Chapter II

REVIEW OF LITERATURE
This Chapter presents review of literature on the implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The study made by Anurekha Chari (2006)\(^1\) evaluated the participation of women in the Maharashtra Employment Guarantee Scheme (EGS). It is argued that it is not the presence of a large number of women as EGS workers that makes the scheme women-friendly, but that this presence makes possible their mobilisation by organisations that have leftist and feminist ideologies. It is concluded that the high visibility of women on EGS worksites could be because they have no recourse to other high paying jobs in the labour market thus reflecting gender-insensitive development process rather than the gender sensitivity of the scheme.

Mihir Shah, et. al. (2006)\(^2\) opined that the Schedule of Rates that state governments currently use to value work done by labour employed in schemes needs to be substantially revised if the promise of the National Rural Employment Guarantee Scheme is to be realised. The schedules now have an inherent pro-contractor bias, encourage the use of machinery and make it virtually impossible for labourers to earn minimum wages.

Shaji Joseph (2006)\(^3\) articulated that various non-political outfits were involved in the introduction of Maharashtra’s Employment Guarantee

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Scheme. Once introduced, these organisations understood the potentialities of EGS as a means to address various issues relating to the marginalised sections of society, including dalits, women, tribals and the landless, among others. It is time that there is mobilisation across the country so that this concept is now introduced across India incorporating the visions with which the rural poor fought for its implementation.

Mick Moore and Vishal Jadhav (2006) examined the Maharashtra Employment Guarantee Scheme. The study explored the political factors that account for changes in its performance over more than 30 years and identified the political lessons for the design of similar programmes elsewhere. It is found that the trajectory of the EGS has been similar to that of some equivalent programmes elsewhere. The Scheme has lived up neither to the very high expectations of its supporters nor to the exaggerated fears of its opponents about its potential adverse effects. It is intended simultaneously to create useful rural infrastructure and to provide employment tailored to unpredictable local needs, through a mechanism that is quite vulnerable to corruption. It is concluded that a programme like EGS is likely to remain in place and on track only if potential jobseekers are organised and mobilised to put continual pressure on the administration. A certain kind of politicised process, in which potential jobseekers play a major role, is integral to the effective implementation of the Scheme. The design and implementation of the programme can play a major role in

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generating the political organisation and mobilisation of important stakeholders, especially the potential jobseekers.

The study made by Lalit Mathur (2007)\(^5\) analyzed the progress made by the MGNREGA in its first year. It is found that the objective of 100 days of employment was not achieved in any State of the country. The NREGA has impacted the poor - large numbers of unlettered households have made the effort to come forward to register; migration has reduced in several villages in Andhra Pradesh, Chhattisgarh, Orissa and Rajasthan; wages less than the minimum wage were raised in many States; the participation of women increased significantly even in the districts of Rajasthan and eastern UP; unemployment allowances were sought and actually paid in Madhya Pradesh and Orissa; the maintenance of muster rolls has become a feature in several districts. The performance of the administration also shows positive trends: registration was completed and job cards issued; work was invariably provided on demand. The number of “facilitators” who are involved with the MGNREGA is staggering – several lakh government officials, Panchayat functionaries, elected representatives, NGOs and community groups. They play a critical role but have had little preparation for the challenge. The existing efforts for their exposure, orientation and training are at best a modest beginning; these need an exponential expansion. Government has the primary responsibility, and fortunately, also the capacity to do so, with its training in budget, infrastructure and network of support institutions.

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Mihir Shah (2007)\(^6\) argued that even as India celebrate 60 years of Indian democracy, with millions of people hungry, cynical and insecure, and living under the barrel of the gun (of the state or the extremists), there is a need to worry about the reach and quality of our political process. The National Rural Employment Guarantee Act has the potential to provide a "big push" in India's regions of distress. For NREGA to be able to realise its potential, the role of civil society organisations is critical. But this calls for a new self-critical politics of fortitude, balance and restraint.

The study made by Karuna Vakati Aakella and Sowmya Kidambi (2007)\(^7\) assessed the MGNREGA social audits in Andhra Pradesh. It is found that in the social audits in Andhra Pradesh it is the labourers who take centre stage – participating enthusiastically in the verification process, listening avidly in the Gram Sabhas (Village Assemblies), testifying in public meetings, generous in forgiving those who have harassed them, requesting re-induction of functionaries who have taken bribes from them, querying with passbooks in their hands what wages they actually got, physically protecting the social audit team members from being beaten or at the end of a bitter grueling public meeting where nothing seems to have gone right and they have not got their wages in three months, race with another to wear the marigold garlands on the dais. It is suggested that if worked on diligently


and sufficiently, social audits may yet be the solution to the many ills that plague the delivery of public programmes.

