

## **CHAPTER I**

### **Introduction**

The Mahatma Gandhi National Rural Employment Guarantee Act, called MGNREGA is one of the pioneering rights based legislation in the world. MGNREGA, is a legal guarantee and is marked by scale. With an annual outlay of above Rs 62534 crore in 2017-18, it is one of the largest workfare programmes in the world (MoRD, 2018).

The Act came into force on February 2, 2006 and was implemented in a phased manner. In Phase I, it was introduced in 200 of the most backward districts of the country. It was implemented in an additional 130 districts in Phase II, during 2007-2008. The Act was notified in the remaining rural districts of the country from April 1, 2008 in Phase III. All rural districts are covered under MGNREGA.

While the Govt had executed employment generation programmes earlier too, to aid people in poverty, it never before had the force of law and this was a timely intervention in favour of the rural poor.

“The enactment of the NREGA in 2005 came about partly as a result of a sustained campaign by academics and activists across India. Significant efforts were made by campaign groups to highlight the crisis of food and work availability faced by large numbers of the rural poor in India. The NREGA that was finally enacted was a diluted version of the citizens draft”. (Khera and Nayak (2009)

Dreze and Sen (2013: 201) point out that during the period 1990-2005, rural workers were largely left behind. Agricultural production barely increased in per capita terms. The growth of real agricultural wages gradually ground to a halt and rural employment stopped being a policy priority. The enactment of MNREGA in 2005 led to a serious reorientation of governmental priorities towards employment creation and also in the process strengthen the bargaining power of rural workers.

In the State of Maharashtra, the Employment Guarantee Scheme was implemented since 1970s. About half a million workers were employed on an average day on the Maharashtra's EGS in the 1970s and 1980s, although on a very low wage. The first draft of the National Rural Employment Guarantee Act was largely adapted from the Maharashtra's EGS. (Dreze and Sen (2013:p361)

An Act of this order of legal guarantee and local governance was not expected as the deliberations in the public space raised alarm bells predicting possible financial bankruptcy. (Dreze and Sen (2013:p200)

The finally enacted version was a radical departure from the previous employment guarantee scheme of Maharashtra.

Several studies in the initial years of the implementation gave a mixed report. While the aspect of livelihood security was the immediate aspect of evaluation, criticism on the poor quality of assets gained ground, with some

pejoratively calling the MGNREGA works as 'mud works'. (Dreze and Sen (2013:p204)

In the year 2012, the Sameeksha I of Ministry of Rural Development (MoRD), highlighted that, "MGNREGA marks a paradigm shift from previous wage employment programmes, in India's history. Its design is bottom-up, people-centred, demand driven, self-selecting and rights-based. It is a demand-driven programme where provision of work is triggered by the demand for work by wage-seekers. It also suggested that the concepts of multiplier and accelerator could be usefully applied to MGNREGA. On the one hand, MGNREGA increases the purchasing power of workers creating demand for commodities. This has been regarded as an important contributor to soften the impact of the world-wide recession on the Indian economy. At the same time, by generating incomes for small and marginal farmers, both through direct benefits to them as workers and by improving the productivity of their lands, MGNREGA stimulates private investment on these farms. Effectively a wage employment programme can thus be transformed into a source of sustainable livelihoods generating self-employment".

In the year 2014, Sameeksha II of MoRD, highlighted that, "evidence clearly points towards the fact that the self-selecting nature of MGNREGA ensures that it targets the poor and the marginalized. Independent research overwhelmingly supports this conclusion while critically identifying several gaps in implementation". It also highlighted that various governance contexts and the capacity and commitment of the local official machinery, unmet

demand and other context specific realities like leakages affect the implementation of MGNREGA.

The construction of Assets has always been considered with seriousness by MoRD. The Operating Manuals for construction of works are very detailed and the administrative infrastructure has also undergone continuous fine tuning. The emergence of the Bare Foot Technician is one example. There is a continuous endeavour to make corrections based on the feedback from the implementation.

