

# COMPARATIVE STUDY IN INDIA IMPLEMENTATION & IMPACT ERADICATION CORRUPTION IN THE MGNREGP

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The MGNRE Programme Purely for Rural poor, which is change the life of rural poor. The implementation of NREGP has provided daily employment to rural poor which resulted preventing them from migrating to other town's assurance of food and stopped unnecessary expenditure. If the horizon of NREGP is expanded and all rural households are covered under this Programme.

The implementation of NREGP has brought changes among rural people in their lives through increasing awareness, increasing social status, increasing income etc. On the other hand National Rural Employment Guarantee Act was notified on September 2005. The act provides a legal Guarantee of 100 to 150 [increased] days of wage employments in a financial year to every rural household whose adult members volunteer to do unskilled manual work at the minimum wage rate Rs.82 to120 [increased] and have to increased some more, it will help to rural people and change the life rural poor and notified for agriculture labour prescribed in the state or else an unemployment allowance. The objective of the act is to supplement wage employment opportunities in rural area and in the process also build up durable assets the Government of India has decided to extent NREGA to all rural area of all remaining districts of the country. The remaining districts have been notified with effect from April, 2008.

Under the programme funds are being allotted according to the population of the village. But the Government should allot these funds after taking into consideration the requirement of the village.

There is corruption in the Mahatma Gandhi National Rural Employment Guarantee Scheme, no question about that. But simple indices that claim to measure corruption and make an assessment of interstate levels of corruption can end up offering us a wrong understanding.

## **COMPARATIVE STUDY FIVE STATES IN INDIA:**

Much concern has been expressed in India's media about corruption on the Mahatma Gandhi National Rural Employment Guarantee Scheme (mgnregs) - an ambitious national effort, launched in 2005, to fight rural poverty by providing unskilled work at low wages arid on demand. Of course, corruption is hardh unique to this scheme. However, the fact that MGNREGP is intended to fight poverty adds to the indignation about corruption. The relative performance of India's states in terms of corruptor; on the scheme is naturally of much interest. Researcher (2016 has Study 5 States of India that is Telanagana,Andhra Pradesh,Karnataka,Kearala and Rajastan. It is state-level corruption on mgnregs. He

claims an "overwhelming presence of non-Congress ruled states in the top half of performance" (i.e., the states with less corruption). He points specifically to two Congress-led states, Telangana, Andhra Pradesh, Rajasthan, Karnataka and Kerala, which have a high value.

The researcher has studied MGNREGS, and he claims are surprising at first glance. To most observers (the researcher included, based on my area work since 2016), the administrative processes in Telangana, Andhra Pradesh, Karnataka, Rajasthan, Tamil Nadu and Kerala have appeared to be quite good. So too have related performance measures. The gaps between survey-based estimates of participation in MGNREGS and the numbers recorded in the official administrative data are much lower for these states than, for India as a whole - suggestive of lower leakage - although some non-Congress states also do well by this measure, such as Tamil Nadu. The ability to meet the demand for work also appears to be well-above average in Telangana, Andhra Pradesh, Kerala and Rajasthan, though there are non-Congress states that also do well.

We need to take a closer look at researcher what he found "corruption" to see why it is higher in some states than others. His index is the sum of (i) the participation rate for the "non-poor" less that for the "poor", and (ii) the share of wage expenditure on the scheme going to the non-poor less that going to the poor.

Component (i)    Component (ii)

According to researcher, Here  $p_i^{\text{Non-poor}}$  is the participation rate in MGNREGS for the "non-poor" (the proportion of the non-poor who participate),  $P_i^{\text{poor}}$  is that for the "poor", while  $S_i^{\text{Non-poor}}$  and  $S_i^{\text{poor}}$  are the shares of wage expenditures going to the non-poor and poor in state  $i$  respectively.<sup>1</sup> The "poor" are defined by researcher as those households with consumption per person (as measured in the National Sample Survey for 2015-16).

### **Confusing Mistargeting with Corruption:**

The researcher let us first consider Component (i). We can all agree that a high participation rate on MGNREGS for poor people, relative to those less poor, is desirable. That is what Component (i) measures. In fact Component (i) - minus one - is known as the "Targeting Differential" (td) in the literature, and it is thought to be a relatively good indicator of performance in reducing poverty.

However, there is nothing "corrupt" about people living above the poverty line participating in MGNREGS. The Act that created the scheme does not bar those living above any poverty line from participating. Rather it says that anyone who wants work at the stipulated wage rate should get it (up to 150 days per household).

The "self-targeting" mechanism of a scheme such as MGNREGS tends to mean that families with a relatively high consumption will be less likely to want to do this kind of work at low wages. But some people in families above the poverty line may still want the work. For example, they may have been hit

by a shock that will lower their incomes, but this is not yet evident in their consumption (possibly thanks to the scheme). Or the family as a whole may have a consumption-expenditure per person above the poverty line, but one individual in the household needs help from the scheme.

There is unmet demand for work on MGNREGS, he is creates scope for corruption through the power of local officials to decide who gets work and who does not. However, using the same nss round as he show that, on balance, the rationing process on mgnregs generally favours the poor, not the non-poor. Of course, there are some local exceptions to this generalisation. But overall it is the non-poor who are more likely to have unmet demand for work on MGNREGS.