Pinaki Chakraborty (2007)\(^8\) appraised the implementation of Employment Guarantee Act. It is found that it is a demand-driven scheme and it has fallen far short of meeting demand in some states. The fund utilisation ratio also varies widely across states. The existing institutional arrangement in poorer states is not good enough to implement the NREGA in an effective manner. In many places Panchayats do not have the necessary capacity to manage the schemes and capacity building ought to take place at the Panchayat level.

Siddhartha and Anish Vanaik (2008)\(^9\) examined the facts and fiction in the report of the Comptroller and Auditor General of India on MGNREGA. It is argued that the CAG report’s major shortcoming has been that it fails to match up to the comprehensive terms of reference of a performance audit. Performance audit findings are not meant to be “a random assortment of various financial and regularity audit findings but an assessment of either the whole or the part of the programme/subject/function/system. The report often breaks into just such a random assortment, and the media has used this as an opportunity to amplify and extrapolate from the negative findings. The silence of the CAG on the overall impact of the NREGA was an outcome of these failings. Had the CAG methodology incorporated more interaction with NREGA workers, its own purposes might have been better.
served. Despite falling short on a number of counts, the CAG report has highlighted many genuine problems and pointed out improvements that are required. Even the limited experience of conditions on the ground has yielded a fairly rich harvest of recommendations. It is concluded that The CAG report, as the most extensive and ambitious study of the implementation of the NREGA so far, can be a starting point for a process that should go well beyond it.

Sudha Narayanan (2008)\textsuperscript{10} conducted a survey of crèche facilities under MGNREGA and childcare practices of working women in the Viluppuram district of Tamil Nadu State of India. The findings indicate that childcare is a significant problem for many of them. This is particularly true for mothers of children below the age of three years. However, the NREGA was indispensable – a lifeline for some of the sample women. It is concluded that the provision of effective childcare facilities at NREGA worksites is an important issue that calls for creative thinking and action.

The study made by Pramathesh Ambasta, Vijay Shankar and Mihir Shah (2008)\textsuperscript{11} examined the two years implementation of MGNREGA and suggested reforms that enable MGNREGA to hold out the prospect of transforming the livelihoods of the poorest and heralding a revolution in rural governance in India. It is argued that the NREGA ranks among the most powerful initiatives ever undertaken for transformation of rural


livelihoods in India. For NREGA to realise its potential, it must focus on raising the productivity of agriculture in India’s most backward regions. This can then lead further to the creation of allied livelihoods on the foundation of water security. For works to be productivity enhancing and for effective social accountability, major reforms need to be introduced in NREGA implementation. These include deployment of full-time professionals dedicated to NREGA at all levels; intensive effort at building up 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 systems for continuous monitoring and evaluation at every stage of the programme to ensure quality, etc.

Santosh Mehrotra (2008)\(^{12}\) examines the performance of the National Rural Employment Guarantee programme since its launch in mid-2005. It is argued that professional support for MGNREGA is still woefully low and does not recognise the fact that a programme of the scale of the NREG requires serious professional support, not government business as usual. It is suggested that if the 2 per cent per annum agricultural growth rate is to be reversed, the rainfed areas that constitute 60 per cent of the agricultural cropped area in the country have to raise their land productivity; they have to move from one crop per year to preferably two if not three crops per year.

\(^{12}\) Santosh Mehrotra (2008), "NREG Two Years On: Where Do We Go from Here?", *Economic and Political Weekly*, Vol.XLIII, No.31, August 2, pp.27-35.
The study made by Farzana Afridi (2008) examined the nature and characteristics of the community monitoring of NREGS so far. It is found that the utilisation of funds has increased significantly since the programme's inception, on average, across districts covering the country. In Rajasthan activists, NGOs and members of civil society are playing principal role in creating awareness of the rights of villagers and in securing their entitlements. In Andhra Pradesh, the state government has taken the lead in initiating this process and co-opted individuals from nongovernmental institutions into it. The Rajasthan model is found to be grassroots or "bottom-up" approach while the latter has a more "top-down" aspect to it.