The first Common Review Mission (CRM) reviewed the implementation of MGNREGA along with other Rural Development programmes. The 8 States and 16 districts covered by the CRM represent a variety of situations in the country. (Ministry of Rural Development, 2016)

The CRM highlighted that the problems in the scheme could be best captured in three interlocking cogs in the wheel. The first concerns smooth flow of funds, the second concerns the administrative support and the third concerns the worker's mobilization.

The CRM finds that while the Scheme provides a safety net, it is important that fund flow, demand generation and registration, availability of adequate shelf of works, asset creation through convergence and timely wage payment are strengthened for a stronger implementation of the programmes in its second decade.

The primary mandate of the Act, is to provide 100 days of unskilled work employment in a financial year to every volunteering household. This

objective by itself signifies amelioration of the lives of marginally poor, but what is most significant is the manner in which the Act has weaved into its framework, the aspects of Gram Sabha participation in the preparation of development plan for the village.

MGNREGA goes beyond merely providing a legally binding provision for work. The Act has weaved the Gram Sabha, dominantly, into the development planning framework and was a timely intervention in favour of the rural poor. Sen and Dreze envisage Gram Sabhas to transform into plenary village assemblies.

The different kinds of works permitted under MGNREGA, aim to create a strong village, with a sustainable model of development. For instance, the manure compost produced under Solid Waste Management is expected to be used as manure in the agricultural fields for increasing the productivity. Water Harvesting works are expected to increase the water table and water availability in the village for more productive agriculture. However in no other scheme of the past did we have an integrated, rights based employment and development framework for the village, designed by the people themselves. This is also a mission to train people in local governance.

The mandate mentioned in the Act has been succinctly and appropriately articulated by the First Common Review Mission and is mentioned here. The primary goal of MGNREGA is to provide livelihood security to the volunteering households by providing at least 100 days of work every year. The second goal is to turn the villages sustainably into growth engines by carrying out works (water harvesting, water storage, composting waste for

agricultural fields, rural sanitation and rural drinking water etc) in an integrated frame work that raises the productivity of land and water bodies in the village thereby generating more income. The third goal is to socially empower women and weaker sections. The fourth goal is to enhance the spirit of local governance by making the Gram Sabha the main instrument for planning. (MoRD, 2017)

### **Statement of the Problem**

Rolled out in 2006, approximately Rs 4,40,000 Crore have been spent and correspondingly 2506 Crore person days of employment have been provided. While the scheme has evidently grown in its reach and impact, it still faces many challenges including that of administrative leakage, inadequate people's mobilisation and sub optimal quality of 'assets'. There are numerous studies that have highlighted that the scheme still has not met the full 100 day demand for work of the needy households. It is an irony that the poorest states have registered lower participation than the relatively better off States. Some studies suggest that the impediments to the implementation of the scheme are the feudal social structure and the vested interests of the big farmers who prefer low wage rates of farm labour. Not many studies have studied the quality of assets in a way that could constitute a template for the rest of the country. In addition, it is pertinent to mention that though there are operational guidelines for carrying out the works, there are no stipulated ways of capturing the relevant data for studying the productivity of the Assets. Presently concerned agencies only audit whether the structure has been built to the specification.

The achievements fall short of intent. Numerous studies have pointed out that the Demand/ Days of work are inversely related to headcount ratio in some states. The CAG report has highlighted this anomaly. The CAG report also brings out that there are 80 percent incomplete works. There are obvious question marks on productive assets and the livelihood security impact.

### **Objectives of Study**

The Objectives of the dissertation are:

To identify and address challenges in enhancing livelihood security and creating durable productive assets through MGNREGA.

To understand the lag between the intent and the actual ground reality and in the process understand the critical issues that may be impeding if at all, the achievement of the intent of the Act.

### **Rationale**

There is a continuing need to take stock of the implementation of the scheme and make the right feedback based corrections because of the substantial financial resources that are being spent as already mentioned. Another important reason is the opportunity cost of this expenditure. The question whether this scheme is a costly transfer of funds to the poor or whether the scheme truly improves the natural resource base of a village in a sustainable manner is dependent on the corrections we make now.

This gap in the literature is something that has motivated us to emphasize on the aspect of asset durability and productivity also to the extent possible within the short duration of the field visit.

