CHAPTER II

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Introduction

The main purpose of the review of literature pertaining to the evaluation of performances of MGNREGP in Rural Development is to give a proper orientation and perspective to the present work. A survey of literature plays a significant role in establishing the backdrop for any research work in social sciences. It is felt that justification of present study can be made by reviewing the available literature on the subject. Therefore, an attempt has been made to review the literature on the subject so as to establish the relevance of the present study.

Karl Marx (1818-1883) says history of the humanity is the history of exploitation of man by man. He divides society in two classes, one is the exploiter and the other is the exploited. Some own the means of production (land), others live by them and this is also the reality of Indian villages. Marx and Engels wrote in the Communist Manifesto, "The history of all hitherto existing society is a history of class struggle." The conflict is there because those who own the means of production exploit the workers because of poor their economic conditions. They give minimum possible wages to the workers and extract maximum possible labor. Since labor class lacks the necessary resources to produce for themselves, they are forced to work for others. Thus, during the feudal era, landless serfs were forced to work for the landowning person in order to gain a livelihood. In the capitalist era, the resources necessary to produce goods - tools, machinery, raw materials and so on - are owned by the capitalist class. In order to exist, members of the waged people are forced to sell their labor power in return for wages. Ownership of the land therefore provides the basis for ruling class dominance and control of labor in the village.

Members of both social classes are largely unaware of the true nature of their situation, of the reality of the relationship between ruling and subject classes. Members of the ruling class assume that their particular interests are those of society as a whole, members of the subject class accept this view of reality and regard their situation as part of the natural order of things (Haralambos and Herald, 2006).
The Indian Constitution, in the Directive Principles of State Policy, had emphasized that ensuring what is now called "decent work" for all should be a crucial focus of state policy. Thus, Article 41 of the Directive Principles states that "The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of underserved want." Similarly, there is attention to the conditions of work and the level of wages in Articles 42 and 43, which state that "The State shall make provision for just and humane conditions of work and for maternity relief... The State shall endeavour to secure, by suitable legislation or economic organization or in any other way, to all workers, agricultural, industrial or otherwise, work at living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities" (Ghosh, 2006).

In this context, India signed the Millennium Declaration in September 2000, which calls for the eradication of extreme poverty and hunger by halving the number of poor people living on less than a dollar a day and those who suffer from hunger. Thus, the Government of India recognized these goals as a legitimate policy commitment. Further, the Common Minimum Programme of the United Progressive Alliance (UPA) government came up with commitments that the state had to make to improve the situation of the poor. These commitments were recognized by the Planning Commission as a national common minimum programme to mobilize resources for their implementation. Further, a citizens' charter was formulated by civil society activists (Grassroots Learning and Ways Forward). The UPA government unanimously passed the National Rural Employment Guarantee Act (MGNREGA) in 2005. This act has been hailed as a major initiative in the Government of India’s commitment to providing an economic safety net to India’s rural poor. 71.9% of India’s population still resides in rural areas, therefore the MGNREGA can be thought of as a policy to boost rural income, stabilize agricultural production and reduce the population pressure on urban areas (Basu et al, 2005). Under this Programme, any adult willing to do casual labor at the minimum wage is allowed employment on local public works within 15 days, with a limitation of 100 days per household per year at the legal minimum wage. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work whether or
not they are below the poverty line. Thus, it is a programme that differs from other schemes because it gives the rural poor the right to demand that they be given a job or unemployment allowance. MGNREGA is the first legislation that compels the state to provide a social safety net for the poorest people of this country and seeks to address the urgent issues of hunger and rural distress that afflict large parts of India (Lakshman, 2007).

Some of the field studies articulate that people are happy with the act and it is helping them make use of the agricultural off-season period to obtain work under MGNREGA. They feel, the act is a useful instrument to reduce migration.

MGNREGA was providing vital employment opportunities to the rural poor and helping to revive the local economy. “MGNREGA is the most successful programme of poverty alleviation” (Sengupta). The Centre for Science and Environment (CSE) conducted assessment of 2 initial years of implementation of MGNREGA in 9 states and 12 districts. MGNREGA is not just about drought relief but relief against drought, says CSE. MGNREGA has huge potential for regenerating village economy in India, but only if its focus remains on the creation of productive assets, the study argues.

The Act brings with it huge possibilities of making a difference to the lives of 45 million rural households of our country. Over the two years that it has been in existence, MGNREGA has already created half-a-million assets and provided jobs to around three per cent of India's population. The MGNREGA is a good way to investments, which are both productive and labor-intensive. The aim has to be longterm drought- and flood-proofing, not merely short-term relief. According to him, if MGNREGA is implemented properly; the programme has the potential to liberate India of the nuisance of regular drought and flood. The field study of Panihari village of Sirsa district gives clear evidence of what Mihir Shah has stated above. Utilizing the 'employment' opportunity that came their way through MGNREGA, residents of Panihari in Sirsa finished constructing a 2-km embankment on the Ghaggar River in February 2006.

"Life was hell with the Ghaggar flooding our homes and fields every monsoon. The need to restrict the river was there for long. But we lacked consensus. Rich landowners don't suffer because they have an embankment on their side of the
river. Only small time farmers and the landless have suffered,” says Mandan Lal Panihari, a 38-year-old resident of Panihari village (Singh, 2008).

In the context of MGNREGA as presented above, Aruna Roy and Nikhil Dey, see it in a different manner. According to them, MGNREGA has created a sense of hope amongst the rural poor. This sense of hope can be further strengthened if people understand that the act gives them employment as a matter of right, and that claiming this right is within the realm of possibility. MGNREGA, the flagship programme of the UPA government, was revolutionary in its promise of inclusive growth, the right to work and the dignity of labor and a rational, participatory relationship with the State. After the Panchayati Raj Act 1992, the MGNREGA is a law of the government where direct participation of the people is required, from planning of work undertaken in the village to social audit for checking the irregularity in the implementation which is nurturing the grassroots democracy of the country and creating awareness.

The main objective of MGNREGA is to provide not only hundred days employment to the rural people but also to provide livelihood security and durable and sustainable assets to the villages. The Act itself says- “An Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.”(http://rural.nic.in/rajaswa.pdf). Regions of India where scores of farmers have been committing suicides and children are dying of starvation now have something to look forward to (Shankar, et. al, 2006). In contrast to high appreciation and expectation from the MGNREGA by the many people, there have been skeptics to highlight problems associated with the implementation of the programme. One of the countries’s better known economists proclaimed when the debate for the National Rural Employment Guarantee Act (MGNREGA) was at its peak, ‘It is better to throw the money into a drain than to put it in the National Rural Employment Guarantee Scheme’ (Aakella & Kidambi, 2007).

Criticism has been raised against the validity of the above argument. Rural Employment generation schemes can create an environment for much higher levels of economic activity and therefore growth, especially in the rural areas.
Employment generation schemes, if creatively visualized and properly implemented, can have very large effects in terms of creating environment for much higher levels of economic activity and therefore growth, especially in the rural areas. Wage employment will put money in the hands of rural workers who will therefore be able to spend on basic consumer items which will play an important role in reviving local markets and rural industries. Since the entire rural economy is in severe depression, such a positive effect is very important, as it will create conditions for further expansion of private economic activity in rural India. Ultimately, the MGNREGA is a major move in the right direction. It can provide much-needed employment for the rural poor and can become the basis for the necessary regeneration of the rural economy, without which sustainable aggregate growth is not possible (Ghosh, 2004).

As per the Census 2001, there are 54008069 rural households in all 27 states where the MGNREGA scheme is being currently implemented, out of which an estimated 16570504 families are living below the poverty line. Hence, a scheme like MGNREGA is the need of the hour to address the economic constraints of such a huge population in a sustainable manner (Roy, 2007).

