MNREGA and Capability Approach: A Theoretical Analysis

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Abstract: (The present paper analyses the interrelation between capability approach and MNREGA and the paper explores the impact of MNREGA on the poor and downtrodden masses in the rural area. The paper analyses the close relation between MNREGA and capability approach and shows that effective implementation of MNREGA leads to the capability formation of the poor and downtrodden masses. The successful implementation of MNREGA will lead to the enhancement of the ‘well-being’ aspect as well as ‘agency’ aspect of the individual’s freedom and thus it will lead to the effective freedoms and thus it is a comprehensive and inclusive development programme.) capability formation of the MNREGA workers. The paper also shows that MNREGA leads to the realisation of the procedural as well as substantive

In 2006, India embarked on an ambitious attempt to fight rural poverty. The National Rural Employment Guarantee Act of 2005 created a justiciable ‘right to work’ for all households in rural India through the National Rural Employment Guarantee Scheme, renamed the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in 2009. It guarantees a minimum of 100 days of employment to anybody who asks for it from the state and if the state fails to provide employment, it has to pay compulsory unemployment allowance to the job seeker. MNREGA makes the right to work a legal entitlement and thus it is revolutionary in its approach for the development of the rural India.

The scheme tries to reduce poverty in a number of ways. It tries to provide income and employment to the poorest in the rural area. The scheme is ‘self targeting’ and the non-poor will not want to do such work. The scheme prevents dependency as poor people will opt for better opportunities when the situation arises. The scheme radically alters the bargaining power of the poor men and women in the labour market by increasing the reservation wage. It provides insurance against the many risks faced by Indian rural poor. It’s “bottom up” demand driven nature helps the rural poor to escape poverty in extreme conditions. It provides participation to the people who have a history of exclusion from the process of public action and subjugation to the will of local elites. The primary objective of the MNREA is to provide social protection to the most vulnerable and disadvantaged sections of the society through providing employment opportunity. The Act tries to empower the marginalised communities, especially women, Scheduled Castes and Scheduled Tribes through the process of a rights-based legislation. The important objective of the scheme is to strengthen the decentralised participatory planning through the convergence of various anti-poverty and livelihood security initiatives. The scheme promotes the deepening of the democracy by the strengthening of the Panchayati Raj Institutions. It also helps to bring transparency and accountability in the governance process.

The primary importance of the MNREGA is due to its direct impact on the food security of the most vulnerable sections of the society. The studies on poverty suggests that deprivation across a wide range of nutrients can lead to poverty trap where low nutritional intake can lead to ineffective performance leading to low wages and thus a vicious circle is completed. MNREGA has led to a higher intake of food and food availability (MNREGA Sameeksha 2012:26). The research further finds that “welfare costs of economic crises and weather shocks are disproportionately large for the poor who lack the means to protect themselves from adverse income and employment shocks. This could further reinforce existing inequalities, create persistent poverty and hurt the pace of poverty reduction” (MNREGA Sameeksha 2012:27). Through its impact on income, consumption, food security and employment, MNREGA appears to be protecting the poor. MNREGA is a productivity enhancing instrument in which case it would simultaneously be an inflation checking mechanism through its positive impact on agricultural productivity.
The poor people who are to be addressed through MNREGA have peculiar characteristics like, they have no/low assets, they have poor risk-bearing capacity and poor creditworthiness; they are usually incapable of taking up self employment and labour is their only asset and they prefer wage employment. “Reduced food consumption, mortgage/sale of assets, borrowings at high interest rates and migration pushes them further into poverty trap” (Hirway 2004: 5118). One major solution to their poverty is to ensure a minimum income to them through productive employment and four models could be used to justify it (Hirway 2004: 5122):

1) Communitarian Model: According to this approach workers are entitled to their minimum needs by belonging to a communal society,

2) Right to income Model: The unemployed have a right to a minimum income from the state and in return they have to work whenever employment is made available to them.

3) Right to work Model: It states that workers have a legal right to demand wage from the state for wages.

4) Wage Employment Model: According to this approach wage employment on public works is provided to the poor on a large scale.

