II

Review of Literature

2.1 Introduction:

India is predominantly a rural economy. The dominance of rural character of India’s national economy is reflected in the very high proportion of its population living in rural areas. Rural Development is, therefore an absolute and urgent necessity in India now and will continue to be so in future. It is the *sine qua non* of development of India. But unfortunately even after 68 years of independence, our performance in regard to eradication of poverty, unemployment and economic disparities in rural areas is not satisfactory at all. Government of India in different five year plans have spent huge fund towards this end. Since 1980 it has introduced a good number of public-work based employment generation programmes in place of land and asset based approach adopted in the 1970s. Recent development in this field is the enactment of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, which is based on the flagship programme to provide 100 days work to every rural household willing to do casual manual work in a financial year. The Act itself contains provisions for ensuring the right to rural households to actively participate in the monitoring the effectiveness and transparency of the implementation by means of biannual mandatory social audit.

Thus an attempt has been made in this chapter to review existing literature dealing with rural development. We have divided the literature into three main subgroups which deal with the following issues:

i) Problems of rural development mainly caused by jobless growth and the role of anti-
Poverty programmes in different states of India and abroad.

ii) Effectiveness of the MGNREGS as the most important public work based employment programme intended to ensure human development in rural India.

iii) Effectiveness of the provision of mandatory biannual social audit in MGNREGA to ensure transparent implementation of the same by means of continuous public vigilance.
2.2 Problem of Rural Development and the Role of Anti-poverty Programmes:

Liberalization, Privatization & Globalization policies, which have been initiated in a number of countries in the World during last two decades have given more emphasis on the market. This market oriented growth has excluded many sections of the population. As a result, it has failed to create any significant impact on some crucial problems like poverty, unemployment, social and economic disparities. India is not an exception to this strategy. Therefore, in the post economic reform period Indian economy has been placed on the path of higher growth but it has failed to impact significantly on the problems of rural unemployment, poverty, regional disparities, social exclusion, etc. In many countries in the world including in India there are lot of antipoverty programmes at the initiative of the state to address the situation. We will now review some important studies on these programmes in this sub-section.

Bardhan and Mookherjee (2003), on the basis of primary data observed that in West Bengal with the possible exception of employment generation programmes, most of the rural development programmes were based on political discretions. Even in the context of employment programme they have found few evidences of similar patterns. Thus they suggested incorporation of need-based formulae in inter village allocations, which according to them could significantly improve pro-poor targeting.

Hirway (2004), on the other hand, argued that to begin with Employment Guarantee Act should be restricted to only selected backward districts, determined by an expert committee of the Planning Commission in order to ensure introduction of the programme at the earliest. On the basis of initial experience this programme may be expanded subsequently to other districts. He further asserted that this would raise the wage rate in rural labour market, which will again allow labourers to have the job anywhere – on the programme and local farms/business. She also suggested that the employment guarantee should be extensive - to all households and for as many days they wanted. In fact, the objective of the Act should be threefold: poverty reduction, construction of productive assets and promoting mainstream employment subsequently, she emphasized.
Patnaik (2005) on the basis of available secondary data observed that the employment guarantee scheme should be universally operational within a specified time-horizon in order to manage financial constraints. Further he has also argued that it should be fully funded by the centre, it should avoid tokenism (such as very low wages in the name of enlarging the number of beneficiaries) or targeting, and it should not occasion conflicts with other workers, employees or peasants.

Khasnabis (2005) has observed that incidence of poverty has increased in post-reform period. With declining employment opportunities, particularly in rural India, it is likely that the percentage of the BPL population has increased during 1990s. However there has been an increase in real wage as the NSSO data on employment and unemployment indicates, he further argued. But there is also the indication that such an increase in wage did not cover a large section of the population that remained unemployed. The rising real wage is thus not inconsistent with increase in the percentage of the BPL population. He used secondary data for the purpose of his study.

Sen (2005) on the basis of secondary data observed that during post-liberalization period Gross Domestic Product (GDP) may have risen (though not at all up to expectation) but the unemployment situation has deteriorated considerably. Though the proponents of economic reforms have conceded this feature unwillingly, yet they dismiss it as a short run phenomenon and claims that in the long run the situation will improve. However nobody knows how long is the long run even though the second generation economic reforms are already over and it is anybody’s guess that how many generations of such reform will continue. The negative association between liberalization and unemployment is not at all unique in India. It is also true all over the world. The International Labour Organization Report (2005) shows that due to neo-liberal policies, the economic inequality and number of unemployed has gone up in Asia leading to jobless growth for a number of countries. Samanta (2005) has also supported this finding.

On the basis of secondary data Ghosal (2005) has found that West Bengal and its districts have experienced a rapid transformation of workforce structure from farm to non-farm activities. This shifting of workforce from farm to non-farm activity has been found to be sharp during the period of reform. Further, there has been a balanced improvement in the rural employment situation during the period 1991 to 2001.
Pal (2005) has found that the mode of rural employment has been changing over time in India. The incidence of self-employment has been consistently declining both for male and female labour over time. Irrespective of sex the incidence of casual labour has increased in India and in most of the states over time at the cost of self employment. The index of casualisation has varied in India and across the states over time he further argued. He used secondary level data for that purpose.

Konar (2005) on the basis of secondary data found that the unemployment problem in West Bengal has been growing day by day and with it may untoward incidents have been developing every now and then. The enormous spread of higher education and wide use of automation are the main cause for that situation as identified by him. He also argued that when the organized sector is not coming to rescue the problem, then unorganized sector like tourism has enough potentiality for generating employment, provided that the problem of infrastructure of the same must be removed.

Chand, et. al. (2007) on the basis of secondary data found that the economic reforms initiated in India in the 1990s have put Indian economy on a higher growth trajectory. Annual growth rate of gross domestic product (GDP) has accelerated from below 6 percent during the initial years of reforms to more than 8 percent in the subsequent years. But despite such faster economic growth in the post economic reform period, the performance of India in some critical areas like poverty reduction, unemployment and economic disparity in rural India has remained almost same as in the pre-reform period.

Singh (2009) found that Rural Development can viewed as the process, as a phenomenon, as a strategy and as a discipline. As a process, it implies the engagement of individuals and communities in activities that lead to achievement of their cherished goals over time. As a phenomenon, it is a measure of quality of life resulting from interactions between various physical, technological, economic, socio-cultural and institutional factors. As a strategy, it is designed to improve the economic and social well-being of a specific group of people, that is, the rural poor. As a discipline, it is multi-disciplinary in nature representing an intersection of agricultural, social, behavioral, engineering and management process.

Volcker (2009) observed that though a lot is heard about the competition between the two population giants, China and India, for growth and for reducing poverty. But there are two areas
in which India is plainly lagging, areas that are limiting its potential. Those are manufacturing and infrastructure as referred by him. Those sectors should attract employment at wages that may be low by international standards but are very attractive to those in poverty-stricken rural areas or the unemployed.

Kanan and Pillai (2009) conducted a case study to find out the state of socio-economic security in India and China. They selected the state of Kerala and Odisha from India and Jiangsu and Gansu of China for their study. In the light of their findings it may be revealed that the macro situation of poverty and human development are reflected to some extent in both the selected provinces at the village level in China, whereas it is not so much in the case of India. Despite this difference, they further found that the state of Kerala in India and Jiangsu Province in China are similar in achieving a measure of basic socio-economic security. However two regions differ from each other in that Jiangsu is better-off in some respects while Kerala is superior in some other dimensions.