Mihir Shah and Pramathesh Ambasta (2008) reported that all stages of NREGA work, from registration of workers to issue of job cards, preparation of work estimates, muster rolls and payments to workers have been computerized. With strong administrative backing and robust social audit, this IT system frees information from the shackles of power and privileged access. Despite these achievements, several weaknesses remain. The most important have to do with the quality of assets created. The government has not paid adequate attention to strengthening the process of people's planning and implementation of works. The immense potential of MGNREGA for transforming rural livelihoods thus remains completely unrealised.

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Raghbendra Jha, et. al. (2009) examined the extent of capture using household level data on NREGP participation in the Indian states of Andhra Pradesh (AP) and Rajasthan. It is found that in a combined sample the size of landholdings is a negative predictor of participation in NREGP. This pattern survives in Rajasthan. However, the pattern reverses in AP where a positive relationship is noticed. This indicates that the program is experiencing capture in AP whereas it is reasonably well targeted in Rajasthan.

Dev Nathan (2009) opined that the social safety net available at present in India is that from the National Rural Employment Guarantee Act (NREGA). At best, this safety net would provide about Rs 5,000 per year, per household. While even this would be a welcome addition to meagre income from the above-mentioned activities, it would not amount to maintaining pre-displacement levels of living.

Reetika Khera and Nandini Nayak (2009) attempted to understand the perceptions of MGNREGA legislation as reported by women workers currently working under the Act. It is found that NREGA has the potential to have a wider impact on gender relations. This can happen in several ways. For instance, NREGA employment can enhance women’s economic

independence by providing them access to cash earnings. NREGA earnings can bring about a sense of equality fostered by earning, for the first time, the same wage as men. It is suggested that increasing the share of women in NREGA staff appointments would also go a long way towards achieving the agenda of gender equality and sensitivity.

Gopal (2009)\textsuperscript{18} made an attempt to discuss the myths and realities in the NREGA social audit. It is found that social audits have achieved much less than advertised and they have ignored many important aspects of implementation of NREGA. It is opined that one must be clear on the purpose of social audit to direct its course.

Kareemulla, et. al., (2009)\textsuperscript{19} attempted to assess the impact of the scheme on rural livelihoods and the nature of soil and water conservation works. It is found that purchase of food followed by expenses related to education of the dependents and health care were the major modes of utilization of the earnings from NREGS. There seems to be a significant contribution towards household assets like fan, television and bicycle mainly attributable to the savings of NREGS wages. Household amenities like electricity connection, toilet within the premises and drinking water connection also have been created from the savings of NREGS wages. It was observed that the variable family size, landholding, and wages from other


sources were positively related to dependency on the NREGS works. It also indicates that the employment beneficiaries with relatively larger landholding size bank more on NREGS as a source of wages. The status of the family in terms of migration before the launch of the programme had a positive thought and does not influence significantly on the number of persons participating in the NREGS works.

Anindita Adhikari and Kartika Bhatia (2010)\(^{20}\) made a study to evaluate the wage payments of MGNREGA through banks. It is argued that this new system of wage payments is far from foolproof. As workers familiarise themselves with the banking process, cases of embezzlement through "deception" and "exploitation" will reduce, but the possibility of embezzlement through "collusion" remains. The risk of manipulation is particularly high in areas with a feudal and exploitative social structure, where NREGA workers are easily manipulated. It is found that respondents had a fairly positive attitude towards bank payments and an interest in learning how to use the banking system. In remote areas, large distances to the nearest bank or post office also cause much hardship to the NREGA workers.

The study made by Rupali Das (2010)\(^{21}\) revealed that the NREGA initiative of including rural poor within banking services has proved that the poor can provide a key source of future business for the banking industry.


After initial hiccups things are being streamlined in relation to banking services being provided to millions of NREGA workers. The scheme, which is currently in operation in more than 600 districts, has ensured that poorest of the poor in the country gets included in the banking system. Creating a world record, more than 8.2 crores savings bank accounts for NREGA workers have been opened with Banks and post offices in rural areas of the country. The numbers are expected to go up in the coming years.

Nirmala Buch (2010) opined that even the statutory guarantee for 100 days employment in the NREGA as in its predecessor rural wage employment programmes, is for the household and not to men and women separately. The programme guidelines continue to speak of efforts to give share of 30 per cent or 1/3 to women but without any effort at operationalizing or implementing it.

