

# Chapter 2

## Implementation of MGNREGA: A Study of Two Gram Panchayats in Jhalawar, Rajasthan

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### Introduction

MGNREGA is the first ever law internationally to guarantee wage employment on such an unprecedented scale. The idea is to provide a legal guarantee of employment to anyone who is willing to do casual/unskilled manual labour at the statutory minimum wage. Any adult who applies for work under the Act is entitled to being employed on public works without delay.

Some of the main objectives of the Act are to ensure social protection for the rural poor by providing employment opportunities, ensuring livelihood security for the poor through creation of durable assets, effecting greater transparency and accountability in governance and checking distress migration by providing work within the vicinity of the village. Thus, an employment guarantee Act provides a universal and enforceable legal right to the most basic form of employment.

The chapter starts with a review of various studies, which have been taken up after the implementation of MGNREGA. The next section discusses the methodology adopted for the study. The third section presents the findings of the field study conducted in the two Gram Panchayats of Jhalawar. The chapter concludes with suggestions on effective implementation of the Act.

### Review of Literature

In India, providing employment as entitlement for the welfare of the public has a long history. During the fourth century BC, the ancient political economist Kautilya, in his *Arthashastra*, emphasised the welfare of the public through relief work, particularly during famines. Kautilya stated: “In the welfare of the people lies the welfare of the King.” As the economic policies of the colonial era were based on the

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economic interest of the imperial masters rather than that of the colonised people, when India attained independence, the impact of such economic policies was visible on all spheres of the Indian economy. India at that time faced a high incidence of poverty and unemployment, and the concomitant social and economic challenges before the country were enormous. Ever since, poverty reduction and providing basic needs to its people have constantly been one of the major aims of independent India. Decades after independence, India is still struggling to address the issue of poverty. This is evident from the fact that India is ranked 119th among 182 countries in the Human Development Index (HDI). Despite India's booming economy, which now stands as the tenth largest in the world, 302 million people (21.8 % of its total population) were living below the poverty line in 2004–2005 (61st NSSO round), where the poverty line is equated at ₹ 356 monthly per capita consumption expenditure for rural areas and ₹ 539 for urban areas. According to the Human Development Report (HDR) 2003 of the United Nations Development Programme (UNDP), India has the largest number of poor population among single countries of the world and is home to one-fourth of the world's poor population.

Based on the experiences of previous poverty alleviation and employment generation policies, and a long-drawn struggle by various sections, MGNREGA was enacted in 2005 by the Government of India to tackle poverty more efficaciously. During this period, most of the developing nations were in distress, largely due to neoliberal policies. As has been rightly put forward by Hirway et al. (2010), the neoliberal policies have treated employment very indifferently, creating shortages of decent work opportunities in most developing countries. MGNREGA was enacted to reinforce the commitment towards livelihood security in rural areas. The significance of MGNREGA lies in the fact that it creates a right-based framework for wage employment programmes and makes the government legally accountable for providing employment to those who ask for it.

In the initial phase of the implementation of the Act, the evaluation of the policy was based on the official data of the Ministry of Rural Development (MoRD). Drèze and Oldiges (2011) have presented the outcomes of the initial 2 years (2006–2008) of implementation of the programme. According to their findings, MGNREGA generated 90 crores (nearly 1 billion) person-days of employment in 2006–2007, at a cost of about ₹ 9,000 crores. In addition, there are startling differences in the levels of MGNREGA employment generation amongst different states. Some state governments have clearly decided to 'own' MGNREGA, and seized the opportunity to provide large-scale employment to the rural poor at the cost of the central government (which foots about 90 % of the bill). In some states, the whole programme is yet to take off.

Rajasthan was the best performer among all the states in India in 2006–2007 (in terms of employment generation per rural household). Indeed, employment guarantee has been a lively political issue in Rajasthan for quite a few years, and the state also has a high level of preparedness for the Act, having organised massive public works programmes almost every year in living memory. Note, however, that the small state of Tripura in the northeast is doing even better than Rajasthan, with 87 days of MGNREGA employment per rural household in 2006–2007. In both states,

employment generation under MGNREGA is already quite close to the upper limit of “100 days per rural household.” This is an unprecedented achievement in the history of social security in India.