### **Scope**

The study analyses the implementation of MGNREGA, based on primary and secondary data. The primary data collection is limited to a single Gram Panchayat (Kant Gram Panchayat), in Amer Block of Jaipur District of Rajasthan. The secondary data used is from the MoRD website.

### **Research Questions**

The dissertation tries to answer the following Research Questions.

- 1) To what extent has livelihood security been enhanced through MGNREGA?
- 2) What are the challenges that need to be addressed to enable achievement of livelihood security through MGNREGA?
- 3) What are the factors that constrain the creation of durable productive assets under MGNREGA? What steps need to be taken to overcome these constraints?

### **Limitations**

The causal relationship of assets (that include water related and agricultural related structures), with productivity depends on numerous variables and many of these cannot be captured in a study of this small a scope. The



baseline data too may not exist and even if it exists may be difficult to acquire from concerned agencies. For instance the ground water level in a village may have improved consequent to the water harvesting works but to capture the increase we require data on the water levels in the baseline year. Shortage of time was a serious limitation and as a result only one village has been studied.

## **Research Methodology**

### **Primary Data:**

The dissertation is based on analysis of both primary and secondary data.

Primary data was collected in Kant Panchayat, which is in Amer Block of Jaipur District of Rajasthan. The Gram Panchayat has six habitations i.e Kant, Sangawala, Kiritpura, Rampura, Shaayri and Kalwad.

Primary data was collected employing both quantitative and qualitative methods. Detailed questionnaires were administered to sample workers of an ongoing MGNREGA work site. . The data was collected on a range of aspects of their households, such as the occupational profile, land holding profile, educational status of the parents and children, season wise work pattern, awareness levels about MGNREGA, need and desire for MGNREGA work, participation in the planning of shelf of works, perceptions on the difficulty of MGNREGA work, the Group norm, and the current Schedule of Rates in Rajasthan.

Questionnaires were also administered to the Gram Sarpanch, the Overseer, the Officiating Panchayat Secretary and the Mates.

To evaluate the productivity of assets, data on the perceptions of individuals as well as the Key Personnel were collected. Data on the water levels recorded by the 'Well', maintained by the Ground water department, in the village, was also collected.

Qualitative data on a range of issues such as low participation, the meager number of MGNREGA works implemented and the productivity and durability of Assets constructed was collected in the Focus Group Discussion involving Key Personnel.

### **Secondary Data**

Secondary Data on shelf of works and the work expenditure on MGNREGA since 2009, has been collected from Panchayat office. Secondary data on MGNREGA official website was also used for analysis.

Secondary data regarding the person days, the composition of women/ SC/ ST, the shelf of works, the individual and community component of shelf of works and also the category of works in terms of operational guidelines of the scheme are available on the MGNREGA website and this data has been critically analysed to draw evidences on the implementation of MGNREGA in the Kant Panchayat..

### **Data Sources**

The study principally is a detailed study of a village in Rajasthan. The state of Rajasthan was chosen because of the combination of opportunities it presented. The State is known to have significant participation rates and also has placed emphasis on water conservation under MGNREGA and as also its

nearness to Delhi made the visit feasible within the budgetary constraints. Convenience therefore was an important factor in the choice of the place of study. The Kant Gram Panchayat, was chosen for study by the Jaipur District officials concerned with MGNREGA. Their Judgement was based on the fact that the Gram Panchayat contained a lot of water structures created as Assets under MGNREGA.

### **Research Design**

Research question 1 is to understand the extent to which livelihood security has been provided to the people demanding work. Descriptive design has been employed to understand the functioning of the scheme in the particular village. .

Research question 2 is about the challenges that need to be addressed to enable achievement of livelihood security through MGNREGA. The challenges that emerged were explored by seeking the views of the sample individuals and the Key Personnel.

Research question 3 is on the factors that constrain the creation of durable productive assets under MGNREGA. Descriptive method has been employed to understand the extent of durability and productivity of assets. The constraints in creating durable assets have been explored by seeking the views of sample individuals and the Key Personnel.