Sharma (2010) on the basis of secondary data observed that in many countries in the world, unemployment is an ongoing challenge, where markets are unable to create employment at the scale required. Public employment programmes (PEP) are able to complement employment creation by the private sector, and offer an additional policy instrument with which to tackle the problem of unemployment and underemployment, as part of wider employment and social protection policies. If properly targeted, those programmes may reduce the vulnerability of the poor population, most affected by unemployment.

International Labour Organisation (2010) had observed that the financial crisis in the year 2007-08 was a result of job crisis, a structural unemployment problem as a result of jobless growth in many areas of the world. Growth has also increased inequality. As such, there is a wider case for public employment programmes as part of ongoing employment and social protection policies.

Radhakrishna et al. (2010) observed that Poverty has become top priority in the agenda of India’s development planning and the country’s planning process have been very sensitive to the fulfillment of the basic needs of the poor. Efforts have been made to achieve poverty reduction by sustaining higher economic growth, strengthening the channels through which economic growth affects poverty and encouraging public intervention for eliminating constraints that trap the poor. Pro-poor macro policies and public intervention programmes targeted at the poor to supplement a generic growth strategy are two complementary approaches that are popular for
eliminating mass deprivation. They used secondary data for their study. On the basis of their findings they argued that both the income/expenditure and nutritional measures of poverty suffer from their own limitations. The income poverty together with malnutrition would provide a better approximation of multi-dimensional poverty than either of them individually. For both conceptual and practical considerations, the income/expenditure is not suitable for identification of persons suffering from multiple deprivations. Thus they finally concluded that multi dimensional approach incorporating both quantitative and qualitative indicators is suitable for identification of the poor.

Dev (2011) observed that the experience of last one and half decades in India showed that employment opportunities created were inadequate in spite of rapid growth. Though GDP has accelerated during that period, it has not been accompanied by commensurate increase in employment leading to a worsening in the employment in the post-reform period.

On the basis of secondary data Ghosh (2011) attempted to evaluate the relative performance of fifteen major Indian states viz. Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal on the issues of education, health and human development. He also tried to examine the regional disparities in human development and their association with per capita income and per capita social sector expenditure. The results of his study show regional convergence in human development despite a divergence in real per capita income, indicating that the poor states, which have failed to catch up with the rich ones in terms of per capita income, have, however, managed to catch up in terms of human development. He also has found that the female literacy have a significant impact on human development. The effects of the per capita social sector expenditure on human development have been found to be stronger than those of per capita income. Hence his study suggested the strategy for improving various dimensions of human development by increasing the per capita government expenditure on social services, which would be more effective than the automatic improvement in human development resulting from the growth in per capita income.

Atkinson and Marlier (2011) on the basis of secondary data argued that the achievement of greater social inclusion is a political imperative for both governments and international organizations, and that indicators of poverty and social exclusion constitute an important tool in developing policies to that end. The growing interest in social indicators reflects the broadening
of social goals from a narrow focus on economic growth. Social indicators are thus seen as a means of moving beyond the current preoccupation with GDP as a measure of wellbeing and performance of a country and also for international comparisons. They also cautioned that the engagement of political interest brings with it the danger that measures of performance would be subject to manipulation. For this reason, they have attached considerable importance to the basing of social indicators on a set of principles, where these principles are of greater generality than the current policy concerns. Though pioneering indicators such as the Human Development Index (HDI) have been of great importance, they considered the underlying principles.

Goswami and Bezbaruah (2011) attempted to assess the impact of the expenditure on social sector on the human development in India. They used secondary data and applied linear regression model for their study. They have observed declining trend of the social sector expenditure of the central and the state governments. According to them, recent revamp in public expenditure may partly be due to the fiscal stimulus given to the economy to enable it to emerge out of the global economic recession or a manifestation of the attempts made to realize the objective of inclusive growth. Within social sector education, healthcare and rural development have remained as the major heads of expenditure.

They also have found that at the state level, the per capita social sector expenditure has increased in all states overtimes in spite of high degree of variations among the states. Though the per capita expenditure has increased, by international standards India’s social sector spending in crucial areas like health care and education is far below that of even many developing countries. Thus despite a continuous improvement in India’s HDI value, her rank in human development has not been improved at a rate that would lead to gain her status as an emerging economy in the international arena.

Further their regression analysis also confirmed that the improvement in human development across India has been broadly driven by the increase in per capita income. That makes a strong case for deepening and broadening of a growth promoting policy, not for strengthening India’s position as an emerging economic power in the world.

Shukla et al. (2011) on the basis of secondary data explored that India’s economic resilience during the period of financial crisis and its subsequent emergence as one of the fastest growing economies in the world has placed India in a unique position in the evolving global economic order. While a great deal of emphasis is being laid on achieving double digit growth, it is
imperative to assess its impact on poverty reduction and inequality in order to determine its inclusiveness. Their analysis highlighted that while during period 2004-05 to 2007-08 has seen a considerable reduction of poverty; it has also witnessed a widening of rural-urban disparities. At the state level consumption based inequality has in fact has also revealed major inter-state imbalances. They also argued that it should be the concern of our policy makers to consider the inability of the lowest sections of the society to actively participate in India’s growth story. They further pointed out the fact that growth is important on the ground that along with creation of employment opportunities, it has also potentials for generating the revenues of the government to finance expenditure on social welfare schemes, but to ensure its inclusiveness it is necessary to remove the obstacles to social mobility.

Institute of Applied Man Power Research, Planning Commission of India (2011) explored that the incidence of poverty in rural West Bengal was marginally higher than the national average, while in the urban areas it was considerably lower than the national average. The estimate of poverty 1999-2000 revealed that poverty in West Bengal was more concentrated in the rural areas with 86% of the poor residing in rural West Bengal, as against 74% for the country as a whole.

Rodgers (2012) found that the notion of ‘right to work’ can play a useful supporting role in strategy to reduce poverty, but is unlikely to form its core. A range of mutually reinforcing policies is required to raise the pace of employment creation, improving quality and productivity of work and strengthening the economic and political capabilities of the poor to demand and take advantage of economic opportunity.

On the basis of secondary data the Associated Chambers of Commerce and Industry of India (ASSOCHAM)(2012) found that during the period 2004-05 to 2009-10 income inequalities (Gini Coefficient) in rural India increased marginally from 0.264 to 0.274. This implied increased inequality during the period which adversely affects peoples’ quality of life leading to higher incidence of poverty and so impeding progress to health, education and contributes to crime. However looking at the disaggregated level, it has been found that while income inequality (Gini Coefficient) increased in some states like Jammu and Kashmir, Assam, Bihar, Gujarat, etc., the inequality was reduced in some states like Odissa, West Bengal, Maharashtra and Karnataka.

On the basis of secondary data Rodgers (2012) tried to draw a relationship between economic crisis and inequality. He considered the global trend towards greater inequality, and some of its
determinants. He has found that growing inequality can be both a cause and a consequence of crisis. He argued that two central issues require particular attention: the ways in which economic crisis interacts with labour market institutions, for these may, if well-designed, strengthen resilience; and the longer-term effects on social exclusion with risk perpetuating deprivation.

On the basis of their case study they observed that under the green revolution, the agrarian economy of Punjab had generated large-scale employment opportunities for local and migrant labourers in 1970s and 1980s. Moreover, the vertical integration of agriculture and other sectors created productive employment in non-farm sectors in large numbers.