There are undoubtedly important *relative-poverty* effects relevant to all these calculations. He designed for making consistent interstate comparisons nationally. So they try to adjust for cost-of-living differences between states, but not differences in relative poverty. What it means to be "poor" in a state such as Kerala (with only 11% living below. The nationally "non-poor" in Kerala may well be considered poor in Kerala. And it should not be forgotten that mgnregs is implemented at the state level.

The upshot of these observations is that many factors influence participation in a scheme such as the MGNREGS, besides the average consumption of the family relative to the Planning Commission's national poverty line. That does not mean the scheme is "corrupt" in any meaningful sense. Nor should researcher calculations convince us that there is a very large amount of leakage to the "non-poor" when we allow for defensible, broader, concepts of what it means to the "poor".

The researcher numbers are just reminding us of the limitations of measuring poverty by a household's current consumption per person. There is no doubt that consumption is hugely important to economic welfare in India, but it can never claim to capture everything that matters to welfare, and that matters to participation in a scheme such as MGNREGS.

### **The researcher:**

We have seen that there are good reasons to question the relevance to corruption. However, it turns out that this component is not what is driving his index. Indeed, it is easily verified that if there were no differences across states in the td then one would get pretty much the same values.

Observant readers of researcher (2016) may have already the main clue to what is really driving the interstate differences in his index, namely, its high (negative) correlation with the poverty rate ( $r = -.92$ ). Figure i plots the researcher index against the rural poverty rates across states. Judged by researcher index, "corruption" on mgnregs is pretty much a measure of "lack of poverty!".

The reality this correlation is not surprising when we look more closely at the index. Consider now the second component, which is simply  $100 - 25_i^{\text{poor}}$ . By-definition we have:

$$S_i^{\text{poor}} = H_i \left( \frac{P_i^{\text{poor}}}{P_i} \right) \left( \frac{W_i^{\text{poor}}}{W_i} \right)$$

Here  $H_i$  is the headcount index of puvern in state  $i$ ,  $P_i$  is the participation rate in the programme for the population population as whole,  $W_i^{\text{poor}}$  is the average of the age earnings from the scheme received by poor participants, and  $W_i$  is the overall average for all participants. As we have seen, the participation rate for the is greater than that for the population as a whole. This is true in every state. While he does not give the wage ratio (the last term in parentheses in the above equation), it is possible to back it out from the numbers he does give. The wage ratio for India as a whole is 0.90. And it does not vary much across the states either. And the wage ratio turns out to be negatively correlated with  $p_i^{\text{poor}}/P_i$  ( $r=-0.64$ ). So the two effects in parentheses are partially offsetting each other. The main thing driving the differences between states in the share of wage expenditure going to the poor is thus the poverty rate; the correlation coefficient between  $S_i^{\text{poor}}$  and  $H_i$  is 0.89. As one would expect, the states with a low share of wage expenditure going to the poor when judged by a common national poverty line are by and large the states with low poverty rates.

Figure 1 also gives the value of the index for each state if MGNREGS had the same performance attributes as the all-India parameter values reported by him. Then the *only* reason for differences in the index is the poverty rate, and the index declines smoothly with the latter. The scheme is actually working to bring *down* his index in poorer states, relative to what one would expect if the scheme worked exactly the same way everywhere. While this is not a message researcher found in his data, it is there.

This is not the fact that AP (Telangana, Andhra Pradesh, Karnataka, Kerala) and Rajasthan are led by the Congress that leads to a high value of researcher "corruption index", but their lack of poverty relative to other states. As is clear from Figure i, his index am not in fact any higher, or lower, for AP and Rajasthan than one would expect, once one controls for the poverty rate.

### **Findings:**

The researcher said briefly

- Majority of rural people are not aware about NREGP.
- More people in these villages are illiterates.
- Funds are not being allotted in time bound manner.
- Local Political leaders urge the officials to spend fund in their favor.
- Even the allotted funds were not being given on time and thus the rates of other materials used in the developmental works are delayed.
- There is no strong monitoring committee to check the use of these funds there by allowing the chance for the misuse of funds.

**Suggestions:**

- Government should educate the people in this regard and people should be adoptive.
- Corruption can be mitigated to certain extent with at regular intervals inspection in the process of implementation of the programme.
- Villagers must be made known the aims and of the programme.
- Government should enhance the funds of the programme.
- Government should create additional employment and it has to take up developmental activities in different area.

**CONCLUSION:**

The MGNRE Programme Purely for Rural poor, which is change the life of rural poor. The implementation of NREGP has provided daily employment to rural poor which resulted preventing them from migrating to other town's assurance of food and stopped unnessary expenditure. If the horizon of NREGP is expanded and all rural households are covered under this Programme. There is clearly corruption in MGNREGS as in many public programmes, and in States and countries at all stages of development. But let us not pretend that researcher has taught us anything credible about that problem.governments must take care, superiors,officials top to bottom officials and employes take serious will control and justice to the rural poor.

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