Wages means all remuneration capable of being expressed in terms of money, which would, if the terms of contract of employment, express or implied, were fulfilled, be payable to person employed in respect of his employment or of work done in such employment. The wage rate under MGNREGA appears, at first glance, to be a time-rated wage, but it is linked to the quantum of work done as indicated in the specific schedule of rates of each state government, making it in effect, a piece-rated wage. Generally speaking, systems of work that are piece-rated were originally designed to ensure efficiency but often degenerate into systems of self-exploitation or in incentivizing children and other family members work in order to achieve an equivalent time-rated wage.

Indian government is obliged to adhere to ILO’s Declaration of Fundamental Principles and Rights at Work, 1998. According to this, the government should ensure complete abolition of forced labour, which in the Indian context, means the payment of minimum wages at all circumstances and to all categories of workers. Thus, both
on constitutional grounds and international commitments, the wages paid to workers must ensure their minimum rights of sustenance.

Mihir Shah says “MGNREGA programmes visualize a decisive break with the past. Ever since independence, rural development has largely been the monopoly of local contractors, who have emerged as major agents of exploitation of the rural poor, especially women. Almost every aspect of these programmes, including the schedule of rates that is used to measure and value work done, has been tailor-made for local contractors. These people invariably tend to be local power brokers. They implement programmes in a top-down manner, run roughshod over basic human rights, pay workers a pittance and use labour displacing machinery. MGNREGA is poised to change all that. It places a ban on contractors and their machines. It mandates payment of statutory minimum wages and provides various legal entitlements to workers. It visualizes the involvement of local people in every decision whether it be the selection of works and work-sites, the implementation of projects or their social audit” (Shah, 2008). Thus, MGNREGA comes out as a potentially positive force to change the power structures working in the rural areas of India in favor of the poor.

The inherent inequality in wage payments for the same kind of work contained within MWA has been exacerbated by the fixation of wage rates by central government under MGNREGA at a uniform rate, which is lower in some states, than their minimum wages for unskilled work in agriculture. Work of a similar nature basically gets paid at different rates depending on employed at MGNREGA, a farmer or a PWD worker. (Sankaran, 2011).

Declared Business Standard in one of its articles “The harsh truth that is often lost sight of is that the mandated minimum wage does not have much sanctity in rural areas where the actual wages are determined by demand-supply equilibrium which varies with cropping season. Aligning wages under MGNREGA with minimum wages would distort the rural labour market further. Besides, it would pose difficulties for the Centre to strike a balance in allocating MGNREGA funds to different states. A better bet would, perhaps, be to fix a reasonable central wage rate and let the state governments augment it from their own resources, if they so wish. This apart, the guaranteed employment under MGNREGA has restrained the usual seasonal labour migration, which had become the mainstay of farming in agriculturally progressive,
but labour-starved, states. This has caused acute shortage of labour for agriculture. Particularly hit are plantations in the southern states, notably Kerala, and the cultivation of labour-intensive crops like rice, wheat and sugarcane. The farmers are forced to incur additional expenses for using machines and energy for doing farm operations which were earlier performed manually by migratory labour at far lower costs’ (Improving MGNREGA, Business Standard/New Delhi December 31, 2010 last accessed 1st March, 2011). Thus, it is quite evident that MGNREGA has been impacting rural wage structures which were highly exploitative, checking migration and creating conditions favourable for the poor agricultural labour of our country.

Markets and competitions both play dominant roles in determining wages in the informal sector. (Marjit & Kar, 2009:60). In this context the MGNREGA can play a significant role in the rural part of the country. The MGNREGA gives opportunity to the people of the village for employment and the people who were dependent on the farmers for work will get opportunity of work in the MGNREGA and the farmers of the villages will face labor problem; therefore they will increase daily wages. The MGNREGA will create competition in the village which enhances the private daily wage rate.

**Khan and Saluja (2009)** studied the impact of the NREGP on rural livelihoods. This analysis looks at the direct and indirect effects of NREGP on employment generation and poverty reduction in local areas. The survey recorded income and expenditure levels by type of household (large, small and marginal farmers, agricultural labour, services etc). The survey also recorded production activities undertaken by the inhabitants.

**Jacob Naomi (2008)** studied the impact of NREGA on Rural-Urban migration. It analyzed migration as a negative force, focusing on distress migration. Distress migrations take place when people have to go to cities to find work because they cannot survive on what they can do in their own villages.

**Canning and Bennathan (2005)** observed that a conducive macro-economic environment is essential for efficient resource allocation to reap the positive impacts of infrastructure development. An orientation to economic demand considerations like services prices and user charges is essential as the most enduring benefit of infrastructure is the reliability and quality of the services demanded by the users. User
charges should reflect supply and demand conditions, and non-market externalities as far as possible, to ensure that infrastructure is more economically efficient and environmentally favorable. Canning and Bennathan, however, posit that physical infrastructure investment is a form of ‘complementary capital’ that supports services necessary for the operation of productive private capital.

Jalan and Ravillion (2002) attempted to establish a direct link between infrastructure and economic growth through extensive studies in rural China. As per their estimates, every 1 per cent increase in the road density per capita, the private consumption expenditure increases by 0.08 per cent in rural China. Similarly, poor households living in communes with paved roads have a higher probability of escaping poverty than households living in communes without paved roads. The paper also highlights the importance of rural infrastructure and public assets like roads in lowering transaction costs and improving incomes to farmers in rural China by providing market access.

The World Development Report (1994) titled ‘Infrastructure and Development’ stressed the importance of efficient utilization of infrastructure facilities. While in most underdeveloped and developing regions, it is important to increase the existing stock of infrastructure facilities, there should also be a focus on improving the effective utilization of infrastructure facilities. Take for instance, irrigation infrastructure. On the one hand, it is important to invest in expanding the network of irrigation facilities and bring more area under irrigation cover. On the other hand, it is equally important to improve the utilization rate of the existing irrigation facilities. The effectiveness of infrastructure is significantly dependent on its quality at the time of inception, as well as how well it is maintained over time.

Goparaju (2009) analyzed the recent legislation of the Indian Government known as NREGA or National Rural Employment Guarantee Act, 2005. According to the study the design implementation and promising initial results clearly challenge existing wisdom on how to make effective policy decisions. The framework presented in the paper best explains various facets of this remarkable policy. Pioneering future applications to other social and economic challenges are suggested.

Recognizing the need to learn from work carried out in MGNREGA and its effectiveness for sustainable livelihood support at the community level, AFPRO carried out a study in Chainpur Block, District Gumla, Jarkhand. An assessment was done of 37 works in 28 villages and 10 Gram Panchayats (GP) in Chainpur block. Works covered included ponds, wells, roads, check dams, earthen bunds, land leveling sites and guard walls. Works were selected on a random basis from different years of MGNREGA implementation since 2006. Areas for improvement at village-level were related to effective participation of villagers/beneficiaries in the decision-making process, selection of need-based schemes, and increasing the ownership of infrastructure created under the scheme. The need to give priority to selection of smaller structures for soil and water conservation has also been highlighted in the recommendations. Giving better tools to workers, orientation of functionaries, coordination among line departments, etc. are some of the other measures suggested.

**ASCI (2009)** conducted a study to understand MGNREGA’s processes, procedures and impact. The study was oriented towards identifying good practices that could be scaled up for strengthening the programme. Research was undertaken in six blocks of three districts—Anantpur, Adilabad and Guntur of Andhra Pradesh. The positive findings of the study included, increase in groundwater in Anantpur as a result of the assets created, improved agricultural yields across all three districts and reduction in migration. The study also showed the problems the programme faced including delays in wage payment and poor quality of assets.