Most of this employment was, however, in informal and unorganized sectors. Agriculture, however, started decelerating in the 1990s. Increase in cost of production, declining productivity, etc., have resulted in decrease in net income of the cultivators. As a result employment generation in agriculture and non-agriculture sectors alike started declining. Agriculture failed to absorb the labour force in proportion of the growth rate of the later. A serious problem of income and employment thus emerged in the state.

Against this backdrop there is a demand for guaranteed wage employment in the state and the demand is increasing, although unlike some other states, the demand varies sharply across the districts. Moreover, the demand for such employment is largely concentrated in the SC and BPL population. Marginal and small farmers were also found seeking wage employment. The small and marginal holdings are unable to productively absorb even the family labourers. Also the decline in productivity and income make these farmers to search for additional source of income. Women, potential jobseekers, are yet to avail these opportunities in large number.

Using secondary data Srivastava (2012) attempted to analyse the effectiveness of anti-poverty programmes in India across Indian states in the middle of the last decade (2004-2006). For the purpose of their analysis they followed the methodology adopted by the Expert group\(^1\) of Planning Commission for estimation of poverty. Their main focus was on the variations in the performance of these programmes across the poorer states of India. Their findings explored that there is indeed some variation even among these states and that there is a small upturn in the performance of some of the states, such as Bihar, during the more recent period, which did not do well earlier. They further argued that though anti-poverty programmes in India have moved towards people-centred and decentralized approaches, the current performance is still related to

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\(^1\) Expert Group to review the Methodology for Estimation of Poverty set by the Planning Commission, Government of India, under the Chairpersonship of Professor S.D. Tendulkar.
state level governance and innovativeness.
Narayana and Kumar (2014) conducted a study on organization and working of District Rural Development Agency (DRDA) in the district of Visakhapatnam, Andhra Pradesh. They used both secondary data and primary data for that purpose. On the basis of their study they observed that the Visakhapatnam DRDA has successfully undertaken the various rural development programmes in the district.

According to them, two third respondent beneficiaries expressed satisfaction on the functioning of the DRDA. They also pointed out that despite such successful achievement the same has some institutional and functional shortcomings.
Swain (2015) on the basis of primary data and using statistical tools found that implementation of SGSY in the State of Odisha has positive impact in developing the social awareness and living condition of the beneficiaries in terms of improvement in standard of consumption of food, clothing, education, health and other items. He also reveals that 43.86% of the beneficiary household benefited in this programme as they increased their annual net income assets and savings, etc. The incidence of poverty among the beneficiary households declined and the social empowerment of women improved significantly.
Using secondary data Ansari (2015) found that despite strong economic growth, the engagement of women in the labour force is falling. The female work participation rate (WPR) had been very low and declining in India between the inter census periods. The overall picture that emerged from his study indicates that women are in greater disadvantaged position in general and those who belong to rural area, in particular. The inherited social disadvantages in the patriarchal society, low level of education and skills, limited access to assets and other resources are significant contributory factors.

2.3 The MGNREGS and Rural Transformation:
Given the problem of unemployment, poverty and socio-economic disparities in many countries in the World it has been recognized that the role of the state to provide sufficient social and economic protections to the marginalized groups in the society is predominantly important to ensure the inclusive character of the growth process. As such there is plethora of public employment programmes to complement the crisis resulted from the jobless growth. In India
there has been lot of anti-poverty programmes, most of which were intended to create employment opportunities for poorest strata of the society. Among those programmes most important and largest initiative of the Government of India is the introduction of the Mahatma Gandhi National Rural Employment Guarantee Act, 2006. The Act is a right-based programme intended to provide 100 days work in a financial year to every rural household volunteering to do casual manual work. There are some important studies on the issue of the effectiveness of the Act to ensure socio-economic transformation of the rural masses.

We now proceed to analyse those studies.

Indian School of Women’s Studies Development, New Delhi (2006) conducted a study for monitoring and evaluation of the MGNREGS with special focus on Gender issues in some selected Blocks of three states namely, Orissa, Tamil Nadu and West Bengal from August, 2006 to September, 2006. It has been pointed out that though the scheme has lot of potentials to transform livelihood of rural India, the success is yet to be achieved due to the existence of some technical defect in the Act itself as well as in the administrative set up of the governance. It has recommended certain steps e.g. change of definition of family in the Act i.e. recognition of nuclear family, one member family, female headed family, payment of minimum wages through fair and simple productivity norms, deployment of adequate personnel at the Block and GP level, payment of unemployment allowance, etc.

CAG (2007) has reported in its draft audit report on the MGNREGS that there is lot of deficiencies in the implementation of the scheme. The major deficiency, which has been identified by the CAG, is the lack of adequate and technical manpower at the GP and Block level. Further it has specifically reported that there are huge cases of non-registration of households, non-payment of minimum wages, delayed payment of wages, tampering of muster rolls etc. Along with the report it has also recommended certain specific steps, which are urgently to be adopted for removal of such irregularities.

Using secondary data Mathur (2007) found that despite some shortcomings at the implementation level the MGNREGS has been proved to be successful in transformation of rural India. Further he also argued that the shortcomings which have so far been identified are general in nature and are not beyond the expectation, which are incidental to any new programmes like the MGNREGS, which have lot of complexities at the implementation level. Recognizing the existence of those shortcomings, he also had expected that those may be corrected in future.
On the basis of secondary data Chadha (2008) found that there is tremendous scope, at the policy and implementation level, to improve the situation for rural employment and poverty in India by means of the MGNREGS. However he also implored that implementation of the scheme has been suffering from lot of deficiencies mainly due to lack of adequate administrative and technical manpower at Block and GP level.

On the basis of primary data collected from pilot survey of three villages in Udaipur district in Rajasthan, Jha, et. al. (2008) has found positive impact of the MGNREG programme on socially disadvantaged groups (proxied by the ST and landless households). Further, they have found that there exist significantly high probabilities that those socially disadvantaged people participating in the scheme.

On the basis of secondary data Ambasta, et al. (2008) observed that in order to realize full potentials of the scheme some major reforms are to be urgently adopted in the implementation process of the same. These include deployment of full-time professionals dedicated to the MGNREGA at all levels, but most crucially at the block level; intensive effort at building up of a massive cadre of fully trained “barefoot professionals” required at the gram panchayat level through a nationwide movement for capacity building; engaging government and non-government training institutions; provision of adequate resources and setting up of systems for continuous monitoring and evaluation at every stage of the programme to ensure quality; greater use of information technology; mandating a role for civil society organizations to work as support agencies for panchayati raj institutions in MGNREGA planning, implementation and social audit, etc. If the MGNREG programme is reformed on these lines it will no doubt transform livelihoods of the poorest people of our country but may also herald a revolution in rural governance in India.

On the basis of draft audit report on the MGNREGS by the CAG and report of some NGOs, Datt (2008) observed that there is no denying the fact that the MGNREGS is conceptually a very important national programme initiated at the level of the Central Government, but due to existence of widespread irregularities in its implementation process, it has failed to produce desired result. Further he also cautioned if such deterioration is not checked, it will lose enthusiasm and momentum generated for it in 2006, describing it as a revolutionary project to impact on the life of the poor.
Khera (2008) on the basis of worksite visit and interviews of NREGA labourers at two block from Badwani and Sidhi districts of Madhya Pradesh found that formation of Jagrut Adivasi Dalit Sangathan (JADS) at Badwani district has positive impact on successful implementation of the scheme in those districts. Apart from the immediate aim of the NREGA to provide social security for the rural poor by providing them local employment, it is expected that the Act would contribute in activating *gram sabhas*, in empowering women and in ushering in all round development of rural areas. She further argued that JADS has fully imbibed the spirit of the Act, looked upon it as an opportunity to promote the overall development of the village as well as to alter the balance of power in the village society. Apart from showing that it is possible to make NREGA work, the *sanghatan’s* experience also provides important insights into the transformation that is possible if the Act is effectively implemented.