These four models have been collectively used to formulate the comprehensive MNREGA programme and it has created enormous benefits for the rural poor. In principle any scheme to alleviate poverty has both transfer benefits and stabilization benefits for the poor. The Transfer benefit can be both direct and indirect- including the share of the poor in the extra income generated by the scheme’s output and any other second round effects on the income from the other resources. The stabilisation benefits are mainly from the scheme’s effect on the risk facing the poor, of a decrease in consumption (Ravallion:154). “A well functioning public works scheme can make a positive contribution to both efficiency and equity by reducing existing non-competitive features in rural labour market”(Ravallion:173). The scheme has enhanced the social security of the labour and it has made them more efficient and confident about their own rights. The scheme benefits the rural poor largely during the slack seasons and thus; it doesn’t compete with the rural availability of the agricultural labours.

MNREGA and Capability Approach are deeply interlinked with each other and in fact, MNREGA could be seen as the practical manifestation of the Capability Approach. MNREGA is a public policy and it emphasizes on the capability building of the individuals. It is a comprehensive scheme and ensures that the well-being aspect as well as the agency aspect of the individual’s freedom is achieved by the effective implementation of the scheme. As a scheme it ensures that the condition of the extreme poverty and vulnerability could be avoided by the most marginalised and poorer sections of the society and it provides for the option of guaranteed employment, when they need it the most. Thus the scheme ensures that the well-being aspect of the individual’s freedom, like adequate access to food, nutrition and access to the necessary commodities bundle is ensured during the most difficult times by guaranteed wages and because of its demand driven nature and participatory mechanisms, it ensures that the agency aspect of the individual’s freedom is properly realised. Thus the programme has been designed to be in sync with the Capability Approach to development and over the time MNREGA has proved that the successful implementation of the scheme has lead to the effective realisation of the goals of the Capability Approach.

MNREGA can play a crucial role in ensuring the freedom of the individuals as it a social and legal commitment for enhancing the capability of the marginalised section of the rural Indian society. The underutilized labour power of the rural sector could be seen as an important capability input for converting it into the functioning capability set for the large underprivileged rural masses through the demand driven and self selective mechanism of the MNREGA. MNREGA ensures that the achievement of the functionings of income, utility and democratic participation are ensured throughout the process and thus, the scheme ensures that the well-being freedom is realised properly. Capability is a set of such functionings from which the person can choose one combination and MNREGA enhances the capability by increasing the well-being freedom of the actors. Freedom has an instrumental importance in realising the person’s well-being and MNREGA
plays a very important role in increasing the substantive as well as the instrumental freedom of the individuals.

MNREGA has significantly increased the agency aspect of the agent’s freedom by making the whole process demand driven and participatory in its essence. From the stage of being planned to the stage of being executed, MNREGA continuously engages the individual in the effective implementation of the scheme and demands the agency role of the individuals. The demand for work, the formulation of shelf projects, the implementation of the scheme, the social audit and other such important activities of the programme demand continuous engagement of the participants and depends on the agency freedom of the individuals. The concept of ‘well-being’ as well as ‘agency freedom’ has a direct relevance in judging the opportunities a person has for pursuing his or her advantage and MNREGA contributes positively in enhancing both types of the freedom, thus enhancing the overall capability of the rural poor.

The instrumental role of freedom is concerned with, “the way different kinds of rights, opportunities, entitlements contribute to the expansion of the human freedom in general” (Sen 2000:37). MNREGA has a key role in promoting the instrumental freedom of the rural poor. Amartya Sen considers the following as instrumental freedom (Sen 2000:38):

1) Political Freedom
2) Economic Facilities
3) Social Opportunities
4) Transparency Guarantees
5) Protective Security

Each of these distinct types of rights and opportunities help to advance the general capability of the individual and they may also complement each other. According to Sen, “Public policy to foster human capabilities and substantive freedom in general can work through the promotion of these distinct and interrelated instrumental freedoms” (Sen 2000: 10). MNREGA promotes all these instrumental freedoms though its entitlement associated with the democracies, the possibility to scrutinize and criticize authorities, to choose between different political options and the freedom to use the agency role of the individuals. MNREGA in its essence promotes democracy by decentralisation of power and engaging the beneficiaries at every stage of the scheme, giving them the political entitlements of right to work, engaging them in the formulation of the projects and scrutinising and criticizing authorities through social auditing of the scheme.