Sandip Das (2010) observed that on an average MGNREGA has managed to provide Rs.8,000 – Rs.10,000 per annum as wage to each rural poor family, but this is insufficient to fight chronic poverty. Along with old age pension of Rs.200 per month to each old person and income from agricultural activities, most of the rural folks are still not out of the poverty trap. After four years into implementation of MGNREGA and spending more than Rs.50,000 crore in the mega job guarantee scheme, the government is now aiming at imparting technical skill to those eight crore

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odd BPL families which would make them eligible for semi technical jobs in the rural or semi urban areas.

Partha Mukhopadhyay (2010)\textsuperscript{24} noticed that after the advent of NREGA, even rural landless labourers are not as dependent on farm production. Rural non-farm activities are also growing, and this, along with initiatives like MGNREGS, is raising rural wages and income.

Pinaki Chakraborty and Lekha Chakraborty (2010)\textsuperscript{25} observed that although, NREGA is one of the most successful public employment programmes in creating jobs for rural poor, still there are pockets of deprivation in the country, where implementation of NREGA is not as effective when compared with best performing districts. There is a need for micro intervention in these areas from the Ministry of Rural Development to increase NREGA participation and better absorption of funds allocated to this important Ministry.

The study made by Anandharaja Kumar and Well Haorei (2010)\textsuperscript{26} assessed the impact of the MGNREGS on rural migration in Dindigul District of Tamil Nadu. Results of the study reveal that migration has stopped in five Panchayats with the implementation of the scheme of the total 18 Panchayats considered for the present research work. In seven Panchayats migration has not stopped with the implementation of the


scheme because in five Panchayats, of these seven Panchayats beneficiaries have received merely 25-30 days of employment in every financial year and in the other two Panchayats though beneficiaries have received 100 days of employment, the rest of the days they have to migrate to other place as employment is not available in their native, but the number of days of migration has decreased with the implementation of the scheme. And in the remaining 6 Panchayats there was no migration before and after the implementation of the scheme. If 100 days of employment are provided in the five Panchayats where the beneficiaries have received merely 25-30 days of employment in a financial year the scheme would have an impact, either in the form of totally arresting migration or reducing the number of days of migration.

Jogender Sharma (2010)\textsuperscript{27} opined that most of the jobs are provided under MGNREGA during the non-farming season and thus supplement family income without upsetting the farming cycle. The implementation of this Act is an important reason for the surge in rural income and it has reduced the dependence on farm income to a large extent.

Srinivasan (2010)\textsuperscript{28} suggested that in order to render the structure of NREGA implementation efficacious, a fully dedicated staffing structure needs to be deployed in the Gram Panchayats, drawing talent from the open market through a rigorous selection process. These officers must be


\textsuperscript{28} Srinivasan G (2010), "Reforms agenda for NREGS", Kurukshetra, Vol.58, No.3, January, pp.31-33.
recruited on a contract for a span not exceeding three years and their performance will be strictly reviewed and they will be answerable to the block Panchayat. National Authority for NREGA should be created as an autonomous body within the Ministry of Rural Development for discharging the most important functions to make NREGA effective.

The study made by Amrit Patel (2010) revealed that the NREGS implementation has suffered from leakages, delays in payments, non-payment of statutory minimum wages, fudged muster rolls, creating a few durable assets and even fewer sustainable livelihoods. The Panchayat Raj Institutions (PRIs) functionaries as implementing agencies are not aware of the some of the scheme’s essential features and they do not employ poor for 100 days. It is suggested that Create awareness among the members of PRIs, and elected representatives on the legal aspects of NREG Act and guidelines on the implementation of NREG Scheme. This should address concern, commitment and accountability towards preventing leakages, delays in payments, non-payment of statutory minimum wages, fudged muster rolls in particular.

Subhasish Dey and Arjun S Bedi (2010) examined the functioning of the National Rural Employment Guarantee Scheme between February 2006 and July 2009 in Birbhum district, West Bengal. It is found that in Birbhum district of West Bengal, there is universal awareness about the

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NREGS, job cards have been made available to all those who have applied and NREGS-related information is well-maintained and relatively accessible. While there were 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. While this delay is not consistent with the provisions of the Act, it is a clear improvement from the 42-day lag observed in the first year. It is 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 a timely manner.