Using secondary data Sidhartha and Vanaik (2008) iterated that CAG report on the MGNREGS has highlighted many genuine problems in implementation of the scheme and pointed out the improvements that are required. However they also pointed out failure of that report to judge the overall impact of the scheme. They pointed out that had the CAG methodology incorporated more interaction with the workers, its purposes would have been better served.

On the basis of secondary data Mehotra (2008) observed that if properly implemented the MGNREGS may yield very positive result in ensuring rural development. However, he cautioned that if the same continues to be operated in ‘business as usual manner’, the programme runs the risk of going the way of most previous wage-employment programme.

On the basis of opinion shared by the delegates from West Bengal, participated in National Conference on the MGNREGA and Panchayats organized by Institute of Social Sciences (ISS) at New Delhi on 14-15th October, 2008, Mohanty (2008) found that there is existence of political interference in issuing Job cards to the MGNREGS workers in the State.

On the basis of primary data collected from 20 selected districts of India Institute of Applied Manpower Research (IAMR), Planning Commission of India (2008) found that the MGNREGS have failed to arrest out-migration of rural people from villages to cities or towns. They also found that those migration are being caused not only for better job, but also for having just and minimum wages.
Ghai, *et. al.* (2009) have observed that the excess demand created by the MGNREGS had been responsive to the poverty. However they also expressed their apprehension about the inflationary potential of hikes in MGNREGS wages. More importantly, higher MGNREGS wages are likely to undermine self-selection of the poor in it. So, in order to realise the poverty reducing potential of this scheme, they emphasized on ensuring a speedier matching of demand and supply in districts that are highly poverty prone. They have based their study on available secondary level data.

In the light of experience of Bihar, Jharkhand, Chhattishgarh, Madhya Pradesh and Rajasthan, Dreze and Khera (2009) have observed that the MGNREGS has many positive effects on the improvement of quality of life in rural India. But this target is yet to be achieved due to existence of corruption in the implementation process except in few states like Rajasthan and Andhra Pradesh. In order to ensure corruption-free implementation they suggested strict enforcement of the transparency safeguards.

These include keeping of muster rolls at the worksite, regular maintenance of job cards, payment of wages in public, separation of payment agencies from implementation agencies, formation of vigilance committees, and social audits. Further they also added that awareness of beneficiaries is the key factor to bring the overall success of the scheme.

National Consortium for Civil Society Organizations (CSO) for the MGNREGA (2009) with 51 CSO partners working across 58 blocks of 44 most backward districts in 11 states of the country has come out with its maiden annual report piecing together learning from the ground level experience of the past two years. In its report it has also pointed out that the revolutionary potential of the Act is far from realization. It has also found that on an average 37 days of employment has been generated across the country in 2008-09 and only about 14% of wage seeking households have got the full 100 days of work. Delays in wage payments, vested interests violating transparency provisions and misappropriating funds have been preventing the implementation of the scheme to reach at a successful state. It has also suggested that overall administrative reform is of utmost importance for overcoming the situation.

On the basis of secondary data Chandrashekhar and Ghosh (2009) however have found that the MGNREGS has ensured the social inclusion process because it disproportionately involves
women, SCs and STs as workers in the scheme. Thus they observed that the scheme will necessarily ensure inclusive growth.

Khera (2009) on the basis of field survey at Jalore, Rajasthan found that mate training programmes have positive impact on worksite management. According to her trained mates are definitely required at MGNREGA worksites and have much to contribute towards its better management. The training of mates has certainly helped to protect the entitlements of labourers in the sense of provision of mandatory worksite facilities, as well as protecting them from corrupt practices. She further argued that Rajasthan is still among the few states that have taken transparency safeguards, prescribed in the MGNREGA Operational Guidelines and in the Act itself, seriously.

In a study on the basis of secondary data and primary data collected from Chandrapur and Talowan Block of Birbhum district, West Bengal, Mukherjee and Ghosh (2009) examined the possible factors operating at the Panchayat level, which could contribute to the successful implementation of MGNREGA.

They selected the Blocks based on the three criteria -(a) their performance in the implementation of NREGA; (b) backwardness assessed in terms of concentration of socio-economically backward population, remoteness - measured by the distance from the district head quarter or the nearest sub-divisional office; and (c) high incidence of migration as perceived by the block and district functionaries. Their study underscored the fact that effective functioning of PRIs (especially the Gram Panchayats) is the most important element for the successful execution of MGNREGA. Their findings from primary and secondary data revealed that capacity building - both physical capacity in terms of human and technical resources and capacity in conceptualization, planning, execution and monitoring of projects among PRI functionaries are of absolute necessity in overcoming the shortfall and in achieving the desired goal of NREGA. They also mentioned that apart from overcoming technical and managerial constraints, there are various political constraints, which also have to be taken care of for successful implementation of the Act. They also argued that there is a great scope for improving the performance of NREGA. They suggested the ‘facilitators’ such as government officials, GP functionaries
including elected representatives, NGOs and community groups to play a critical role in this respect and to develop the skill of converging different programmes / schemes at the GP level at the earliest for the interest of successful implementation of Act.

On the basis of primary data collected from four states namely Bihar, Jharkhand, Rajasthan, and Himachal Pradesh, Pankaj and Tankha (2010) found that women workers have gained from the scheme primarily because of the paid employment opportunity, and benefits have been realised through income-consumption effects, intra-household effects, and the enhancement of choice and capability. Women have also gained to some extent in terms of realization of equal wages under the MGNREGS, with long-term implications for correcting gender skewness and gender discriminatory wages prevalent in the rural labour market of India. Despite the difficulties and hurdles for women, prospects lie, *inter alia*, in their collective mobilization, more so in laggard states.

Dey (2010) has found that since the inception (2006) of the scheme, household who applied for job are availing around 23 days of job on an average in a year as against minimum of 100 days provisioned under the act. In terms of the impact at the household level, his study finds no statistically significant impact on economic outcomes at household level but does find a statistically significant and substantial relation between reduction of stress related to joblessness and access to the MGNREGS. His study is based on the primary data collected from some selected blocks of Birbhum district of West Bengal.

ILO (2010) observed that MGNREGS in India has full potentials to remove the weaknesses of the earlier employment programmes in the country. On the basis of some micro-level evidence it has further observed that after introducing the scheme wage rate rose in the country and rural-urban migration has been decreased. However it also observed that the biggest challenges still exist regarding the implementation of the scheme at the village level.

United Nations (2010) observed that as an inclusive anti-poverty scheme MGNREGS is more effective than others like BPL cards, which are selective in nature. It further added that commitment to eradicating poverty requires an integrated economic and social policy for the benefit of all citizens and it calls for developmentally-oriented and progressive state activism and universalism as opposed to selectivity.

On the basis of primary data collected from two blocks namely Allahabad of Uttar Pradesh and
Ranchi of Jharkhand, Adhikari & Bhatia (2010) found that payment of wages to MGNREGS workers through Bank / Post Office has definitely enhanced the effectiveness in preventing embezzlement and misappropriation of wages of workers by the dishonest panchayat functionaries. But they also expressed their apprehension about illicit collusion between bank officials and panchayat functionaries. That is why they argued that best protection against the embezzlement is the empowerment of MGNREGS workers.

