inclusive policies, but that is whole different thing which is beyond this, but among the all the schemes that are introduced then, MNREGA is one such act which literally found





nowhere in the world where it provides the a guarantee income for fixed number of day in a year, that really changed social benefit, and its dimension, of which in the following passage.

### WHAT IS MNREGA?

This year mark 10<sup>th</sup> anniversary since its inception a decade back and let me not get into file of merits and demerits of this, I am going to provide just what this act it is and sum up some of it dynamics of it, while I link this in the conclusion how it really merited in providing the livelihood, but MGNREGA is an act.

In country like India, where human workforce is the major resource in development of economy, mechanism to systematically utilize this force at grass root development has been overlooked for many years since independence. The enactment of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) in 2005 is indeed a significant development in this regard. In other words it symbolizes the achievement of a very long civil society and people's movement towards ensuring right to food through ensuring right to work.

The Indian Parliament passed the National Rural Employment Guarantee Act (MNREGA) in August 2005, which provides for a minimum of 100 days of guaranteed employment to every rural household. The Act came into force in 200 of the country's poorest districts and has later been expanded to another 130 districts. Presently, it has been extended to cover the whole country. MNREGA has placed a judicially enforceable obligation on the state to provide unskilled, manual work within 15 days of a person making an application, within a radius of 5 km from the applicant's residence. Failing this, the state government is to provide an unemployment allowance.

In the last few years public expenditure on social programmes has increased dramatically from Rs 9,000 billion in the Tenth Plan period to Rs 22,000 billion during the Eleventh Plan period with a step up of over 149 per cent. In the Eleventh Plan period nearly Rs7, 000 billion has been spent on the 15 major flagship programmes. This sharp increase is unprecedented and one wonders how the fund flow for this level of spending will be sustained over time. A number of legislative steps have also been taken to secure the rights of people, like the Right to Information Act, the MGNREGA, the Forest Rights Act, and the RTE. Thus the rights are constitutionally guaranteed and many achievements have been recorded, but there are also





pressing issues like leakages and funds not reaching the targeted beneficiaries.

Under the provisions of the act, workers are entitled to a statutory minimum wage for their labour to be paid within seven days after the work is done. Men and women are to be paid equal wages. All these provisions make this a "People's Act" in several sense. The Act was prepared through a wide range of consultation with people's organizations. The Act addresses itself chiefly to working people and their fundamental right to life with dignity. The Act also empowers ordinary people to play an active role in the implementation of employment guarantee schemes through *Gram Sabah's* (participatory & representative micro level administrative unit in three tier Panchayat System), social audits, participatory planning and other means. More than any other law, MNREGA is an Act of the people, by the people and for the people. This Act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas.

Construction of roads, ponds, drainage system and plantation are some of the popular areas where MNREGA complimented in village development. Most of the time choice of works also seeks to address the causes of chronic poverty such as drought, forestation and soil erosion. In many parts of the country where this act has been implemented effectively, a transformation of geography of poverty has been experienced. The potential of this act is quite large. In many villages of Rajasthan, this has prevented migration through creating livelihood options within village structure. Not only these options fetched monetary gain but also contributed in development of village infrastructure. Development of roads, land and water bodies has long term impact of overall economic growth and management of natural resources without harming environment. The golden dream of independent India of people participation in shaping their own lives and future could be materialized through proper implementation of this act.

This Act is based on the principle of self-selection by focusing on unskilled manual work. People could play active role preparing village development plan as per their priority. This plan then would get technically designed and executed under supervision. There are strong provisions for transparency and accountability at all levels: for instance, wages are to be paid through Post Office or bank as per personal account of job card holder, all relevant documents are to be made available for public scrutiny and regular social audit of all works has to be conducted.





## LIVELIHOODS AND RURAL INDIA

Ishita (2008) the question of livelihoods in both rural and urban India has reached complexity in contemporary times when the country has taken recourse to neo-liberal policies. Livelihoods have been diverse and labour markets have been segregated. While the advent of neo-liberalism in the country meant unemployment, poverty and inequality to a large section of the population, simultaneously this has also meant creation of a new kind of job market with more flexible labour. This complexity in the labour market together with agrarian change implied changing pattern in livelihood creation in rural India. Since rural India meant more than an agrarian economy, it became crucial to study the changing pattern of rural livelihoods in the post-liberalization period in India. The paper is an attempt to explore the pattern of employment changes experienced in rural India through creation and adoption of new livelihoods by the rural population.