The freedom of economic facilities refers to the opportunities that the individuals enjoy to utilize economic resources for the purpose of consumption, production and exchange (Sen 2000: 39). MNREGA facilitates the freedom of economic facilities by providing the economic opportunity of gainful and guaranteed employment, utilization of the economic resources for creating the rural infrastructure which facilitates the rural economy and helps in the enhanced economic exchange of useful commodities. MNREGA secures the availability and access to finance which can have a crucial influence on the economic entitlements that rural poor as economic agents are practically able to secure.

MNREGA promotes the freedom of social opportunities by creating the positive space for social participation which influences the individual’s substantive freedom to live better. The income generated by MNREGA leads to food security, better health care, access to education for the children of the beneficiaries and access to other such social benefits.

Society operates on some basic presumption of trust and transparency guarantee deals with the need for openness that people can expect. It is an important instrumental freedom and it has a clear instrumental role in preventing corruption, financial irresponsibility and underhand dealings (Sen 2000: 39). MNREGA promotes the transparency guarantees in the rural society by making the local democratic bodies more accountable to the rural masses. Its inclusive and participatory mechanism reduces corruption and financial irresponsibility and the provision of social auditing keeps the local authorities accountable to the masses.

MNREGA promotes the instrumental freedom of protective security. The vulnerable sections of the rural society always run through the risk of abject misery and poverty which in some cases leads to starvation and death. According to Sen, “The domain of protective security includes fixed institutional arrangements such as
unemployment benefits and statutory income supplements to the indigent as well as ad hoc arrangements such as famine relief or emergency public employment to guarantee income to destitute” (Sen 2000: 39) MNREGA is such an attempt to provide emergency public employment for the rural poor and acts as a social safety net for preventing the affected population from extreme poverty. There is a remarkable interrelation between different kinds of freedom and all of these freedoms are mutually reinforcing. By enhancing and protecting the substantial and instrumental freedoms of the vulnerable sections of the rural society, who are the chief beneficiaries of this programme, MNREGA plays both the constitutive as well as instrumental role in promoting the individuals freedom and securing the capability formation of the rural masses.

The concept of freedom as the exercise of ‘procedural’ and ‘consequential’ freedom demands active engagement of democratic institutions with the people to avoid ‘capability failure’. Individual freedom is quintessentially a social product and there is a two way relation between them. Social arrangements are required to expand individual freedom and the use of individual freedom not only improves respective lives but also make the social arrangements more appropriate and effective. MNREGA is a participatory scheme and depends entirely on the active participation of the beneficiaries. It not only increases the freedom of the poor but also makes the social arrangements more effective by democratic decentralisation and public accountability, thus fulfilling the need of the transparency guarantees in the society. It ensures the procedural freedom by giving the agents the liberty to engage in the formulation and implementation of the scheme and consequential freedom by creating durable rural assets and rural infrastructure and increased democratic and economic entitlements.

It is a socially inclusive policy which targets the most vulnerable sections of the rural masses. The process of framing ‘socially inclusive’ policies needs the inclusion of the individual preferences at policy levels and requires a ‘reasoned social assessment’ In this context, particular importance has to be attached to the role of public decisions and interactions in the emergence of ‘shared values’ and ‘commitments’. MNREGA takes into account the public deliberation and discussions and considers it as an important element of the scheme. ‘Preference information’ through social interaction can reduce the degree of exclusion at various levels of policy making and the ultimate impact of the policy over the individuals. Political discussions for “informational broadening” help in having coherent and consistent criteria for social and economic assessment. Increased social interaction and social consensus provides the conditions for making social decisions sensitive to the development of individual preferences, norms and capabilities (Sen 2000: 279).

MNREGA as a public policy is based on increased social interaction and social consensus and thus makes the outcomes of the scheme more responsive and sensitive to the demands of individual norms, preferences and capabilities and it presents a more inclusive, comprehensive and democratic picture of development. Thus, it can be seen that there is a deep link between MNREGA and capability approach and MNREGA helps in creating and maintaining the capability of the rural masses.

References