On the basis of field survey of Villupuram district, Tamil Nadu, Jacob (2010) found that effective and transparent implementation of the MGNREGS has positive effect upon the stopping of rural-urban migration. She also argued that the programme has immense potential to improve the gap between urban and rural India and also may lead to rural development in terms of basic infrastructure like roads, in terms of agricultural productivity from irrigation works, and it provides a stable income for the workers, their income graph would be much smoother with the MGNREGA bolstering their earnings in the 100 days between agricultural seasons.

Srivastava and Srivastava (2010) found that while women workers in general constitute a marginalized category within the class of workers; rural women workers occupy a lower position compared to their urban counterparts and the lowest layer among them belong to the bottom strata of the society, i.e., the SCs and STs. Further, they also found that the National Rural Employment Guarantee Programme can play a major role in improving demand for women’s labour, increasing reservation wages, and setting labour standards in rural areas. Some impact has already been felt in a number of areas, but much more needs to be done to implement this scheme effectively and to increase opportunities for quality and decent work in rural areas. In their view, this programme constitutes the axis around which the employment conditions of the poorest women workers can improve in rural India.

On the basis of the study of the functioning of the MGNREGS in Birbhum District between February, 2006 and July, 2009 Dey and Bedi (2010) suggested that in order to serve as an effective ‘employer of last resort’, the programme should provide proportionately more job days during the agricultural lean season and wages should be paid in timely manner.

On the basis of Annual report-2008-09 of National Consortium for Civil Society organization, Srinivasan (2010) observed that the MGNREGA is a landmark legislation, which is aimed at qualitative change in the livelihood of millions of rural people. Further he pointed out that
success of the same largely depended upon the initiative of the Government to materialize the reform agenda, recommended by many non-government organizations.

Khera and Nayak (2011) found that the MGNREGA has the potential to have a wider impact on gender relations. According to them acceptance of employment by the women beneficiaries would enhance their economic independence and can bring a sense of equality fostered by the earnings. They also have pointed out that despite such possibilities there exists serious problems for women workers across the states e.g. lack of crèches for mothers of young children and illegal presence of contractors.

Using primary data collected from two selected blocks of Tamil Nadu Narayanan (2011) found that the provision of effective child care facilities at MGNREGA worksites is an important issue that calls for creative thinking and action. According to him Tamilnadu is well placed in that field and that may be followed by the other parts of the country as an example.

Hirway (2012) found that performance of the MGNREGS to be satisfactory at the district level in terms of creation of person days, utilization of funds, creation of assets, social inclusion, etc. However, she emphasized that in some areas there are lack of success of the scheme due to the reason, which may identified as delayed payment of wages, non-fulfillments of most of the entitlements including guarantee to work, scattered and intermittent nature of the work and unwillingness of the local leaders.

Zepeda and Alarcon (2012) on the basis of secondary data found that the successful unfolding of India’s MGNREGA programme shows that it is feasible to implement an effective Employment Guarantee Scheme (EGS) to achieve sustainable poverty reduction. They also suggested that along the evidence coming from independent evaluations of MGNREGA, the programme still needs to effectively guarantee employment and improve significantly the quality of assets it creates.

Singh, et al. (2012) conducted a study in five districts of Rajasthan namely Dungarpur, Jhalawar, Banswara, Jalore. A total 3,293 households were selected from 660 work sites for interview. On the basis of their study they observed that whereas rural Rajasthan often suffers from the curse of drought, food insecurity, low irrigation and hence agricultural backwardness which ultimately results in low income and employment opportunities leading to large scale migration; the MGNREGS is an important programme to mitigate the problem through increased income security directly and enhanced rural infrastructure indirectly. Women have got avenues
to earn independently and that has improved their decision making power at the household level. However, they have also observed that in spite of those potentials the scheme in the state is still suffering from some serious problems relating to measurement, wage payment, planning of projects, involvement of people, mobilization of community and training and capacity building of officials and representatives arising out of deficiency of adequate manpower in the state to handle the programme.

Ghuman and Dua (2012) have conducted a case study in Hoshiarpur district of Punjab. For that purpose they randomly selected 10 villages choosing one village from each of the development blocks. Out of the each selected villages, 10 job cardholder households were randomly selected. Out of the 100 sampled job cardholder households, 93 percent were BPL. Out of APL job cardholder households were marginally above the poverty line. About two-thirds of the jobseekers were from the age group of 35-65 years and only 35 percent were from the age group of 18-35 years. In 3 out of the 10 sampled villages, 90 to 100 percent of the jobseekers were in the 35-65 age groups.

Reddy (2012) conducted a survey in selected areas of Andhra Pradesh, Orissa, Uttar Pradesh, Bihar, Jharkhand, Punjab on issue of effect of the MGNREGS on agriculture. On the basis of the result of that survey and available secondary data he observed that:

i) Introduction of the scheme has resulted in increase in agricultural wages throughout the country and the rate of increase in the female agricultural wage has been much higher than male wages and male-female differentials in agricultural wages have declined substantially. The tightening labour market has offered better bargaining power to agricultural labourers, better treatment at the place of work and ability to negotiate the duration of the working day. However in some areas the problem of peak period of agricultural labour shortage resulted in a number of changes in working hours, working days and MGNREGS work calendar.

ii) Since most of the works under the scheme are for land and water resource development and conservation, theoretically these works are expected to have lasting impact on agriculture. However, given the magnitude of the scheme and the diversity of the agrarian conditions in rural India, the benefits to agriculture are likely to be linked to the appropriateness of the choice of works to different regions, the quality of design and the competence and commitment in their effective execution. The
outcome of the survey evidenced that works like tank restoration, silt application to degraded land, farm ponds, rooting out of prosafis growth and deep tilling do have positive impact on agricultural productivity.

Ministry of Rural Development, Government of India (2012) claimed that notwithstanding some initial uncertainty about the practicality and viability of MGNREGA, six years later, the basic soundness and high potential of the Act are well established. Its quantitative achievement up to the financial year 2011-12 was highlighted as –

Since its inception in 2006, around Rs 1, 10,000 crore has gone directly as wage payment to rural households and 1200 crore person-days of employment has been generated. On an average, 5 crore households have been provided employment every year since 2008.

1. Eighty per cent of households are being paid directly through bank/post office accounts, and 10 crore new bank/post office accounts have been opened.

2. The average wage per person-day has gone up by 81 per cent since the Scheme’s inception with state-level variations. The notified wage today varies from a minimum of Rs 122 in Bihar and Jharkhand to Rs 191 in Haryana.

3. Scheduled Castes (SCs) and Scheduled Tribes (STs) have accounted for 51 per cent of the total person-days generated and women for 47 per cent, well above the mandatory 33 per cent as required by the Act.

4. Scheduled Castes (SCs) and Scheduled Tribes (STs) have accounted for 51 percent and women for 47 per cent, well above the mandatory 33 per cent as required by the Act.

5. 146 lakh works have been taken up since the beginning of the programme, of which about 60 per cent have been completed.

6. Of these works, 19 per cent relate to rural connectivity, 25 per cent relate to water conservation, 14 per cent relate to irrigation canals, 13 per cent relate to flood protection, 13 per cent relate to land development and 14 percent relate to development of private land owned by small, marginal farmers, SC,ST, BPL ,IAY and Land Reform beneficiary households.