Kaustav Banerjee and Partha Saha (2010)\textsuperscript{31} enquired in detail about the working of NREGA in Maoist areas and the effect it has had on Maoism and vice versa. It is found that wages earned through MGNREGA can become a source of great respite for the large masses of rural population in terms of maintaining the minimum levels of food grain consumption. In all the villages surveyed, the additional income earned through NREGA-related works was mostly spent on consumption of food grains. Both male and female wages in various agricultural operations have gone up after the implementation of MGNREGA. Due to implementation of MGNREGA, there was increase in both overall employment and wage rates which resulted in increase in household income of the rural poor. The Maoists have been encouraging the conduct of social audits since this helps in the creation of a new kind of democratic practice hitherto unseen in India. It seems that the

MGNREGA is not a programme with which the Maoists in backward areas have a tense relation.

Moitri Dey (2010)\textsuperscript{32} noticed that MGNREGA is trying to address the issue of unemployment in rural areas where unemployment is higher. It 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 to at least to supports 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 unemployment.

Nisha Srivastava and Ravi Srivastava (2010)\textsuperscript{33} opined that MGNREGA constitutes the axis around which the employment conditions of the poorest women workers can improve in rural India. It 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.


The study made by Ashok Pankaj and Rukmini Tankha (2010)\textsuperscript{34} analyzed the empowerment effects of the NREGS on women workers. It is found that the NREGS has helped women in converting some unpaid hours of work into paid hours of work with significant effects, especially for those women for whom NREG is a primary work opportunity outside the home. Paid work under NREGS has helped rural women in realising income-consumption effects through: (1) monetised earnings, and (2) better control over earnings because of monetised wages and account payment, leading to greater consumption effects. A woman worker's earnings from the NREGS constituted 14 per cent of the total annual income of the household on average. It was observed that sometimes women collect their wages, but hand it over either to the male heads of their households or to their husbands. Sometimes, they retain a portion and surrender the rest. Nevertheless, self-collection increases the chances of retaining control over wages. The majority of women workers were found to collect and retain their wages.

Bharat S. Sontakki and Laxman M. Ahire (2011)\textsuperscript{35} made a study on the impact of MGNREGA on agriculture. It is found that farmers with large farm holdings who invariably depend on farm labourers would be inversely affected by NREGS. When the daily wages are more in NREGS, quite naturally the labourers preference would be to work through it. It would not


\textsuperscript{35} Bharat S. Sontakki and Laxman M. Ahire (2011), "Rural Employment Guarantee Scheme: Boon or bane to Indian Agriculture?", \textit{Kurukshetra}, Vol.59, No.6, April, pp.39-44.
be economical for the farmer to provide higher wages to the labour in order to retain the labour in his field. The food prices have to be increased so that the farmer can hire labour for higher wages. Farmers with medium land holdings also would have the same impact except that his own labour will be a great support to him. But the labour shortage in general would definitely increase the labour charges. Similar is the impact on small farmers as many of them would find labour under NREGA as a solace and there is a chance that they would leave farming because of their lack of purchasing power of labour for their own farming activities. NREGS has created a wage-floor for an otherwise hapless pool of unskilled rural labourers and that higher farm costs from a decrease in labour supply are a reality in many parts of India. The implementing agency of MGNREGS failed to look into these matters.

Jawed Akhtar, Abdul Azeez and Masroor (2011)\textsuperscript{36} mentioned that MGNREGS is India’s policy and programme commitment to achieve Millennium Development Goals and efforts are on towards total eradication of poverty by 2015. It is found that there has been a “significant dent” in poverty in rural areas by increasing employment opportunities and proper wage disbursement through implementation of MGNREGA which has increased earning of rural households resulting in an increase in their purchasing power. Implementation of MGNREGA has contributed to very high levels of women empowerment, particularly in the following aspects that as the work is organized by women’s groups, the gender perspective

gets built in automatically, for the first time equal wages are really paid and this has boosted the earnings of women. As the bank deposits are increasing, the intra-household status of the woman has also been improving commensurately as she controls substantial cash resources and withdrawal can be only on her decision. The activities under the MGNREGS are largely linked to water, soil and land, which are the key natural resources determining agricultural and livestock production. They can have a positive or negative influence on these natural resources, affecting their ability to provide environmental services.

Vijay Kumar (2011)\textsuperscript{37} reviewed the progress of MGNREGA. It is revealed that though there are some shortcomings like misappropriation of funds at some places, this Act is really a boon for the rural people. If it is implemented transparently, corruption will be eradicated and certainly it enhances the standard of living of the rural people.

Pattanaik and Hans Lal (2011)\textsuperscript{38} observed that almost all the sample village Panchayats have approved their work in the Gram Sabha (the village assembly). MGNREGA has provided an opportunity for e-Governance at the village level in Panchayats connected with computer and having internet facilities. This has at least brought about the information revolution at the village level.