**Aiyar and Samji (2009)** in their paper on ‘Guaranteeing Good Governance: Understanding the Effectiveness of Accountability in NREGA’. This study documents social audits in Andhra Pradesh and the state’s experience in institutionalizing these audits into the implementation of the MGNREGA. It draws on empirical work aimed at measuring effectiveness of social audits conducted between March and December 2007.

**Ambasta (2010)** in his study on ‘MGNREGA and Rural Governance Reform: Growth and Inclusion through Panchayats’, focused on the Constitutional 73rd Amendment Act and the establishment of a local governance system in India through three-tier Panchayati Raj Institutions (PRIs) that marked a new chapter in the history of democratic decentralization in India. The vision behind this has been that these
local government institutions will be the pivots fostering inclusion in an era of high economic growth. This study argues that the challenges of inclusion are formidable and the articulation of this vision has been hampered by an ineffective devolution of funds, functions and functionaries to the PRIs. In this context, it examines the experience of the MGNREGA to see how its outcomes have fallen short of its potential due to inadequate support structures at the grassroots. It then attempts to spell out a blueprint of reforms that are needed for MGNREGA to realize its true potential. Since funds to PRIs are not so much of an issue after MGNREGA, functionaries are the real bottleneck, which must be taken care of by re-visioning the cutting edge of implementation of the Act. The study also examines in detail the deployment of Information Technology (IT) for MGNREGA and suggests how it can be strengthened. It proposes that to ensure proper monitoring, evaluation, deployment of human resources and their development, IT innovations, and for grievance redress, a national authority for MGNREGA is needed to anchor and support implementation. It further argues that while such support and resource deployment are necessary conditions, rural development and the empowerment of the poor cannot happen through techno-managerial provisioning alone but need grassroots mobilization. In the tasks of mobilization and support to GSs and PRIs for making MGNREGA more effective, civil society has a role to play and this role needs to be mainstreamed. Such reforms in MGNREGA can effectively transform governance at the grassroots and also empower rural communities. Over time such reforms can become the way forward for all interventions targeting the rural poor.

Ambasta et.al (2008) in their article on ‘Two Years of NREGA: The Road Ahead’, said that is not possible to realize the massive potential of the MGNREGA if we deploy the same ossified structure of implementation that has deeply institutionalized corruption, inefficiency and non-accountability, into the very fabric of Indian democracy. On the other hand, if the reforms suggested in this study are put into place, the MGNREGA holds out the prospect of transforming the livelihoods of the poorest of the poor and heralding a revolution in rural governance in India.

Azam (2011) focused on ‘The Impact of Indian Job Guarantee Scheme on Labour Market Outcomes: Evidence from A Natural Experiment’. Public works programmes, aimed at building a strong social safety net through redistribution of wealth and generation of meaningful employment, are becoming increasingly popular
in developing countries. The NREGA, enacted in August 2005, is one such programme. This paper assesses causal impacts (Intent-to-Treat) of NREGA on public work participation, labour force participation, and real wages of casual workers by exploiting its phased implementation across Indian states. Using nationally representative data from the National Sample Surveys (NSS) and Difference-in-Difference framework, the author finds that there is a strong gender dimension to the impacts of NREGA: it has a positive impact on the labour force participation and this impact is mainly driven by a much sharper impact on female labour force participation. Similarly, NREGA has a significant positive impact on the wages of female casual workers/real wages of female casual workers increased 8 per cent more in NREGA districts compared with the increase experienced in non-NREGA districts. However, the impact of NREGA on wages of casual male workers has only been marginal (about 1 per cent). Using data from the pre-NREGA period, the authors also performed falsification exercises to demonstrate that the main conclusions are not confounded by pre-existing differential trends between NREGA and non-NREGA districts.

Babu et.al (2011) discussed the ‘Impact of MGNREGP on Agriculture and Rural Labour Markets: A Study of Madhya Pradesh’, The study has been undertaken in Betul and Mandla districts of Madhya Pradesh to assess the impact of MGNREGA on labour markets, particularly with regard to changes in land use, cropping patterns and economics of agriculture. In both districts, research shows that fallow land has been brought under cultivation; there has been a change in cropping pattern from dry land crops to irrigated crops and from traditional to cash crops. There is also a reported hike in the cost of labour. Migration continued unabated in the study areas. However, there was no distress migration by the sample farmers.

Babu et.al (2010) tested the Impact of MGNREGP on scheduled castes and scheduled tribes. Studies conducted in eight states, such as Tripura, Rajasthan, Chhattisgarh, Mizoram, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal to highlight issues related to MGNREGA and scheduled castes (SCs) and scheduled tribes (STs) in each of the States. The studies also elaborated the issues of MGNREGA implementation; for example, awareness levels among beneficiaries, etc. Other impacts of the scheme with regard to agriculture wage and migration have also been noted.
Bassi and Kumar, (2010) in their article NREGA and Rural Water Management in India: Improving Welfare Effects. NREGA is being eulogized by many in the academic, development and policy arena as a ‘silver bullet’ for eradicating rural poverty and unemployment, by way of generating demand for productive labour force in villages and private incentives for management of common property resources. The study argues that the nature of water management activities chosen under the scheme and the callous way in which these activities are planned and implemented in different regions, without any consideration to their physical and socio-economic realities of the regions concerned, are creating several negative welfare effects. It identifies three broad and distinct regional typologies in India for deciding the nature of water management interventions for different regions, and proposes the types for water management works under NREGS for each typology, which has the potential to generate labour demand, while producing welfare effects.

Basu (2011) in his study on ‘Impact of Rural Employment Guarantee Schemes on Seasonal Labor Markets: Optimum Compensation and Workers Welfare’, discussed the recent enactment of the NREG Act in India that has been widely hailed as a policy that provides a safety net for the rural poor with the potential to boost rural income, stabilize agricultural production and reduce rural-urban migration. This study models the impact of such employment guarantee schemes in the context of an agrarian economy characterized by lean season involuntary unemployment as a consequence of tied labour contracts. Specifically, it examines labour and output market responses to a productive rural employment guarantee scheme (EGS) and determines the optimal compensation to public work employees consistent with the objectives of (i) productive efficiency in agriculture and (ii) welfare maximization of the laborers. The author’s framework provides a theoretical basis for the evaluation of a number of (sometimes) conflicting observations and empirical results on the impact of an EGS on agricultural wages, employment and output, and underscores the importance of the relative productivity of workers in the EGS programme vis-à-vis their counterparts engaged in agricultural production in determining the success of these programmes.

Berg (2012) tested the impact of the Indian government’s major public works programme, the National Rural Employment Guarantee (NREG), on agricultural wages. The rollout of NREG in three phases is used to identify difference-in-
difference estimates of the programme effect. Using monthly wage data from the period 2000–11 for a panel of 249 districts across 19 Indian states, we found that, on average, NREG boosts the real daily agricultural wage rates by 5.3 per cent. It takes six to 11 months for an NREG intensity shock to feed into higher wages. The wage effect appears to be gender neutral and biased towards unskilled labour. It is positive across different implementation stages and months. It remains significant even after controlling for rainfall, district and time fixed effects, and phase-wise linear, quadratic, and cubic time trends. The validity of the author’s identification strategy is confirmed by placebo tests. They have argued that since most of the world’s poor live in rural areas, and the poorest of the poor are agricultural wage labourers, rural public works constitute a potentially important anti-poverty policy tool.