Yet, things are far from satisfactory. Although MGNREGA has become an important tool for social change, particularly for women, it was found that the mandatory provision of crèche facilities at MGNREGA worksites has been brazenly ignored. It is also alarming to find that some states are evidently paying less than the statutory minimum wage, in flagrant violation of the Act. The most glaring offender in this respect is none other than Rajasthan, where MGNREGA workers earned a meagre ₹ 51 per day on average in 2006–2007, even though the statutory minimum wage was ₹ 73 per day.

As per the official data for the financial year 2011–2012, provided by the website of the MoRD ([www.nrega.nic.in](http://www.nrega.nic.in)), till date (accessed on 23.05.12), 4.99 crore households have been provided employment in India. It is also interesting to note that women’s participation rate in overall states is quite high at 48.18 %. In particular, it holds the powerful prospect of bringing about major changes in the lives of women. It is also to be noted that women’s work participation rate has increased over the years. The wider acceptability of MGNREGA work derives from several factors: it is locally available; being government work, there is regularity and predictability of working hours; less chance of work conditions being exploitative; and work is considered socially acceptable and ‘dignified’ (Khera and Nayak 2009). It has the potential to revolutionise the status of rural livelihoods in India. It has been rightly put by Dutta et al. (2012), that, “a scheme such as this can also provide valuable insurance against the many risks faced by India’s rural poor in their daily lives.” In a similar vein, Ghosh (2006) states that, “employment generation schemes, if imaginatively conceived and properly implemented, can have very substantial effects in terms of creating conditions for much higher levels of economic activity and therefore growth, especially in the rural areas.”

According to the Act, 50 % of the implementation work will be carried out by the Panchayati Raj Institutions (PRIs). The MoRD claims that the village panchayats are implementing close to 83 % of total MGNREGA works, while others including independent implementing agencies and block panchayats are implementing around 17 % of works. A study conducted on 200 backward districts of MGNREGA by the Planning Commission revealed that in some of the 200 districts, panchayats do not exist, or are non-functional, and the Gram sabhas, which are required to scour through the shelf of projects, are dormant in some of the cases.

However, the Comptroller and Auditor General of India (CAG) report revealed lapses in the implementation of the Act. The key findings of the report are that the delivery of the MGNREGA has deteriorated significantly. There are two aspects to this. First, a very small segment of the people who sought jobs under MGNREGA actually received employment; in the period April 2006 to March 2007, a mere 10 % of all such applicants received a minimum wage job; from April to December 2007, the number of actual beneficiaries dropped even further to just 3.3 % of the total job seekers registered under the scheme. Second, even within the beneficiaries, only a small minority received the promised compensation in entirety. Thus, the

CAG sample reported the average employment per person under the scheme as 45 days in April 2006 to March 2007, dropping further to just 38 days during April–December 2007. In addition, the CAG reported that the MGNREGA is afflicted with corruption and misutilisation of funds, as well as inefficiency and unreliable documentation in most of the districts covered by this study. The worst performance in this regard came from the poorer states of Bihar, Orissa, Jharkhand and Uttar Pradesh. These are the states that have the greatest need for a comprehensive rural employment scheme (Goswami 2008).

The CAG report noted “significant deficiencies” and their impact on MGNREGA implementation: “The main deficiency was the lack of adequate administrative and technical manpower at the block and GP levels. The lack of manpower adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of stipulated records at the block and GP levels. Besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency, and made it difficult to verify the provision of the legal guarantee of 100 days of employment on demand. Planning was inadequate and delayed, which resulted in poor progress of works. Systems for financial management and tracking were deficient, with numerous instances of diversion/ misutilisation, and delay in transfer of state share. Monthly squaring of accounts at different levels to maintain financial accountability and transparency was also not being done. Maintenance of records at the block and GP levels was extremely poor, and the status of monitoring, evaluation and social audit was also not up to the mark (Government of India 2007).”