7. 12 crore Job Cards (JCs) have been given and these along with the 9 crore muster rolls have been uploaded on the Management Information System (MIS), available for public scrutiny. Since 2010–11, all details with regard to the expenditure of the MGNREGA
are available on the MIS in the public domain.

Further, it has also been claimed that while implementation remains uneven across the states and districts, there is evidence to suggest that MGNREGA has contributed to (a) increased rural wages everywhere; (b) reduced distress migration from traditionally migration-intensive areas; (c) usage of barren areas for cultivation; and (d) empowerment of the weaker sections and giving them a new sense of identity and bargaining power.

De and Bhattacharjee (2013) has found that though several measures are undertaken in MGNREGA for ensuring the women’s participation in rural areas to uplift their socio-economic status, practically the participation level is not satisfactory at all. Of course some of the women are getting employment in various activities but comparatively less than the men. Gender discrimination still persists in the involvements of people especially in the Muslim dominated and relatively high income areas. There is also a lag in the distribution of job cards. The observations of the socio-economic characteristics and the regression results together suggest lower participation of women is also due to the variation in educational, income and primary occupational categories from that of men. Also there is lack of awareness among the beneficiaries. The unawareness is more in case of women than men. He thus suggested expansion of elementary education for men and women to promote directly and indirectly through the men to take proactive action in the decision making process. His study is based on primary data collected from Kapili Development Block of Morigaon district of Assam.

De and Jana (2013) conducted a study on the socio-economic impact of the MGNREGS in two Blocks Sonamukhi and Chhatna of the district of Bankura in West Bengal. They formulated linear multiple regression model for the analysis of their findings. On the basis of their analysis they found the functioning of NREGA in the study area is not satisfactory. According to their findings majority of the households have reported that they are willing to get more jobs than what they are presently getting. Even after six years of implementation of NREGA in the state their study reveals that people know very little about the law and different opportunities. They also explored people’s dissatisfaction about the impact of NREGA on their livelihood and the quality of the work done under this scheme. Nevertheless, they have argued that the programme can be a great agent for socio-economic upliftment by providing livelihood security to the poorest of the poor in rural West Bengal. Given the limited capacity of agriculture to absorb additional labour force, the development of rural non-farm sector should be developed. The
determinants of MGNREGA employment days were identified as the crucial factors for the successful implementation of the programme. They also suggested that the ‘long delays’ in wage payment must be minimized because such delay is not consistent with the provision of the MGNREGA Act. Another issue is the provision of work when alternative employment opportunities are scarce; the MGNREGA has to fulfil the gap by providing extra employment days during the lean season. The predominant work under the programme is related to excavation and re-excavation of ponds. GP has to prepare the proper shelf of schemes and to explore different or innovative works with new ideas. The overall awareness of the programme and information regarding the job should be widespread for better participation.

Using secondary data Prakash (2013) observed that the MGNREGA is the only Act in India which ensures its rural people right to livelihood in the era of Liberalization, Privatization and Globalization (LPG). It has a vital role to play because of its humane approach. He also observed that the act serves as an effective safety net for the unemployed especially during famine and drought. It has enabled them with sufficient purchasing power and they are able at least to earn their basic necessity i.e. food. The Act has confined the rural poor to their areas and stopped migration to the cities. It is not only giving rural livelihoods but also involving them in other non-agricultural work. This has helped in handling disguised workers. Employment in other non-agricultural work will also improve the rural infrastructure i.e. rural asset building. They finally concluded that the Act will ultimately lead to sustainable development.

Planning Commission of India (2013) highlighted that there has been eightfold increase in employment in public works after MGNREGA and there is significant positive impact on rural wage earnings and poverty, which has been much larger than all previous rural employment schemes. It has also been argued that this result of the MGNREGA has been achieved with a rather modest increase in the share spent on rural employment schemes out of total Central Plan expenditures. It has increased from an average of 11.8 per cent in the three years before MGNREGA (2002–03 to 2004–05) to 13.3 per cent in the last three (2009–10 to 2011–12) years. This means that although MGNREGA is not free of leakages, these have declined considerably. Thus, it has been argued that the implementation of the MGNREGA is far from opening a bottomless pit as some critics still claim, the provision of employment as a legal right, has greatly improved the share of intended beneficiaries in what government spends for development
Further, it has also been claimed that there is strong evidence of improvement of land and water security, which has influenced the small and marginal farmers working in MGNREGA sites to revert back to farming and allied livelihoods. There is also evidence that MGNREGA has enabled crop diversification, particularly into horticulture, wherever it has adequately converged with schemes of Agricultural Departments. An important lesson from this experience is that it is the quality of assets created, which will determine whether MGNREGA can go beyond the safety net to become a springboard for entrepreneurship, even at the lowest income levels.

On the basis of secondary data Roy (2014) observed that most disappointing fact about the MGNREGA is that this employment guarantee is to be provided to rural households, and not to individuals. According to him the household approach in lieu of the individual-entitlement approach is one of the serious drawbacks of the Act, excluding a large majority of the labour force from their legitimate rights. He further observed that a full-fledged employment guarantee would imply that it would be applicable to both rural and urban areas. But the MGNREGA has no urban employment guarantee. Also financial decentralisation, i.e. panchayat level decision making with regards to financial allocation is currently absent in this act. Further, the natures of work that can be undertaken under MGNREGA are such that disabled and old people cannot avail of this opportunity. These limitations restrict the scope of the Act compared to its original intention visualized by the campaign. However he argued that despite all its weaknesses the Act is a step in the right direction. It is delivering the results, though to some extent, in rural India. The change is slow and it takes time but impact is visible.

Goswami and Dutta (2014) attempted to assess the state of implementation of the MGNREGA in the State of Assam. For the purpose of their study they used both primary as well as secondary data and applied logit regression model. They collected their primary data from 168 randomly selected beneficiary households from eight villages of two randomly selected blocks Lahowal and Borboruah of Dibrugarh district in Assam. Their secondary data confirmed that the implementation of the MGNREGA in the state is poorly governed, which is a cause of concern. The ground level reality emerged from the analysis of their primary data revealed that there are several loopholes in the implementation of the Act, which deserve special attention. It also pointed out that though theoretically the Act provides a demand driven programme, to a large extent the same has been remained as the supply driven. The econometric analysis of their
primary data revealed that the willingness of the beneficiaries to work under the MGNREGA get reduced due to the problems arising out of receiving wage earning either from bank or post office, which are generally located at a long distance.

Kundu (2015) conducted a survey in the district of South 24 Parganas, West Bengal on the issue of ‘Effectiveness of Mahatma Gandhi National Rural Employment Guarantee Programme to Check Migration among the Rural Households. For that purpose he randomly selected Mandirbazar Block of the district. From that three Gram Panchayats namely Krishnapur, Anchona and Gabberia were chosen randomly. From each of the gram panchayats, three gram samsads were chosen. On the basis of his survey results he observed that the programme has no doubt become an important source of local employment. Expansion of that employment programme has provided supplementary income of rural households and reduced the uncertainty in the local job market. So they are now able to stay with their family instead of moving away from their family for survival purposes. Asset creation through the scheme also helps the rural households to get private farm and non-farm employment throughout the year particularly in the agricultural lean season. Hence it may be concluded that the higher the number of person-days a household got job in private non-farm employment, he will be less prone to migrate. Thus overall impact of the programme shows that the same has been proved to be able to reduce the intensity of migration among the rural households.