**Bhattacharyya et al. (2010)** assessed the ‘Social Safety Nets and Nutrient Deprivation: An Analysis of the National Rural Employment Guarantee Programme and the Public Distribution System in India’. Using primary data collected during 2007–08, the authors examined the nutritional status with respect to the two macronutrients (calories and protein) as well as various micronutrients of rural households in three Indian states—Andhra Pradesh, Maharashtra and Rajasthan. They have found that, by and large, there are serious deficiencies with regard to consumption of various nutrients in all the three States. With this as a background, they model the impact of two policy interventions (NREG and PDS) on nutrient intake. In addition to OLS and IV estimations for each nutrient for each State, they also conducted systems estimation for each nutrient for all states. In many cases, there are significant effects of the two policy interventions on nutrient intake. The impact effects of a change in the policy measures are also computed and found to vary across nutrients and States. Finally, in order to assess the impact on an index of undernutrition, both the nutrient income relation and how the proportions of undernourished vary must be taken into account. As their analysis demonstrates, a preoccupation with the former alone could be misleading.

**Bonner et al. (2012)** studied on MGNREGA Implementation: A Cross-State Comparison. The study looks at MGNREGA performance in Tamil Nadu and Uttar Pradesh with regard to the influence of socioeconomic characteristics of the states, political influences and organizational capacity of respective state governments. Findings indicate that aside from leadership commitment, state-level politics have
minimal impact on MGNREGA’s implementation. Rather, it is the strength of the district, block, and GP’s administrative and organizational capacity that appears to be a determining factor of success. In Tamil Nadu, MGNREGA’s favorable performance is primarily due to the effective administrative capacity. In contrast to Tamil Nadu’s top-down implementation, MGNREGA in Uttar Pradesh (UP) has entrusted significant responsibility to staff at the GP level. Yet GPs are often not equipped with sufficient resources, skills or experience to effectively carry out. The study also shows that the obstacles to MGNREGA’s implementation in both Tamil Nadu and UP include the States’ reluctance to disburse unemployment allowance to workers, and the questionable productivity of assets created through MGNREGA public works projects.

Additionally, the higher participation of women under MGNREGA in Tamil Nadu is primarily attributed to cultural factors, effective state and local institutions, SHGs and high wage differences in private sectors. On the contrary, the low participation in UP is mainly due to caste and religion.

Bordoloi, (2011) focused on the ‘Impact of NREGA on Wage Returns, Food Security and Rural-Urban Migration—Assam’. The study was carried out in five districts of Assam to study the impact of MGNREGA on wage differentials and migration as well as to assess the scheme’s processes and procedures. MGNREGA does not have a significant impact on migration because it is unable to meet the demand from wage seekers. On the positive side, the Scheme has reduced gender differentials in wages, a majority of beneficiaries perceive the assets created under MGNREGA as beneficial.

Comptroller and Auditor General of India (CAG) (2008) published a paper on ‘Performance Audit of Implementation of National Rural Employment Guarantee Act (NREGA). The request of the Ministry of Rural Development, the CAG undertook an audit in 2006 to evaluate how effectively states were making a transition from the earlier wage employment programmes to the MGNREGA. The audit was conducted in 26 states and the sample for the audit included 25 per cent of the MGNREGA districts in each state. The audit was conducted in the introductory phase of the Act and a majority of the findings of the audit were process deviations with regard to the National Guidelines. It is important to note that several states took action
on the findings of the CAG and introduced systems to prevent procedural deviations and promote transparency in the implementation of the scheme.’

Centre for Education and Research Development (2010) studied ‘NREGA Processes in Andhra Pradesh and Madhya Pradesh., CERD conducted a study to understand MGNREGA’s processes, procedures and impact. The research was initiated to assess not only the benefits and challenges of MGNREGA in Andhra Pradesh and Madhya Pradesh, but also to study existing management practices for further replication, among other States and districts in similar circumstances. The districts of study were Chittoor and Vizianagaram in Andhra Pradesh and Shahdol and Seoni in Madhya Pradesh. The study did an analysis of both secondary data from MIS and field level data gathered through surveys, focus group discussions, case studies, etc. The research makes general recommendations on processes and procedures to ensure greater efficiency in the two States. A targeted approach in terms of empowering the vulnerable groups may need to be followed both towards creating awareness and for extending outreach in participation. Replicable practices include: Andhra Pradeshs systems of mobile musters and muster roll maintenance; weekly cycle of opening and closure of musters; Fixed Daily Activity Schedule in generating pay-orders/system of weekly cycle; and the system of wage cum withdrawal slips. Public private partnership may need to be explored and encouraged especially for enhancing awareness levels of wage seekers and the masses.

Centre for Science and Environment (2008) published a study on Opportunities and Challenges for NREGA, This compilation looks at how NREGA is an opportunity to make jobs work for village development. It shows how the scheme needs to look at holistic planning and how the details, and not the concept, of the MGNREGA need to be fixed, for, the good of ecological regeneration, too, is in the details. In 2006–07 alone MGNREGA has created more than half a million productive assets, mostly water and soil conservation structures. Each of them has the potential to herd poverty out from the villages. On the other hand, the Act has not been able to generate the kind of employment demand as expected. It has created only an average of 43 days of employment in 2006–07. Further, the NREGA targets development in backward districts using the huge demand for casual jobs. Its challenge is to turn the demand for casual jobs into productive employment. Thus, it is imperative to understand the complex socio-economic and governance challenges of these districts.
Study of *Chandrashekar and Ghosh (2011)* on ‘Public Works and Wages in Rural India’, This study is based on an analysis of the NSSO’s 64th Round data that showed that real wages, specifically for women increased in the rural areas after implementation of the scheme. Casual wages in agriculture remained constant compared with 2004–05. Labour costs account for less than half and usually around one-third of total agricultural costs. MGNREGS has had positive effects on women workers in rural labour markets. It has caused gender gaps to come down.

*Dheeraja and Rao (2010)* in their study on ‘Changing Gender Relations: A Study of MGNREGS across Different States’, presented the impact of MGNREGS on gender relations in 102 districts in 27 States. The study found that gender relations in favour of women increased in the post-MGNREGS period. Self-esteem, self-image and confidence levels of women improved through their participation under MGNREGS. SHGs contributed to the changes in gender relations among the members and MGNREGS consolidated these changes. Gender Relation Index (GRI) consisting of social, economic and political dimensions at both household and community levels increased for women after implementation of MGNREGS.

*Dreze (2011)* in his article on ‘Breaking the Nexus of Corruption’, in The Battle for Employment Guarantee, The essay looked at the effectiveness of the transparency safeguards under MGNREGA. In the initial stage of implementation of the scheme, claims were often made that MGNREGA funds are not reaching the poor based on misleading accounts of a CAG report. The field studies undertaken indicate positive findings and show an improvement, fewer instances of corruption and leakages under MGNREGA than programmes like the National Food for Work Programme.

*Dutta et al., (2012)* published the paper ‘Does India’s Employment Guarantee Scheme Guarantee Employment?’. The study analyses the data from India’s National Sample Survey for 2009–10 that reveals considerable un-met demand for work in all states. The authors have shown the expectations that poorer families tend to have more demand for work on the Scheme, and that (despite the un-met demand) the self-targeting mechanism allows it to reach relatively poor families and backward castes. The extent of the un-met demand is greater in the poorest states—ironically where the scheme is needed most. Labour-market responses to the scheme are likely to be weak.
The scheme is attracting poor women into the workforce, although the local-level rationing processes favour men.

**Ghosh (2011)** attempted the study the ‘Impact of NREGA on Wage Rates, Food Security and Rural Urban Migration in West Bengal’, The study aims to compare wage differentials between MGNREGA activities and other wage employment activities and the pattern of migration from rural to urban areas across five districts of West Bengal. The MGNREGA wage was found to be higher than the wage for agricultural workers in the state and this led to distortion of the wage labour market. The study postulates that the net effect of MGNREGA has been negligible.