A study of four states (Gujarat, Madhya Pradesh, Maharashtra and Rajasthan), conducted by the NGO Disha (2007), reveals that most of the respondents had a low level of education, which was an impediment in their awareness regarding the provisions of the Act (Jaswal and Mistry 2007). It was also found that their common problems constituted lack of proper information, temporary job cards (JCs), JCs without photographs and delayed application process for work. The average period of employment was around 39 days. However, the two districts of Dungarpur and Udaipur in Rajasthan, with 63 and 67 days of work, respectively, were in a better position as compared to the other states. A delay in payment of wages was a common phenomenon in all the districts. An analysis of the average wages paid for different work across districts show that at many instances, the wages paid are even below the minimum agriculture wage as decided by the central government (for example, ₹ 50 per day for Gujarat, ₹ 73 for Rajasthan and ₹ 63 for Madhya Pradesh).

The All-India Report on Evaluation of MGNREGA: A Survey of Twenty Districts (2007), carried out by the Institute of Applied Manpower Research for the Planning Commission, assessed the effectiveness of the Act. The study revealed that 80 % of the households did not get work within the stipulated 15 days’ time from demand for work in writing; neither were they paid unemployment allowance, as stipulated. An enquiry was also made to assess the impact of the scheme on the overall quality of life of the beneficiaries. Due to the income generation through this scheme, the number of beneficiaries at the low earning level was reduced by nearly half, resulting in the rise of households with marginally higher income.

Another study, this time with special focus on women, was undertaken by the National Federation of Indian Women (NIFW) for MoRD (2008). The study was conducted in the four districts of Rajnandgaon (Chhattisgarh), Jhabua (Madhya Pradesh), Mayurbhanj (Orissa) and Cuddalore (Tamil Nadu). In all these districts, it was found that respondents were very optimistic about the importance of MGNREGA in their lives. It was also found that women workers in these districts were taking their wages directly. The major concern realised through the study was that the awareness level of the respondents, most of who were illiterate and belonged to the economically weaker class. They were unaware of the provisions of the Act. It was also seen that there was lack of worksite facilities, particularly safe drinking water, protective shed and first aid facility.

Khera and Nayak's study on women workers and perceptions of the MGNREGA enquired into the significance of MGNREGA in the lives of rural women. There were variations in women's participation across the sampled areas. There were also issues of lack of crèche for mothers of young children and the continued illegal presence of contractors. Given the critical gains made by women workers—of accessing work and generating income, food and health care for themselves and their families, and of leaving potentially hazardous work—it needs to be ensured that the problems in implementation do not derail its gains.

They further pointed out the potential of MGNREGA to have a wider impact on gender relations over time as MGNREGA employment can enhance women's economic independence by providing them access to cash earnings. Moreover, MGNREGA can bring about a sense of equality fostered by earning, for the first time, the same wage as men.

MGNREGA has been enacted with a lot of hope and aspirations for the poor and the vulnerable. A number of studies have been conducted to review the implementation of MGNREGA in the various states of India. It shows a general picture of the implementation of the Act (Shah 2007; Kumar and Prasanna 2010). Most of the studies conducted are based on secondary data and official reports provided by the government (Chakraborty 2007; Mehrotra 2008; Dutta et.al. 2012). This paper is a study based on primary data collected at the Gram Panchayat level where the actual implementation takes place. It helps to identify the loopholes in implementation at the micro-level.