Negi et. al. (2015) conducted a study on the effectiveness of the MGNREGS in the Pauri Garhwal District of Uttarakhand. They used secondary data for that purpose. They highlighted that the introduction of MGNREGS has a clear positive impact on the rural economy through employment and income generation and also through raising the standard of living and socio-economic performance of the rural community. They also recommended further expansion of the scheme in rural areas by means of proper planning, adequate supervision, effective implementation and better monitoring and extension of the number of days of work beyond 100 days under the scheme.

2.4 The MGNREGA and Social Audit:

It is not uncommon for dead people to get paid in India. But it is not the family of the deceased who benefit, its middle men or public servants who cheat the state subsidy system or deceive wages by fabricating names on the payroll. It affects most of the welfare schemes in India. Against this backdrop the social audit may be recognized as an important accountability tool in
the development sector because on the ground it contributes to transparency and effective governance.

The mandatory requirement for social audit under the MGNREGA is an innovative measure aimed at ensuring accountability from those involved in the implementation of the scheme and enhancing the awareness level of beneficiaries and people at large. There are also few studies on the issue of effectiveness of the social audit in the MGNREGS, held in different states in India.

We now proceed to discuss those studies:

On the basis of primary data, collected from Andhra Pradesh Akella and Kidambi (2007) observed that provision of mandatory biannual social audit of the MGNREGA has potential to make delivery of the programme most effective. They also argued that implementation of social audit process in Andhra Pradesh shows the way how it is possible to ensure transparent implementation of scheme by means of social audit.

Based on secondary data Shah and Ambasta (2008) observed that implementation of institutionalized social audit in Andhra Pradesh has ensured successful implementation of the MGNREGS in the State. However, they also argued that social audit is post-facto exercise. That is why despite such successful implementation of the provision still there are some loopholes in the implementation of the scheme such as inadequate project planning, inadequate quality of assets created etc.

National Institute of Rural Development (NIRD) (2008), Hyderabad, published a social audit report on the basis of evaluation of impact of the MGNREGS in Orissa. In that report NIRD pointed out that implementation of the scheme in the State has not been reached at desired level due to existence of lot irregularities in the same. In order to ensure removal of those irregularities NIRD also recommended certain specific steps such as intensive publicity campaign to build awareness of communities, refresher training in old districts and very intensive training in new districts covering officials, non-officials and line departments associated with the MGNREGS, necessary follow up of social audit reports etc.

Aiyar and Samji (2009) have found that effective implementation of provision of the MGNREGA relating to social audit has a positive impact in realising the basic objective of the MGNREGS. They also argued that empirical evidence on the social audits suggests that social audits in fact have a significant and lasting effect on citizen’s awareness levels. Moreover, it
demonstrates that it has some effects on implementation processes and in this process, it significantly enhances confidence and self respect of the labourer and most importantly, their ability to engage with local officials. The study was conducted in Andhra Pradesh.

Singh and Vutukuru (2011) on the basis of primary data collected from some selected gram panchayats in Andhra Pradesh found that social audit reports of the MGNREGS generate lot of information that can possibly be missed in quantitative performance benchmarks and therefore is an important tool to gauge the success of the program. They also suggested that the Andhra Pradesh experiment with social audit can be replicated elsewhere in the country.

Vij (2011) on the basis of secondary data observed that the aim of the social protection policies should not be restricted to providing only minimum livelihood support to the poor. That should be firmly aimed at capacity building and empowerment of marginalized groups of the society through inclusion, information, influence and interaction. The system of social audit in the MGNREGS has full potentials to ensure that objective. He also argued that effectiveness of social audit can only be achieved with strong institutional support or support of individual activities as occurred in few states like Andhra Pradesh, Rajasthan, etc.

Galab and Revathi (2012) found that the MGNREGS held tremendous potential for employment generation and income security to the vast number of rural poor households in the State of Andhra Pradesh which has high concentration of poor population in the rural areas, low cropping intensity, low level of irrigation in the large part of the state, particularly in Telangana and Raylaseeman regions and the low level of rural infrastructure. They used secondary level data available from the official website of the Government of Andhra Pradesh. They have further argued that whereas in Rajasthan the implementation of the scheme has been largely driven by the civil society organizations that have played crucial role in the mobilization of the people and have been in the forefront of the right-to-work movement, in Andhra Pradesh, the proactive state has played greater role in pushing the implementation to greater heights. The State has facilitated the implementation through the use of modern technology in synergizing with the local institutions that were already there to take up the responsibilities. This also shows that the synergisation of the efforts of state and local institutions and use of technology can dramatically change the nature of service delivery at the grass-root level.

Further they also added that the ability of the people to access information on their rights and entitlements provided in the Act and the ability to negotiate with the local bureaucracy and
panchayati raj institutions (PRI) representatives, given the exclusive administrative arrangements made at various levels of administration, are important determinants of effective realization of entitlements under the MGNREGS. On the other hand, the low ability of the people to realize their entitlements on their own is a major hindrance to the rights-based development approach.

To fill that critical gap Andhra Pradesh Government as well as the non-government organizations in the state have taken initiatives towards that direction and there are also a number of local institutions which are capable to play that important role. They also mentioned that existence of Self-help Groups and systematic Social Audit has enabled the households to obtain additional employment in the state. They have increased the probability of getting 100 days of employment by the households. The Self-help Groups, according to their findings, were found to be more effective in enabling the households in getting more employment in highly drought-prone situations and social audit were found to be more effective in enabling the households in obtaining more employment in the villages which have highly unstable irrigated area and larger proportion of female population. However according to them those have not been found to be effective in villages having larger proportion of SC, ST population.

On the basis of secondary data Reddy (2013) argued that while India’s welfare programmes for the rural poor have been greatly affected by corruption and poor delivery system in the past and the same concerns were raised with regard to NREGS, the innovations the government of Andhra Pradesh has made in governance to implement NREGS has ensured that those bad experiences are not recurred. According to her Andhra Pradesh is the unique state where social audit process has been institutionalized through an autonomous State unit which makes a huge difference to the quality of governance of the programme, has a good MIS (designed by TCS), and is spending more than 4 per cent on administration of the programme, using its own resources to pay for the excess amount.

Rapid dissemination of information on the works taken up under NREGA and the awareness that there is a larger section of monitors of each of the activity has helped in reducing, if not obliterating, the regular concerns of corruption, wrong targeting and delays.

The innovation, which was identified, was that it reduced paperwork without reducing the information flow. She also argued that for the success of any scheme, the governance aspect is crucial. Though NREGA has made strict provisions for checking corruption and
mismanagement, Andhra Pradesh government has set an example in innovation and transparency in terms of governance. Andhra Pradesh is also known for its e-governance. The concerned departments of the government are technically advanced enough to effectively implement NREGS with ICT. Social audit with the help of ICT complements financial audit, assesses performance and unpacks decisions. Social audit combined with financial audit can present the true picture of spending, policy implementation, gaps and leakages in policy execution and outcomes of NREGS.

Afridi and Iversen (2013) conducted a study on the social audit of the MGNREGS in the state of Andhra Pradesh. For that purpose they extracted and codified panel data from the official and original Telugu social audit reports for 100 randomly sampled *mandals* across eight districts of AP. In each randomly chosen *mandal*, three gram panchayats (GP) were selected based on the following criteria: the GP which was the administrative headquarter of the mandal, one GP randomly selected from all GPs reserved for a female *sarpanch* and one randomly selected from GPs not reserved for a female *sarpanch* in that mandal in 2006. Thus they have a sample of altogether 300 GPs from 100 *mandals*. Their findings of the survey indicate no significant effect of the repeated social audit process on reducing the aggregate number of complaints. Such detection is made harder both by the fact that social audits were not implemented randomly and by the type of information (complaints) recorded by the social audit team. They further added that when they adopted control for *mandal* level attributes, overall and district-level time trends, to address the confounders discussed above, they observed a notable reduction in the non-provision of work and in the amount per labour complaint. This, however, was accompanied by an overall increase in the aggregate number of materials related irregularities over successive audit rounds.