Byres (2002) India's experience with rural livelihoods has been similar to the experience in many other countries. The majority of people in less developed economies are still rural. The question of agrarian change has hence been crucial to the understanding of development of these countries. The majority of the world population is rural, which represents 3.2 billion people in 2005, 50.8 per cent of the total population. Rural population represents 70 per cent of the world poor and 72 per cent of the population of the least developed countries (World Development Reports, Human Development Reports). Despite the urbanization, this situation is not going to change drastically by 2015. One of the crucial aspects of the agrarian change is uneven development of capitalism in agriculture in the different regions. There are regions where capitalism is developed and commercial agriculture is the feature of rural economies and there are also economies with landlordism, tenancy and bondage. In both the cases the transformation of rural societies has been quite dramatic (Byres, 2002). Byres (2002) rejected the idea of determinism of global agrarian capital. The process of rural transformation was already there in India in the post-colonial phase. But this process was exposed to fluid global capital in the neoliberal era. Byres (2002) held the view that the agrarian transformation in India was complicated by the presence of archaic form of landlordism.

Carney (1998) and Scoones (1998). The existence of multiple rural livelihood sources cannot be understood by looking at different occupational categories only. The existence of these multiple categories and also simultaneous participation in multiple activities as a complex category cannot be entirely explained by a simple model of transformation of agrarian





economy to capitalist farming. The transition phase in rural development is not necessarily marked by transformation of a semi-feudal, semi-capitalist agrarian economy to capitalist farming and industrialization. As a result of the process, this complexity in livelihood diversification is not always marked by prosperity, but in a number of cases this diversification has indicated self-exploitation by the poor people. The agrarian transformation has also coincided with food crisis in the country, poverty, inequality and growing food security. So the livelihood diversification process has been the survival strategy of the poor people to earn the basic means of subsistence. One can also explain the process of rural livelihood diversification process as a distress driven alternative, Laborers move in and out of the labour process within a particular time period. They frequently fly between two kinds of labour process – self-employment and hired labour. Small non-agricultural occupations have come to occupy the occupational space in rural India. Looking at occupations may not help us to understand the complexity involved in the process of survival in rural India.

A livelihood is comprises of incomes which can be either in cash or kind, this should be understood particularly in the context of India, a social relations or an institutions that facilitate a constrain individual or a family depends on the standards of living, those families should be in a position to access to social or public services, depends on the contribution that he was able to contribute for the befit or well-being of the individual or in case of family.

Ellis (1998) discussed livelihood in the context of development strategies in Sub-Saharan Africa. But the definition proposed indicates that the scope of the discussion of livelihoods is beyond incomes earned or occupational categories. Ellis (1999) discussed the diversity of rural occupations and related this to flexibility, stability and sustainability. Although sustainability of rural livelihoods through multiplicity and diversification can be contested on the ground that can we always think of sustainability as the only criterion for the survival? It is to be acknowledged that these researchers pointed out the in-built multiplicity of occupations in rural areas in the process of economic transition. Livelihood diversification is an essential component of rural transformation.

Ellis (1998), Carney (1998) and Scoones (1998) one strong reason for portfolio diversification is provided by the view in favor of any portfolio choice in the context of economic transition. Peasantry would always go for portfolio choice if a transition in agrarian sector is there. This is true for transition in semi-feudal, semi-capitalist mode of production. What happened





in Indian agriculture was that the agriculture under semi-feudal, semi-capitalist bondage was exposed to the neo-liberal economic policies in agriculture. According to the above mentioned research, livelihood is defined as 'the activities, the assets, and the access that jointly determine the living gained by an individual or household', and rural livelihood diversification is defined as 'the process by which households construct a diverse portfolio of activities and social support capabilities for survival and improvement in their standard of living'. The entire empirical observation of livelihood diversification was a phenomenon in the post-liberalization period. India has declared the policy of economic liberalization in 1991. Economic liberalization in the context of rural India meant application of the rules of the liberalized market to an agrarian structure, which was yet to grow into a fully blown capitalist farming due to obstacles, predominantly in the form of inability to cross the threshold level of rent-profit portfolio.