## Methodology

The fieldwork on the implementation of MGNREGA was carried out in Jhalawar and four other districts of Rajasthan. Rajasthan was selected because of its pioneering role in the enactment and implementation of the Act. The origin for enactment of the Act can also be traced back to the state. The people's movement in Rajasthan led to the enactment of the Right to Information Act (RTI) and MGNREGA. The people of Rajasthan were actively engaged in the long struggle for RTI, MGNREGA and the current right to food campaign spearheaded by civil society organisations,

particularly the Mazdoor Kisan Shakti Sangathan (MKSS). This created awareness about the MGNREGA before it was enacted.

Jhalawar is one of the districts in Rajasthan where MGNREGA was implemented in the initial phase. Jhalawar is an industrially backward district as well. It has been identified as one of the least developed areas of the country comprising mostly marginal farmers and forest dwellers. Poverty in this district has increased despite the consistent focus of several poverty alleviation programmes (Government of India 2003). In 2009, the Ministry of Panchayati Raj named Jhalawar as one of the country's 250 most backward districts (out of a total of 640). It is one of the 12 districts in Rajasthan currently receiving funds from the Backward Regions Grant Fund Programme (BRGF) (Government of India 2009). Even though it occupies a prime position in the production of soya bean, orange and coriander, the agro-processing industry in the district has failed to pick up. The district lacks basic facilities for the development of industries. With MGNREGA's objective of job creation with minimum wages and creation of productive assets like water harvesting, road connectivity, land cultivation and others, Jhalawar is appropriate for the study.

The study employed survey method covering the two blocks of Jhalawar districts, Jhalrapatan and Pirawa, which were selected as sample blocks. As MGNREGA is implemented at the Gram Panchayat level, two Gram Panchayats, one in each block, were randomly selected. The Durgpura Gram Panchayat in Jhalrapatan and the Sunel Gram Panchayat in Pirawa were accordingly selected. About 30 respondents were selected in each of the Gram Panchayats using purposive sampling technique. The assumption behind purposive sampling is that by using good judgement and an appropriate strategy, the researcher can handpick the cases to be included and develop samples that are satisfactory. By using this technique, the researcher can use his/her expertise to select subjects that represent the population being studied (Bailey 1982). In a purposive sample, respondents are chosen because they possess the necessary characteristics, and they are accessible to the researcher.

The data were collected using a structured questionnaire prepared for the collection of information from households who have benefitted from the Act. The questionnaires were prepared on the basis of the guidelines provided by the MoRD for the implementation of the Act (Government of India 2005). The interview in Durgpura was carried out at a worksite near Durgpura village. A road was being repaired, which was constructed under MGNREGA. As there were very few people working at the worksite, interviews of beneficiaries were carried out in the villages of Kotra and Durgpura, both coming under Durgpura Gram Panchayat. There was no work carried out during the field visit in Pirawa. As a consequence, the interview of the beneficiaries was held in Suhas village. A total of 60 people were interviewed in Jhalawar district.

The data collected from the beneficiaries were analysed using Statistical Package for the Social Sciences (SPSS). The data analysis was confined to cross tabulation and frequencies of descriptive statistics.

**Table 2.1** Sample respondents in Jhalawar

Caste	Male	Female	Total
<i>Durgpura</i>			
SC	1(3.3)	4(13.3)	5(16.7)
ST	1(3.3)	5(16.7)	6(20)
OBC	3(10.0)	16(53.3)	19(63.3)
<i>Total</i>	5(13.3)	25(83.3)	30(100)
<i>Sunel</i>			
SC	12(40)	0	12(40)
ST	11(36.7)	0	11(36.7)
OBC	7(23.3)	0	7(23.3)
<i>Total</i>	30(100)	0	30(100)

Figures in brackets indicate percentage

## Results

This section of the chapter is based on the findings of the primary data collected from the two Gram Panchayats of Durgpura and Sunel. Some of the major findings of the study are discussed below.

### *Sample Respondents*

Out of the 30 respondents in Durgpura, 25 were females. The female work participation rate among the Scheduled Caste (SC) and Scheduled Tribe (ST) was low, as compared to the Other Backward Class (OBC), which had a female participation of 53.3 %. The male workforce in these social categories was low (refer to Table 2.1).