Srinivasa Rao (2011) observed that the participation of Schedule Castes and Schedule Tribes and Women in the large proportion is one of the main achievements of the MGNREGA. There are still large regional variations in the performance in the implementation of this scheme in various states. However, challenges are there but progress is quite encouraging.

Sinha (2011) opined that the steps taken under Mahatma Gandhi NREGA are poised to ensure transparency and accountability while reaching out to the last mile making it an effective instrument of poverty alleviation on the road to inclusive growth and development. With its spread over 625 districts across the country, the MGNREGA has raised the productivity, increased the purchasing power, reduced distress migration and helped in creation of durable assets in rural India.

Sunil Amar (2011) opined that the MNREGA is geared completely to the needs of the unorganized sector in the rural scenario. By ensuring that poor households find a minimum number of 100 days employment for one member for a fixed rate of Rs.100/- in effect means that migration of this work-force would stop or slow down. This has had a ripple effect in the areas where the rural work force would migrate to and has been the single most effective mechanism to push up wages for agricultural labour in these lands.

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The ripple effect is evident in other ways as well. Now the poor illiterate, unskilled rural labourer has more than one option open. While one person in the family can avail of the MNREGA provision and thus bring home a steady income, other able-bodied persons in the family can still migrate. Given the enhanced wages in agriculturally, rich areas for wooing the labour despite MNREGA's attractive package, would mean a substantial boost of overall income of the family unit. The scope of the flagship programme thus expands and goes beyond its intended targeted beneficiary. In effect it is addressing the issues of the unorganized rural sector.

Jain (2011) suggested that the MGNREGA Scheme after 6 years of implementation should now embrace an enlarged paradigm. Moving from the traditional model of projects, programs and financial allocations, it should combine the wider dimensions of sustainability, spatial integration and human rights. The MGNREGA should harmonise with the emerging aspirations of the rural folks and third generation reforms, such as transparency guarantee, self-governance, local autonomy and new technology such as solar energy, bio-gas production, wastewater recycling, systems building, etc.

The study made by Kalarani Rengasamy and Sasi Kumar (2011) examines state level performance of the MGNREGA. It is found that the government's flagship rural employment scheme is struggling to make an

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impact as the capacity building in the scheme has slowed down to a crawl. The overall fund utilization in the MGNREGA has plummeted to 60 per cent. Most states were unable to utilize even half of the funds slotted for administrative expenses, stalling administrative reforms that are expected to increase the efficiency of the scheme. Apart from a few states, most of the others show the increment of wage on the Minimum Agricultural Wage Rate (MAWR) because of the scheme. It is suggested that MGNREGA workers be empowered in the issues like enhancement of knowledge levels, development of literacy skills, organizing workers, and enhancing social security levels of workers. Further, empowerment of workers and creation of durable assets depend to a great extent on the linkages between MGNREGA and other development programmes. In that way programmes like Indira Awas Yojana, Total Sanitation Campaign etc. should be linked to MGNREGA.

Rakesh Tiwari, et. al. (2011)\textsuperscript{44} attempted to examine and assess the environmental implications of the activities implemented under the NREGA. It is found that the NREGA has provided multiple environmental services and reduced vulnerability, apart from providing employment and income to rural communities. The NREGA activities were found to reduce the vulnerability of agricultural production, water resources and livelihoods to uncertain and low rainfall, water scarcity and poor soil fertility. There is huge potential for using the NREGA programme as an approach to reducing

the vulnerability of production systems and livelihoods in the short and long term, especially against the background of increasing climate variability and climate change.

Venkateswarlu and Rama Rao (2011)\textsuperscript{45} observed that all the land and water conservation works being carried out under the MGNREGA indirectly help in drought proofing. Since 60 per cent of the works under this scheme are related to land and water conservation, there is immense scope to tailor the works to improve land and water resources and contribute to enhanced production in rainfed agriculture. The key challenge lies in having adequate trained manpower at the village level that can identify the relevant works and include them in the annual action plan of the scheme and its scientific execution.

Rajamani (2011)\textsuperscript{46} stated that further improvement in the MGNREGA such as shifting to permanent asset building and infrastructure development activities, reduction in transaction costs, better monitoring and extension of the scheme to urban areas are necessary.