The study of **Hirway, et al. (2009)** concentrated on ‘Analyzing Multiplier Impact of NREGA Works through Village SAM Modeling.’ This essay analyses the multiple impacts of employment guarantee programmes in India within the National Rural Employment Guarantee Act (NREGA) framework. A village-level Social Accounting Matrix (SAM) has been constructed in order to assess selected dimensions of the above impacts. The essay is divided into five sections. Section one presents the economy of the Nana Kotda village, which was selected for in-depth study. Section two discusses the performance of the employment guarantee scheme designed under the NREGA, (i.e. NREGS) in Nana Kotda and identifies potential NREGS works for the village. Section three discusses the construction of SAM. Section four presents the results of the multiplier analysis, and Section five draws conclusions from the study and makes recommendations to improve the impact of NREGS on the village economy in particular and the Indian economy in general.

**Hyderabad Karnataka Centre for Advanced learning (2010)** documented ‘Scientific Field Appraisal Study on NREGA in Bidar District of Karnataka’. The study looks at the different aspects of the programme implementation in a scientific and systematic way. The study notes that through the implementation of MGNREGA, the GP is able to position itself as the benefactor of the poor and the downtrodden. Works carried out under the MGNREGA resulted in the increase of the ground water (increase is reported to be as high as 30–40 per cent). It also states that MGNREGA works on private lands belonging to different communities including the Scheduled Castes and Scheduled Tribes have helped in consolidating their efforts towards
undertaking various land developmental works. Best practices on MGNREGA have also been documented under the study.

Holmes et al. (2010) published an ‘An Opportunity for Change? Gender Analysis of the Mahatma Gandhi National Rural Employment Guarantee Act’. The study presents evidence from qualitative and quantitative research carried out in Madhya Pradesh. It assesses the extent to which MGNREGA integrates a gender-sensitive approach to public works programmes to support the inclusion of women in poverty reduction and growth processes. The findings suggest that women’s employment in MGNREGA has improved the economic status of some women and enhanced their decision-making power slightly in some households. This relates mostly to decisions on the food purchased for household consumption. In other cases, MGNREGA employment has had no impact on household relationships. Though the scheme increases employment and wages for women, a closer look at the number of days of work provided and the actual provision of wages suggests a more unequal picture. The current design of MGNREGA, though it has taken different gender sensitive approaches, is not comprehensive in addressing the different ways in which women experience poverty and vulnerability. As a result, its impact has been mixed with gaps in gender sensitive design that is exacerbated by poor implementation.

The study suggest that MGNREGA design and implementation should, therefore, be strengthened to avoid exacerbating gender inequalities; supporting women’s participation in decision-making and investing in gender-sensitive implementation will empower women and enhance gender equality.

Report of the Institute of Development Studies (2008) paper on ‘Evaluation of NREGA in Rajasthan’, looks at the process level issues in MGNREGA implementation in Rajasthan in Dungarpur, Jhalawar, Banswara, Jalore and Karauli districts. The issues include articulation of demand for work, execution of works, monitoring, etc. It also assesses early outcomes of the scheme. In general, the study identifies problem areas such as job cards not being updated, delayed payments, issues in registration and provides recommendations for addressing these concerns.

the two States, i.e. Madhya Pradesh and Rajasthan, critically evaluated development effectiveness, asset creation and livelihood sustainability through NREGS. A study was conducted in 16 panchayats of these four districts among 640 households. These households have been interviewed through a structured questionnaire. Random sampling was adopted for the study. However, there has been a conscious effort to ensure the maximum representation of the most marginalized including women in the sample design. As a result, more than half of the sampled households are tribal and 21.5 and 17.3 per cent of the sampled households belong to the scheduled castes and other backward classes. This has provided a great deal of insight to the present status of scheme, its acceptability, impact and implementation bottlenecks through the lenses of the most marginalised populations in terms of sustainable livelihood generation.

IIM-(Ahmedabad) (2009) report ‘A Quick Appraisal of NREGA Strategies for the Next Level,’ undertook a survey in Jalpaiguri, West Bengal and Dangs, Gujarat. The study notes that MGNREGA may lead to an increase in agricultural wage rate for three important reasons: (i) increased demand for labor resulting from increased land productivity; (ii) higher reservation wage due to off-season employment opportunity, and (iii), increased collective bargaining power. It is found that non-poor workers constituted about 20–30 per cent of MGNREGS work force as expected because employment opportunities were provided on the basis of demand rather than poverty. Similarly, persistent seasonal migration of laborers from rural to urban centers seems to lead to the inference that there were indeed errors of exclusion as well.

International Labour Organization (2010) review on ‘MGNREGA: A Review of Recent Work and Green Jobs in Kaimur District in Bihar’, attempts to quantify decent work elements and environment-related aspects in the execution of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The study reveals that the works in Kaimur district should be considered green and decent, although there is scope for improvement in the areas of social protection and social dialogue. The study also suggests improvement in land management planning from the point of view of the source from where soil is excavated.
Imai et al. (2009) in their study on ‘National Rural Employment Guarantee Scheme: Poverty and Prices in Rural India’, attempted mainly to construct an intuitive measure of the performance of the National Rural Employment Guarantee Scheme (NREGS) in India. The focus is on excess demand at the district level. Some related issues addressed are (i) whether excess demand corresponds to poverty, and (ii) whether recent hikes in NREGS wages are inflationary. The authors’ analysis confirms responsiveness of excess demand was due to poverty. Also, apprehensions expressed about the inflationary potential of recent hikes in NREGS wages have been confirmed. More importantly, higher NREGS wages are likely to undermine self-selection of the poor in it. So, in order to realise the poverty reducing potential of this scheme, a policy imperative is to ensure a speedier matching of demand and supply in districts that are highly poverty prone, and also to avoid the trade-offs between poverty reduction and inflation.

Indumati and Srikantha (2011) carried out an ‘Economic Analysis of MGNREGA in the Drought–prone States of Karnataka, Rajasthan and Irrigation–dominated State’, Using macro-level data on MGNREGA performance in the drought-prone States of Karnataka and Rajasthan as well as in the irrigation-dominated state of Andhra Pradesh. This study has revealed that the impact of MGNREGA wage on the economic scarcity of labour is relatively modest when compared to the impact of hike in non-farm wages. Even though the provision of food security through the Public Distribution System (PDS) has contributed to the economic scarcity of labor, the relative hike in non-farm wages is contributing to higher economic scarcity of labor rather than PDS and MGNREGA wages. The study has suggested that subsidies for farm mechanization should be provided in order to sustain food and livelihood security in the drought-prone as well as irrigation-dominant states of India.

Institute of Rural Management Anand (2010) published “An Impact Assessment Study of the Usefulness and Sustainability of the Assets Created under Mahatma Gandhi Rural Employment Guarantee Act in Sikkim”. The study shows that MGNREGA has provided a supplementary source of income to families without discriminating between men and women, which is why the Scheme has a high participation for women. The Scheme has enhanced food security and provided opportunities by the unemployed. Overall, it has had a positive impact on livelihood.
However, the state needs to ensure a better mechanism for durability and sustainability of assets created under the scheme.