In Sunel, there was no work carried out as mentioned above. The male or head of the household responded to the questionnaire, even though it is the female of the household who goes to work under MGNREGA.

In general, the findings from both the Gram Panchayats revealed that the workforce was mostly women from the marginalised sections of the society. In addition, the findings at these Gram Panchayats tailored into some overall observations about MGNREGA. While it is recognised that one of the main objectives of the Act is to aid and empower marginalised sections of the society, which includes, among others, SC, ST and women, it has been seen that people from the upper castes, particularly those from the general category and Brahmins, do not work under MGNREGA. They consider that working with marginalised sections of the society may affect their social status. In accordance with this, men consider the work of MGNREGA to be meant for women only. This is one of the reasons behind the large percentage of female workers working under the scheme; the limited days of work and low wage rate under the Act being the other reason.

Rajasthan has been one of the states in India with a large percentage of women's work participation. As per the MoRD, the work participation rate of women



**Table 2.2** Household size of respondents in Jhalawar

No. of household members	Frequency	%	Cumulative %
<i>Durgpura</i>			
1–2	8	26.7	26.7
3–4	17	56.7	83.3
5–6	5	16.7	100
<i>Total</i>	30	100	0
<i>Sunel</i>			
1–2	3	10	10
3–4	10	33.3	43.3
5–6	10	33.3	76.7
7–8	1	3.3	80
9–10	3	10	90
10 and above	3	10	100
<i>Total</i>	30	100	0

in December 2012 was 69.2 %. One of the reasons behind the large percentage of women's work participation rate is their male counterparts' preference to continue with their respective occupations.

One of the positive impacts of MGNREGA is that it has helped women in rural areas to come out of their closed shell. The women respondents said that the enactment of MGNREGA has been a fortunate thing for them. The wage from MGNREGA is an additional income for the family. It has a social impact as well on the lives of women. In rural areas, most women are treated as subordinates in a household. They do not have a say in the family. However, MGNREGA has changed their social status. They are taking active part in the decision making of the family.

### *Household Size*

The term 'household' in this chapter is defined as a nuclear family, comprising of mother, father and their children, and may include any person wholly or substantially dependent on the head of the family. Household will also mean a single-member family. The work under MGNREGA, as per the statute, is provided to those households whose adult members are willing to work as unskilled labour. The work is provided for 100 days in a financial year to every household. Thus, the size of the household assumes significant importance, because employment is provided to a household under MGNREGA. The average household size of Durgpura was three to four. The maximum number of members in a household was five to six, which is considered a small number as compared to other rural households (refer to Table 2.2).

The situation was different in Sunel, where there were families with more than ten members. A household with a large number of members has not benefitted much from the Act. The statute guarantees work to a household for 100 days only but does not address the needs of the entire family. The wage from MGNREGA in case of a large household, therefore, can only be an additional source of income for their livelihood.



**Table 2.3** Profile of sample respondent in Jhalawar

Household income (monthly in INR)	BPL card holder	Landholding				Total
		Landless	1–5 Bigha	6–10 Bigha	16–20 Bigha	
<i>Durgpura</i>						
500–1000	Yes	2(6.7)	3(10.0)	0	0	5(16.7)
	No	0	2(6.7)	0	0	2(6.7)
1000–1500	Yes	3(10.0)	0	0	0	3(10.0)
	No	1(3.3)	0	0	0	1(3.3)
1500–2000	Yes	8(26.7)	2(6.7)	0	0	10(33.3)
	No	1(3.3)	0	0	0	1(3.3)
2000–2500	Yes	1(3.3)	1(3.3)	0	1(3.3)	3(10.0)
2500–3000	Yes	1(3.3)	1(3.3)	1(3.3)	0	3(10.0)
	No	0	0	0	1(3.3)	1(3.3)
4000 and above	No	0	0	0	1(3.3)	1(3.3)
<i>Total</i>		17(56.6)	9(30.0)	1(3.3)	3(10.0)	30(100)
<i>Sunel</i>						
500–1000	Yes	5(16.7)	1(3.3)	1(3.3)	0	7(23.3)
	No	1(3.3)	15(50.0)	0	0	16(53.3)
1000–1500	Yes	1(3.3)	2(6.7)	0	0	3(10.0)
	No	1(3.3)	0	0	1(3.3)	2(6.7)
1500–2000	Yes	1(3.3)	0	0	0	1(3.3)
	No	0	0	0	1(3.3)	1(3.3)
<i>Total</i>		9(30.0)	18(60.0)	1(3.3)	2(6.7)	30(100)