Rishabh Khosla (2011)\textsuperscript{47} attempted to measure the effect of caste-reservation policies on the provision of public goods and services in Gram Panchayats in Andhra Pradesh using data from the National Rural

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Employment Guarantee Scheme. It is found that NREGS in Andhra Pradesh is insulated from politics. Even in Telangana, where it appears that the NREGS is most neutral to politics and caste, one can reasonably argue that the situation is only the result of a political stalemate between political parties and caste alliances. The findings in coastal Andhra and parts of Telangana also show that reservation unequivocally has effects on the distribution of NREGS resources in the gram. Thus, at least in certain circumstances, the Panchayat system still appears to carry some political and institutional weight at the grass-roots level. While forward castes did not have a stake in NREGS, they most certainly remain central players in the power politics of the Gram Panchayat in other contexts.

The study made by Diganta Mukherjee and Uday Bhanu Sinha (2011)\textsuperscript{48} revealed that MGNREGA resulted in adverse production effect and increase in the income of the poor households, who spend most part of their income on food and other essential items. Consequently, it would necessarily lead to rise in food prices unless the food prices are stabilised with imports.

Kamala Sankaran (2011)\textsuperscript{49} discussed the wage rates under MGNREGA. It is argued that the NREGA wage rate must logically be a need-based national minimum wage under the Minimum Wages Act (MWA).


Linking the wage rate under NREGA to the national floor level minimum wage under MWA has the advantage of introducing a more participatory mode of wage rate fixation into the former. It is suggested that the crisis around the MGNREGA wage rate can be an occasion to rationalise wages both under MGNREGA and under the MWA and bring about a true need-based minimum wage, a necessary prerequisite for the millions in the informal economy in India today.

Palanichamy (2011)\textsuperscript{50} made a study on MGNREGA. It is found from the study that annual income is increased after joining the MGNREGA. The expenditure on food was more after joining the scheme. There is a relationship between annual income before joining MGNREGP and annul income after joining MGNREGP. It is concluded that the total annual income progressively changes in the family because of MGNREGP.

Waghamare Shivaji and Sheshrao Maruti (2012)\textsuperscript{51} examined the problems in the implementation of MGNREGA. It is opined that the MGNREGA is path-breaking legislation offering hope to millions of poor people in Indian country side as it provides employment opportunities to rural community in the vicinity of their residence. The possibility of the scheme becoming a distant dream for the bottom of the pyramid cannot be ruled out due to the problems associated with its implementation. It is found that the major problem with MGNREGA is that there is absolute


absence of an effective grievance redressal system. The Act's launch was not accompanied by the appointment of additional staff for its implementation. This has resulted in the existing staff being burdened with additional work.

Swaminathan (2012) suggested that Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) should be restructured on the following lines to get optimum benefit from this largest social support programme in the world - (1). Set up a Technical Support Consortium for each District to end the prevailing divorce between Intellect and Labour; (2). Enlarge the concept of labour in the case of women to include the operation of creches, balvadis and School Noon-Meal programmes. (3). Achieve Convergence and Synergy among different programmes involving labour; (4). Initiate a “beyond 100 days” programme – convert watersheds into bio-industrial watersheds, to provide opportunities for running micro-enterprises supported by micro-credit, thus integrating on-farm and non-farm employment opportunities. This will also help to convert unskilled into skilled labour. (5). Provide dignity and prestige to work, and help the labour to gain in self-esteem and pride by establishing Environment Saviour Awards, to recognise the work of outstanding MGNREGA Teams in the areas of watershed development, rainwater harvesting, soil conservation and building soil carbon banks through fertilizer trees. If these 5-point programme is initiated, MGNREGA will become a powerful instrument for combining labour with intelligence.

Sasi Kumar and Kalarani Rengasamy (2012) argued that in the present funding pattern Government of India provides MGNREGA funds to the States to meet full cost of wages and upto 75 per cent of the material cost of work including wages to skilled and semiskilled workers. Release of funds is made not to the state but directly to each district. This system involves need for detailed calculations and scrutiny of figures of expenditure on wages, material component and staff. It also entails heavy workload in having to keep district-wise account. This cumbersome procedure compels district officers to make frequent visits to Delhi to chase their proposals for release of funds. The whole process can be greatly simplified by having a new funding pattern in which central government meets full cost of employment wages and in addition funds equal to 50 per cent of wages are given towards all other costs (including material component, staff etc). This simple pattern of funding would dispense the need for getting from states details of expenditure on material, staff etc. or having to calculate the wage-material ratio in REGS works, also, the release of funds should be to the state and not directly to the district; on-account automatic release of funds to the states will be based on the Utilization Certificate of earlier released funds given by the finance department of the state.