**Jha et al. (2009)** polished their study ‘Capture of Anti-Poverty Programs: An Analysis of the National Rural Employment’, using pooled household level data for the States of Rajasthan and Andhra Pradesh. The authors found that the size of landholdings is a negative predictor of participation in the National Rural Employment Guarantee Program (NREGP). In State-level analysis this pattern survives in Rajasthan but reverses in Andhra Pradesh where the authors notice a positive relationship. This paper examines whether this reversal in Andhra Pradesh is indicative of programme capture in Andhra Pradesh and better targeting in Rajasthan. The authors compare land inequality, ratio of NREG and slack season agricultural wage rates, political interference, and geographical remoteness across the two states and conclude that programme capture may be an issue in Andhra Pradesh, largely because of these reasons. They also find evidence of complementarity between NREGP and the PDS, implying that the real income transfer through food subsidy needs supplementation.

**Johnson (2009)** attempted understand How do Caste, Gender and Party Affiliation of Locally Elected Leaders Affect Implementation of NREGA?. The paper estimates the impact of the caste, gender, and party affiliation of locally elected leaders on implementation of NREGA, in Andhra Pradesh. While, for most castes, the study finds a modest increase in participation by members of the same caste of the leader in the programme, the study finds no impact on a broad range of other programme outcomes or any effect of reservations for women. The results suggest that NREGA in AP may be made less susceptible to capture than other government programmes.

**Kajale and Shroff (2011)** in their paper ‘Impact of NREGA on Wage Rates, Food Security, and Rural Urban Migration in Maharashtra’, made an assessment of MGNREGA with respect to the extent of employment generation, wage differentials, rural to urban migration, asset creation, determinants of participation and implementation in five districts of Maharashtra. The report indicates that the State has not been able to show satisfactory performance in terms of employment generated and
assets created. However, in places where it was implemented well, there has been a positive impact on food security, reducing poverty and out-migration.

**Kelkar (2009)** in his study on ‘Gender and Productive Assets: Implications for the National Rural Employment Guarantee for Women’s Agency and Productivity’ attempted at drawing policy attention to the complex inter-relationship between gender relations and income and productive assets through an analysis of the NREGA. The line of thinking in government and non-government agencies has been on reducing poverty and building the productive capacity of the rural economy. The dynamic of pervasive gender and social inequality have not been the major concern. The challenge is to see how the programme can be directed at reducing both poverty and gender inequality.

The paper discusses: gendered participation in NREGA programme, and continuities in gender relations; gender concerns in creation of productive assets under NREGA; relevant research on gender disparities in ownership and control of productive assets; gender dimensions in economic rights and security; productivity and efficiency of resource use, the need for increasing women’s control over productive assets, and its links with growth, equity, and efficiency impacts.

**Khan and Saluja (2008)** studied the ‘Impact of the NREGP on Rural Livelihood’. This analysis looks at the direct and indirect effects that the NREGA has on employment generation and poverty reduction in a local setting. For this, a detailed survey in a specific village was undertaken to highlight the impact of the NREGP. This survey covered a poor agricultural village with 400 households and nearly 2,500 people. The survey recorded income and expenditure levels by type of household (large, small and marginal farmers, agricultural labour, services, etc.). The survey also recorded production activities undertaken by the inhabitants. The study shows that the sectors that show the maximum impact are wheat cultivation, animal husbandry and education and the maximum impact on the household incomes accrues to the small cultivator followed by the labour household and then the large farmer households.

**Khera’s (2009)** study on ‘Group Measurement of NREGA Work: The Jalore Experiment’, takes a closer look at an experiment of training mates (worksite supervisors) in Rajasthan to improve worksite management, based on field visits in Jalore district. Evidence suggests that this experiment has been a success. The
experiment has much to contribute to better worksite management. The main impact of this experiment on labour productivity seems to operate through the formation of groups and training of supervisors at worksites (particularly women). If the wage rate has been increasing on account of improved productivity (rather than due to inflated measurement), it is probably because group formation facilitates better worksite supervision and peer monitoring, rather than on account of greater work incentives. It has also seen that group formation can have an impact on productivity because of the greater clarity amongst labourers regarding the prescribed task.

Khera and Nayak (2009) studied ‘Women Workers and Perceptions of the National Rural Employment Guarantee Act’, in their paper, based on fieldwork in six states in 2008. They examined the socio-economic consequences of the NREGA for women workers. In spite of the drawbacks in the implementation of the legislation, significant benefits have already started accruing to women through better access to local employment, at minimum wages, with relatively decent and safe work conditions. The paper also discusses barriers to women’s participation.

Khosla (2011) in his paper on ‘Caste Politics and Public Goods Distribution in India: Evidence from NREGS in Andhra Pradesh’, This paper attempted to measure the effect of caste reservation policies on the provision of public goods and services in GPs in Andhra Pradesh using data from the NREG Scheme. The investigation finds that the effect of reservation varies tremendously in different social, political, and institutional contexts, shedding light on the conflicting results of similar studies. It provides important lessons for future research and policy about the caste-political conditions in which reservation can produce positive or negative results.

Kumar (2010) in his article ‘Effectiveness and Ownership of Irrigation Assets Created under MGNREGA and Labour Market Dynamics in Bihar’, throws light on various factors associated with the creation of successful assets under MNREGA along with labour market dynamics in post-NREGS in period Harnaut block in Nalanda, Sehar block in Bhojpur and Vaishali block in Vaishali districts of Bihar. The study is based on the total number of productive assets created in 2006–07 and 2007–08. In all the three districts the study found that the assets were productive and effective if they were made according to the rules and regulations of MNREGA. Those assets which are public in nature or owned by the community are more
effective like for example, micro-canals and ponds. Wells which are private in nature are less productive as it irrigates only a very limited area as the owner is using these assets for vegetable production near the well area. Private assets are maintained properly in all three districts as the beneficiaries want the benefits of these assets for a long time. All the public assets that were studied did not have proper maintenance and hence, the authors feel that these assets are not going to be sustainable in the long term.

The study also shows that although labourers are getting economic benefit from MNREGA, they are unhappy regarding two issues: (i) according to them they are not getting sufficient number of days to work under this scheme and, (ii) there is delay in payment which affects their day to day activities.

**Kumar and Maruthi (2011)** studied the ‘Impact of NREGA on Wage Rate, Food Security and Rural Urban Migration in Karnataka’. This Report was submitted to the Ministry of Agriculture, Bangalore. The study makes an assessment of MGNREGA with respect to the extent of employment generation, its effect on rural to urban migration, asset creation, determinants of participation and implementation in five districts of Karnataka. The main findings of the study were that the household size, land owned, BPL card, wage rate, ages of members, education and other work opportunities were the major factors determining MGNREGA participation. The wage rate has increased more than 50 per cent in the agricultural sector and 75–100 per cent in non-agricultural sector unskilled and skilled works after the implementation of the MGNREGA. Around 55 per cent of participants stated that NREGA has enhanced food security by providing employment while around 37 per cent agreed that NREGA provided protection against the poverty.

**Mangatter (2011)** thesis on ‘Does the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) Strengthen Rural Self-employment in Bolpur subdivision’ (West Bengal, India)?. This thesis asks whether the MGNREGA strengthens rural self-employment in Bolpur subdivision (West Bengal) or not. Its basic assumptions are: (i) additional incomes stimulate rural demand and facilitate investments and, (ii) assets created during MGNREGA works can be used for remunerative activities. Ninety-six JC holders in 16 villages were asked a set of largely quantitative questions. The survey showed that the MGNREGA currently fans
the flames of rural entrepreneurship rather than broadly fuelling it. Merely 17 per cent of the sample households could use MGNREGA assets or other incomes to run, expand or start a rural business. However, the investigations also revealed the causes for the MGNREGA’s limited impact on rural entrepreneurship and showed under what conditions the Act could become a catalyst for rural business initiatives. Most crucially, MGNREGA incomes must become more reliable and women SHGs must be involved in the planning of prospective MGNREGA works.