Figures in brackets indicate percentage

### *Profile of Sample Respondents*

Table 2.3 indicates the background of the respondents interviewed. Out of the 30 respondents in Durgpura, 24 had a below poverty line (BPL) card, translating into 80 % of the total sample (see Table 2.3). Half of the total sample, that is, 50 % of the respondents in Durgpura, comprises landless labourers. This means that they are dependent on earnings from work under MGNREGA for their livelihood, while those with landholdings cultivate on their land and seek MGNREGA employment during the lean season.

Unlike Durgpura, the number of people with BPL cards is less in Sunel. In addition, according to the findings of Paul et al. (2012), BPL cards are not a good measure of poverty as there are frequently fake cards, ghost or duplicate BPL cards detected. Only 13.3 % have a BPL card despite the fact that they fall under the BPL category. The optimistic aspect is that out of the 30 workers, 21 people have land from which they get a decent income for their survival. The household monthly income of most of the workers ranges between ₹ 500 and 1000.

It must also be remembered that MGNREGA is a self-targeted programme for the benefit of the poor. On the other hand, there is no specific criterion for identifying poor and needy households. Jha et al. (2010) describes targeting as one way to reduce disadvantaging of the poor by non-poor households. Having a demand-driven approach, the MGNREGA programme relies on the beneficiaries to select themselves. This ensures that the targeted population is benefitted. However, when there is a lack of work to gratify the demand for jobs under the scheme, it has been found that there are non-poor households who obstruct the employment of poor households at those times. This phenomenon has been described as “capture.” Many studies have also reported that the benefits of the pro-poor policies are often captured by the non-poor. This has been cited as one of the major challenges in the effective implementation of policies like MGNREGA (Jha et al 2009).

### *Awareness Level*

While implementing a policy it is essential that the targeted population is aware of the policy. Unless and until the targeted population participates, the policy cannot be implemented effectively. Thus, spreading awareness regarding the policy is also an integral part of its implementation. The people of Rajasthan were well aware about MGNREGA, which they commonly called Narega or Job Card.

In both the panchayats, people were aware of MGNREGA but not of the provisions of the Act. Gram sabhas are the main decision-making and implementing agencies in MGNREGA. All the announcements and planning of the Act is done by the Gram sabha. It is also the responsibility of the Gram sabha to conduct social audit of the work taken up by the Gram Panchayat.

However, as can be seen from Table 2.4, only 30 % of the respondents in Durgpura and 6.6 % in Sunel were aware of the Gram sabha held in the villages. A majority of the population (26.6 %) in Durgpura said that the Gram sabha proceedings were confined among the panchayat members only, and the villagers as such were not involved in the process. In Sunel, 63.3 % said that no Gram sabha had been held since the time MGNREGA had come into force, and 16.6 % had no idea what a Gram sabha was.

In both the Gram Panchayats, the majority of the population got information about the Act from the panchayat members. It was found that no hoardings, padyatras, street plays, etc., were held to spread the awareness regarding the Act. In both Durgpura and Sunel, only posters were displayed in the offices of the Gram Panchayats to spread awareness.

In Durgpura, only 2 out of 30 persons had received a signed receipt after applying for the job. Similarly, in Sunel only one person had got a signed receipt after applying for the job. It was surprising to find that none of the respondents were

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