Ellis (1998), Carney (1998) and Scoones (1998) after introduction of market forces and capitalist farming, one portfolio of threshold gradually got replaced by another threshold. The portfolio of peasant agriculture in a process of transition to capitalist farming gradually got replaced by another threshold of agrarian change that of livelihood diversification to non-agricultural occupations. To understand the nature of the new threshold, we have to understand the process of livelihood diversification in rural India. It is yet to be explored whether portfolio choices expressed by the people are in effect the portfolio choices which are imposed on the people through new kind of neo-liberal bondages in rural economy. Rural India has witnessed farmer suicides, hunger and food insecurity during the same period, when it experienced rural transformation into livelihood diversification. How far this livelihood diversification has led to prosperous India is thus not left without questions. Paradoxically, a process of transformation of agrarian economy involving expansion of capitalist market and marching of capital in a semi-feudal territory has hardly meant prosperity and development of rural India. In the following paragraph the paper looks into the nature of rural livelihood diversification in India.

Ishita (2008) The process of livelihood diversification is clearly indicating a story of agrarian transformation. The present day transformation in rural India is not indicating a story of capitalist transformation but reiterating the old bondage of semi-feudal-semi-capitalist production process in the form of an advanced neo-liberal bondage based on free markets, fluidity of capital and flexibilization of labour. Livelihood diversification is a reflection of this new kind of bondage. However, the expansion in self-employed enterprises and non-agricultural opportunities and introduction of





new rural enterprises indicate the potential productive capacity of huge pool of surplus resources and labour upon which an alternative rural development model can be built. The sources of surplus are clearly visible but an alternative model of development more suited to the South countries of South Asia, Africa and Latin America is to emerge in the coming years.

### CONCLUSION:

A population of 1.3 billion and the complex social structure and still more than 60% are living below the world bench mark of \$2/ day, history has own set of past, but by the it attained independence about 70 years back, all it has is to lurch on utter poverty, it has to rebuilt itself on its own, while doing so, the help that has come is a piecemeal and to top it high levels of corruption at every stage, everyone want to do something that complex problem that has come to fore are not back by good economic condition that prevailed for long, either it is industry or some kind of other development is met with profound difficulties, the policies that should be in place are not matching with required planning that is done, given this as a basis for anyone to come set of conclusion are always brief.

However things moving either it is good bad, at some point it has to move, if things for forty years are consequences of what it really did with our hands, and when the world is moving at that frenetic pace, this country cannot be left behind, though late the point came in 1991, the circumstances could be a moot point, but the zeal was there, with number of hungry mouths are shouting for the fervent change, someone has to take call, where the point come to foray that it is now or never, when that happen every system need to take call, that call by virtue of economic change with allied with policy change which a forefront argument, slowly everything started to fall in place, by middle of that decade, things are moving as planned, with timely correction at the required stage, the rest what we see today is history is unfolded, with development happening at the rate of 8-9% and sometime touching even the double digit, what looked to dream is reality.

The reality is of spending more on social expenditure, what with so many schemes in the past is laced with insufficient budgets are now changed, with about 45% of money is being allocated in budget for the social benefit, the virtues of the social and financial inclusion are been talked in same frame, with new social schemes derived( some of them really pockets of politicians) however these schemes may, at some point they are not really percolating down, let me not off my focus, the need of stopping the rural migration is a huge issue for the search of better livelihood, since most then depended on the good monsoon, which is always uncertain, and the country





is semiarid, which means that if the rain fails the local economy, fails, if the lack water is one, there never been structured emphasis of structured agrarian policy, where in which local can able to sustain by being integrated part of whole agrarian development methods, before MGNREGA come to exist, this problem of migration is widespread, when it comes to exist no one is sure of how this will help on the rural mass, there are some bits and pieces of this scheme implemented, without underlining policy, but when it was implemented it was a unprecedented one which hit the nerve center of the rural poor and the change it brought it has really transformed the rural livelihood of India.

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