**Martin Luther Christian University (2010)** report on ‘Supporting the Operationalization of Mahatma Gandhi NREGA in Khasi Hills, Meghalaya’ looks at the status of MGNREGA implementation in three districts of Khasi Hills, viz. West Khasi Hills, East Khasi Hills and Ri Bhoi districts of Meghalaya. It identifies the contribution of MGNREGS in the improvement of people’s daily lives such as food security, health, etc. The findings of the study show that the MGNREGA has had a positive contribution in terms of additional cash flow in to the household savings (it ranges from 13–32 per cent). It also states that with the implementation of MGNREGA, seasonal migration has been reduced. In Mawkynrew and Ranikor Blocks the seasonal migration has been reduced by 31 per cent. Some of the problems identified by the study are, one time registration, not providing employment within 15 days from the date of application and non-payment of unemployment allowance.

**Khera (2008)** studied the “Implementation of the NREGA in the Pathy Block in Orissa state goes beyond the ability of its residents to claim its rights”. This is brought out by the high levels of engagements with the program in terms of planning implementation and monitoring apart from its immediate aim of being a form of social security for the rural poor. By providing them local employment, it was expected that NREGA would contribute to activating Gramsabhas, enterprising women and developing rural areas. In this sense organization studied by the author in Madhya Pradesh has fully imbibed the spirit of NREGA. That is looked upon as an opportunity to promote the overall development of the villages as well as to alter the balance of power in the village societies.

**Central Guarantee Council (2007)** reviewed the ‘implementation of MGNREGA in Burdibeda village Jharkhand district’, revealed that job cards were handed over to the workers only two days prior to the visit of the social audit team in
the same village. Two community development works have been sanctioned on the same land owned by the Pradhan of the village. Construction of well and a farm pond are both being carried out on the Pradhan’s land.

Dreze (2007) looks at the corruption in rural employment programmes in Orissa and how this had continued in NREGA as well. He believes that there is potential of NREGA in the survey areas. Where work was available it was generally found that workers earned close to the statutory minimum wage of Rs.70 per day and that wages were paid within 15 days or 30. This is an unprecedented opportunity for the rural poor and there was evident appreciation of it among casual laborers and the disadvantaged sections of the population. There is the hope among the workers that NREGA would enable them to avoid long distance seasonal migration with all its hardships. Further there is plenty of scope for productive NREGA works in this area, whether it is in the field of water conservation, rural connectivity, and regeneration of forest land or improvement of private agricultural land. The challenges involved in making “NREGA work” should always be in the light because of their long-term possibilities and their significance for the rural poor.

National Tribunal (2006) observed a 100 - days programme of NREGP in Madhya Pradesh and reported that tremendous hurdles faced people at the first stage of registration and acquiring of the job cards. Women headed household and joint families are the mainly disadvantaged in accessing the benefits of the scheme as it is applicable only to the head of the household. No case was reported here as an individual has actually received the work.

Hazarika (2009) observed that the NREGA is a wage employment programme, providing minimum wage employment to casual, unskilled labour, especially during lean season. Its larger aim is to generate savings and assets in the countryside, to promote a growth process based on local development. The researcher found that the programme has indeed a positive impact on women empowerment, in so far as it has addressed a number of practical gender needs.

Alha and Yonzon (2011) in their study entitled “Recent Developments in Farm Labour Availability in India and Reasons behind its Short Supply,” note that the agricultural sector in India has been characterized with high supply of labour than demand, low wages, skewed distribution of land and limited options of earning
livelihood. This sector has undergone a vast change in the recent past, mainly due to the increased rural-to-urban migration and partly due to the inception of MGNREGS and other public works. The structural changes in Indian economy in the recent past have made male-migration a lucrative phenomenon while schemes like MGNREGS are found to be attractive for females in rural locations due to various reasons discussed in the paper. This has caused a shortage of farm labour and consequently, an upward push in agricultural wages. The study has suggested that there is a need to implement MGNREGA and other public works schemes with full potential to improve the economic conditions of the vast pool of agricultural workers who have been living in distressed conditions for many decades.

Channaveer et al. (2011) in their paper on “Impact of MGNREGA on Input-use Pattern, Labour Productivity and Returns of Selected Crops in Gulbarga District, Karnataka,” tried to capture the effect of MGNREGA by selecting two sets of villages in the Gulbarga district of Karnataka, one which utilized 75 per cent of allocated funds and the other which have utilized less than 25 per cent of allocated funds under MGNREGA. The study is based on primary data obtained from 120 sample farmers belonging to five village panchayats. In redgram, a significant difference has been observed in use of machine power and labour use between fully and partially-implemented MGNREGA villages, but no difference has been recorded in the use of material inputs. Similarly, in the rabi jowar, there is a significant difference in labour use but not in the use of machine power and material inputs between two categories of villages. The total cost of cultivation in fully-implemented MGNREGA villages has been found to be higher by 22.91 per cent and 16.37 per cent in red gram and rabi jowar, respectively. The labour productivity of male and female has been noticed to be lower in fully-implemented MGNREGA villages for all operations in both crops. The study has given some suggestions to address the problem of labour scarcity in fully-implemented villages.

Harish et al. (2011) in their article on “Impacts and Implications of MGNREGA on Labour Supply and Income Generation for Agriculture in Central Dry Zone of Karnataka.” evaluated the impact of MGNREGA on income generation and labour supply in agriculture in one of the districts in the central dry zone of Karnataka. Results have shown that the number of work days in a year with the implementation of MGNREGA programme has significantly increased to 201 days,
reflecting a 16 per cent increase. Regression analysis has revealed that gender, education and family size of the workers are the significant factors influencing the worker’s employment under the program. The increase in income is to the tune of 9.04 per cent due to additional employment generated from MGNREGA. In the total income, the contribution of agriculture is the highest (63%), followed by non-agricultural income (29%) and MGNREGA income (8%). Implementation of MGNREGA works has led to labour scarcity to the tune of 53 per cent and 30 per cent for agriculture operations like weeding and sowing, respectively. There has been a decline in area for labour-intensive crops like tomato and ragi to the extent of 30 per cent due to MGNREGA implementation.

**Kumar (2013)** studied the ‘Empowerment of Rural People through MGNREGA with Special Emphasis to Women in Morigaon, Assam.’ The paper tries to examine the level of empowerment (using various indicators), especially of women through their participation in MGNREGA activities in Morigaon district of Assam after it is lunched in 2006. The analysis is made on the basis of primary data collected from 600 respondents (300 participants and 300 non-participants) on various socio-economic characteristics and their economic, social and political impacts on them.

**Kanti Das (2013)** paper ‘A Brief Scanning on Performance of MGNREGA in Assam, India,’ uses official data. This paper evaluates India’s NREGA according to criteria viz. average number of days of employment per household; percentage of households completing 100 days of employment under NREGS; percentage of expenditure against total available funds etc. Performance across the first two criteria has been disappointing and has deteriorated over time. Percentage of expenditure against total available funds has risen sharply. It concludes that the NREGS has not performed well. It was found that 158.63 lakh households in the state were provided job cards, whereas 80.92 lakh households only were able to get job during the study period. It means 51.01% households with job cards did not have any opportunity of working in this scheme during this period. During the whole period Assam could provide 100 days employment to only 3.7% of job card holders which is one of the sad parts on its performance. The paper makes a number of policy suggestions to improve the performance of the NREGS.
Krishnan and Balakrishnan (2014) analyzed ‘MGNREGA marching towards achieving the Millennium Development Goals-an analysis’. The study follows descriptive and diagnostic method which are sought to examine the current status, interior prospects and performance of MGNREGA scheme in achieving the MDGs. The study is mainly based on secondary data available in the Ministry of Rural Development and www.mgnrega.in.website, by using simple percentage, standard deviation and coefficient variation.