Those apart their work underlined the need for incorporating rigorous programme evaluation in the roll out of the audits. Furthermore, greater vigilance in the documentation of social audit evidence, which could be critical for assessing the impact of these audits, is essential. For instance, all social audit reports include questions on the total rupee amount of irregularities, the total amount of MGNREGA expenditures subjected to audit etc., which are to be filled by the audit team. But these data are typically not entered in the vast majority of social audit reports for the period and sample under study. Careful documentation of audit findings would, again, require improvements in the training of auditors and greater emphasis on the importance of more
complete documentation in the training modules.
Rajashekar, et. al. (2013) conducted a study on the effectiveness of the social audit of the MGNREGS in the state of Karnataka. This study was involved both documentary research and fieldwork in the Hiriyur taluka of Chitradurga district. The justification for their selection of district and taluka was that MGNREGS was implemented in Chitradurga from its first phase of implementation in the country. From among the six talukas in that district, they selected Hiriyur because it was neither developed nor backward but ranks average according to the D M Nanjundappa committee report (2002). After classifying GPs into two categories on the basis of whether social audits were conducted or not, they randomly selected five GPs from among those which had conducted a social audit during 2010-11.

As part of their preliminary investigation they examined both primary and secondary sources related to MGNREGS. During their field visit they examined various documents connected with social audits which included social audit reports at Chitradurga zilla panchayat office. They consulted records of expenditure like receipts and payments made for works under MGNREGS in the five GPs. Along with GP members they visited a few of these works which provided us with vital insights into the quality of work. An important feature of their field visits included group discussions with members of GPs, and Vigilance and Monitoring Committees (VMCs) that are responsible for conducting social audits. Besides members of GPs, they also attended the meetings of the labourers who were the beneficiaries of MGNREGS. Through these meetings they were able to obtain a cross-section of views pertaining to the process of conducting social audits and more generally the implementation of MGNREGS. Talking to a cross-section of villagers was a useful exercise in triangulation as they were able to cross-check the evidence provided by their informants who represented diverse interest groups. It was evident from their case study that the social audit process at the GP level was marked by many constraints and problems. While all the GPs conducted social audits their capacity to undertake audits effectively was compromised by the influence wielded by village elites like Mr. Engineer, the Zamindar and the ‘onion king’. There was significant structural conflict of interest between cultivators who employed agricultural labour and the labourers who were seeking additional work under MGNREGS to supplement their income. Some of the key problems those were identified in the process of conducting social audit were:

i) Lack of participation of women
ii) Selective audit of works  
iii) Relative ineffectiveness of the Vigilance Monitoring Committees;  
iv) Lack of independent auditors;  
v) Inadequate training provided to villagers for conducting social audits;  
vi) Insufficient scrutiny of the possession and distribution of job cards and;  
vii) Complaints by labourers that not enough work was available under MGNREGS.

The Centre for Wage Employment and Poverty Alleviation (CWEPA) (2014) on the basis of their field visit found the following facts about the organization of social audit of the MGNREGS in the State of West Bengal:

i) The department of Panchayat and Rural Development in the state seems to be overburdened with their own task and without any extra staff at their disposal finds it virtually impossible to handle, mentor or monitor the processes happening in the districts.

ii) The social audits are being conducted through the support of rural development department at local level.

iii) Selection of social auditors, payment of social audit functionaries and training of teams are all happening through the support of implementing agencies and thus their influence is felt on the amount and quality of grievances recorded and entered in MIS.

In spite of this fact they also have found that the Panchayat functionaries in the state have developed a mechanism to conduct social audits, prepared formats and even innovated certain processes like involving women Self help groups in the social audit process.

In order to improve the situation they suggested the following measures:

1. An independent directorate is a must for proper and effective social audits with adequate staff, well designed process and fund flow and well laid down rules for redress of grievances.

2. Presently there are 19 district coordinators and 169 block coordinators recruited by the state, but the Block coordinators have not been trained properly. So with support of SIRD and NIRD they should be trained in batches.

3. The MIS needs to be redesigned to accommodate and support the process.

2.5 Research Gap:
The rural West Bengal is basically an agrarian economy. A significant part of rural population depends on agriculture for their livelihood. But agriculture contributes a very meager part of the Net State Domestic Product of the State due to the fact that agriculture of the state is basically marginal farmer dominated. Only a small percentage of rural population is engaged in agriculture as farmer, and majority of those dependent on agriculture are agricultural labourers. As a result there exists wider case of disguised unemployment and seasonal unemployment. So systematic and effective implementation of different programmes meant for socio-economic development and empowerment of rural masses deserves special attention. Among those programmes the MGNREGS is the most important flagship programme intended to provide 100 days work in every financial years to the rural households who volunteer to do casual manual work.

West Bengal is often cited as a successful state as far as the implementation of decentralised participatory governance is concerned which is reflected in the strong and effective functioning of the Panchayati Raj Institutions. It has created a history of participation of common people through the process of decentralization (Mukherjee and Ghosh, 2009). Despite such remarkable position in decentralization of power, still now the state is lagging behind the national average in terms of rural workforce participation rate (Ghosal, 2005 and Census of India, 2011).

On the basis of the extensive review of existing literature made in the preceding sub-sections of this chapter, we may assert that there has been many studies on the issue of rural unemployment and the role of antipoverty programmes in general and the MGNREGS in particular towards overcoming the situation. Some of them also elaborately discussed about the effectiveness of implementation of the radical provision of the MGNREGA, i.e., about mandatory biannual social audit. Despite the existence of such studies we strongly believe that still there are gaps in the studies which would need special attention from the researchers. The research gaps may be grouped as under:

i) West Bengal is one of the Indian states, which suffer from acute rural unemployment and poverty due to some historical reasons but we do not find that adequate attention has been given by the researchers regarding rural development of the state;

ii) Public Employment Programmes like the MGNREGS having lot of potentials to ensure socio-economic developments of rural masses of the state are highly significant, but there are very little studies on this issue.
iii) Systematic implementation of the radical provision of the MGNREGA relating to mandatory biannual social audit is the necessary pre condition for ensuring transparent implementation of the scheme. In this respect the role of gram panchayat is very important. But there are very little studies about the performance of the gram panchayats in West Bengal regarding organization of the social audit.

iv) Social audit of the MGNREGS is aimed at enhancement of the awareness level of the beneficiaries about their entitlements. So far as our review of literature is concerned there are no such studies about the relationship between social audit and the awareness level of the MGNREGS beneficiaries in West Bengal.

v) Ultimate goal of conducting social audit is to improve awareness of the beneficiaries about their entitlements from the scheme so as to improve the subsequent performance of the MGNREGS in terms of generation of additional person days. But there are no such studies particularly for rural West Bengal.

2.6 Conclusion:

Given the above research gaps in the literature, the aim of this study is to try to bridge certain gaps in the literature. We have thus chosen this researchable topic: ‘MGNREGS, Social Audit and Rural Development: A Study of Some Selected Gram Panchayats in West Bengal’, which clearly indicates that the area of our study is West Bengal. The aims of our study, research methodology and source of data, etc., are discussed in details in the next chapter.
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