Ajay Kumar (2012) focused on the MGNREGA: A Critical Assessment of Issues and Challenges. This paper examines the issues, challenges and significance of MGNREGA particularly in the context of rural India. Primary Data was collected using structured questionnaire from 153 respondents and Secondary Data has been used mainly from the official website of MGNREGA. The study makes a comparative analysis between the select fifteen states of the Indian Union and provides the framework for policy recommendation for the states with regard to various parameters. F- Test indicates that there is a significant effect of social segment on participation rate. Three major issues (a) Governance (b) Quality of Life and (c) Wage and Productivity have been found to be the most important factors after conducting the factor analysis

Das (2013) studied the “Performance of Mahatma Gandhi National Rural Employment Guarantee Scheme with Special Reference to Hugli District of West Bengal.” In this paper an attempt has been made to throw some lights on the measures of performance of MGNREGS in Hugli district of West Bengal. This paper investigates the status of MGNREGS in Hugli district after the implementation of the programme. However the paper finds interlock variation in some important indicators like average person days generated per household, the proportion of works completed to works taken up and the proportion of local fund spent.

Dey and Bedi (2010) studied the functioning of the NREGS between February 2006 and July 2009 in Birubham district, West Bengal. Their study reveals that in order to serve as an effective “employer of last resort”, the programme should provide more job days during lean season and wages should be paid in a timely manner. This study shows that, in Birubham, there is universal awareness about the NREGS, job cards have been made available to all those who have applied and
NREGS related information is well maintained and relatively accessible. But there are long delays in wage payments during the first year of the programme, since then, the payment lag has declined and it is now in the range of 20 days.

Ravi and Engler (2010) studied the impact of NREGA on 'food security, savings and health outcomes' of rural households in Medak district of Andhra Pradesh. Their results suggest that 'NREGA has a significant impact in alleviating rural poverty' through improved food security and increased savings. Using a panel data of households from five districts of Andhra Pradesh,

Liu and Dieninger (2011) estimated the impact of NREGA on 'consumption expenditure, calorie consumption, protein intake, and asset accumulation'. The results of the study show the success of NREGA in targeting its intended beneficiaries. It also shows that the impact on consumption expenditure exceeds the direct cash transfer from NREGS, suggesting that, on average, the program may have been successful in creating assets that boost returns to local labour and that a significant share of the inflow is saved.

Afridi et al., (2012) studied the impact of NREGA on 'children's educational outcomes via female labour force participation'. It found that female empowerment through opportunities for female labour participation in NREGA, improved the educational outcomes of children.

Pradan (2009) is manual Implementing Integrated Natural Resource Management Projects under NREGA. Development of natural resources lead to equitable and sustainable economic growth, ensuring household food security and eliminating mass poverty in the region is envisaged. Such an approach requires participatory planning at the level of hamlets and villages, to develop production and management systems suitable to the resource endowment to meet people’s needs and preferences. The technologies that Pradan has proposed are simple, labour intensive and, therefore, suited to the requirements of NREGA in order to generate wage employment opportunities while creating livelihood assets.

Morgan (2012) studied a comprehensive time series of rural wage rates, both agricultural and non-agricultural, put together by the Ministry of Statistics and Program Implementation. The study indicates that the advent of NREGA has resulted
in a significant structural break in rural wage inflation. Between 1999 and 2005, pre-NREGA, nominal wages in the rural economy grew at an average annual rate of 2.7 per cent post-NREGA, average wage inflation almost quadrupled to 9.7 per cent oya year on year average between 2006 and 2009. Between January 2010 and May 2011 (the last date for which this data is available) annual nominal wage growth averaged almost 20 per cent (18.8 per cent oya). But even these averages are misleading, because nominal wages have shown a sharp and secular acceleration over the preceding 18 months, with wage inflation reaching almost 22 per cent by May 2011. While the increase in wages in 2011 is, in part, likely a result of NREGA wages being indexed, a sharp acceleration of wages was evident through most of 2010—even before indexation was announced or came into effect. As a result, indexation in 2011 has simply exacerbated this phenomenon.

Nair et al. (2009) observed that wage rate for women workers in agricultural works have shot up from Rs. 80 to Rs. 110 for a full day’s work. Even though many new workers are coming into the rural labour market as a result of the NREGA, many of them are young workers, who are not willing to work in the agricultural sector. The unwillingness of workers to come for agricultural works is mainly due to low wages with more efforts in agricultural works.

Holmes et.al (2010) conducted a Survey that found that MGNREGA has improved economic status and decision-making power slightly for some women in some households, mostly interns of their own decision making on what food items they prefer to be bought for household consumption.

Tiwari et al. (2011) recorded that desilting has provided several sustained environmental services, including a rise in the groundwater level, an increase in irrigated area and better soil fertility, thereby increasing food production, and contributing to water and food security in the villages of drought-prone Chitradurga district. In Chitradurga, about 62% of the total cultivable land is dry land. Only about 9% of cropland (63,631 ha) is irrigated. Further, 79% of the irrigated land is dependent on tube wells, 9% each on tanks and canals and 3% on open wells. Among the 20 sample villages, irrigation activity was studied. The study revealed that the construction of percolation tanks and check dams under the NREGA in Chitradurga district enhanced environmental services through recharging shallow aquifers,
increasing the water available for agriculture, and locally reducing soil erosion by trapping soil in check dams. The direct and major benefits of these structures will be arresting run-off rates and improving percolation. The percolation potential of the villages studied improved by 1,000-28,000 cubic meters a year.

**Palanichamy (2011)** has done a case study on 100 respondents and the chi-square value is less than 0.05, and the researcher concluded that there is a relationship between annual incomes before joining MGNREGP and annul income after joining MGNREGP. He concluded conclude that the total annual income progressively changed in the family because of MGNREGP. At the same time he further reported that there is a gap in getting job in MGNREGP and that all the respondents (100) got employment only for 15 days.

**Krishnan et al. (2012)** found that 77 percent of the respondents spent more than 50 percent of their MGNREGA earned income for food consumption and also reported that they are in a position to fulfil their basic needs from this income. 80 percent of the respondents were reported to be that they saving less than 25 percent of their MGNREGA earnings due to their poor economic conditions. He further reported that the water conservation works undertaken under this scheme directly provided employment and increased area of paddy cultivation from 54 hectares to 71 hectares and paved the way to improve the livelihood and food security of the villagers.

**Rao and Reddy (2011)** undertaken a study in Betul and Mandla districts of Madhya Pradesh to assess the impact of MGNREGA on labour markets, particularly with regard to changes in land use, cropping patterns and economics of agriculture. In both districts, research shows that fallow land has been brought under cultivation. There has been a change in cropping pattern from dry land crops to irrigated crops and from traditional to cash crops. There is also a reported hike in the cost of labour. Migration continued unabated in the study areas. However, there was no distress migration by the sample farmers.

**Babu and Rao (2011)** studied Tripura, Rajasthan, Chhattisgarh, Mizoram, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal to highlight issues related to MGNREGA and scheduled castes (SCs) and scheduled tribes (STs) in each of the states. The study also elaborated issues of MGNREGA implementation. For example,
awareness levels among beneficiaries, etc. and other impacts of the Scheme with regard to agriculture wage and migration have also been noted.

Conclusions

From the review it is observed that many of the studies have focused on the impact of MGNREGP on households’ income and expenditure. While majority of the studies have concluded that MGNREGP has a positive impact on the rural households and improved the food security, some of the problems were also highlighted. According to some of the studies the programme has not reduced migration and sustainable assets were not created.