Jawed Akthar and Abdul Azeez (2012) examined the impact of MGNREGA on arresting migration. It is opined that public works offering

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relatively predictable employment opportunities are particularly effective in slowing rural-urban migration. It is found that the MGNREGA income in wages has two dimensions. The families owning small agricultural land which is insufficient to generate food security for the whole of the year or create additional surplus of cash to meet other basic needs, families are supplementing agricultural income with wage income of MGNREGA. MGNREGA income provides a significant value addition to meet their higher order needs critical for their survival or growth and development of their family. It is concluded that although there has been some decline in the incidence of migration from the beneficiary households, seasonal and distressed migration continues to take place. This is primarily because of the non-availability of jobs when needed, and the lack of awareness about the details of the provisions and entitlements under the scheme among the potential beneficiaries of the scheme. It is suggested that the efforts to educate these migrants about the benefits of the MGNREGS at the place of departure itself are likely to have an impact and persuade the migrants to stay back in their home states and avail the benefits of this scheme.

Jawed Akthar and Abdul Azeez (2012) argued that budget allocation in 2012-13 has not been increased on the basis of the increase in the number of districts under MGNREGS. A unique and radical programme MGNREGA requires time to be fully or even substantially streamlined. Unfortunately, there is a sense of nervousness in the bureaucracy about increasing expenditure that has resulted in a narrow and parsimonious

Scheme. The main characteristic of the Scheme is sluggish and low spending rather than wastage and 'leakages'. The bureaucracy seems to be in the grips of some kind of fear and lethargy, or simply a resistance to disturbing the pre-existing power equations at the local level.

Anupam Hazra (2012)\textsuperscript{56} opined that through initiation of MGN REGA - the minimum purchasing power for food security is being created especially among the rural families living below the poverty line. The MGNREGS has evidently set the floor for the rural wage level, making wage push inflation more visible and prominent but tackling hunger and food insecurity in rural India will require multi-sectoral efforts; elected local bodies, together with the concerned departments of the government i.e. health, education, women and child welfare, rural and tribal development, etc. should prepare micro level action plans for food security initiatives.

Tripathy (2012)\textsuperscript{57} analyzed the Union Budget 2012-13 in the context of rural livelihoods. It is opined that the enactment and implementation of a right-based MGNREGA has undoubtedly marked a paradigm shift from the existing wage employment programmes. This is primarily to be achieved by taking up project-oriented activities covering works on water conservation/harvesting, drought/ flood control, plantation, land development, rural connectivity, etc. During 2011-12, the revised estimate for MGNREGA is pegged at Rs. 31,000 crore which is Rs. 9,000 crore less


than the Budget Estimate. This indicates that this wage employment programme has stabilized in its operation and absorption in rural areas.

Puja Dutta, et. al. (2012)\textsuperscript{58} examined the performance of the MGNREGS in meeting the demand for work across States. It is found that the demand for work on MGNREGS tends to be higher in poorer states. Despite the pervasive rationing, it is plain that the scheme is still reaching poor people and also reaching the STs and OBCs. Participation rates in the scheme are higher for poor people than for others. This holds at the official poverty line, but the scheme is also reaching many families just above the official line. It is only at relatively high consumption levels that participation drops off sharply. The overall participation rate seems to be an important factor in accounting for interstate differences in targeting performance, with the scheme being more pro-poor and reaching STs and OBCs more effectively in states with higher overall participation rates.

The study made by Erlend Berg, et. al. (2012)\textsuperscript{59} assessed the impact of MGNREGA on agricultural wages. It is found that MGNREGA intensity treatment in an average district boosts real daily agricultural wage rates by 1.6 per cent. The wage effect appears to be increasing gradually and is driven by the gradual increase in the MGNREGA intensity. The effect

\textsuperscript{58} Puja Dutta, Rinku Murgai, Martin Ravallion, Dominique van de Walle (2012), "Does India's Employment Guarantee Scheme Guarantee Employment?", \textit{Economic and Political Weekly}, Vol.XLVII, No.16, April 21, pp.55-64.

appears to be significant across all months of the year but smaller in magnitude for agriculturally slack months of March and April.

Jawed Akhtar (2012)\textsuperscript{60} examined and assessed the environmental implications of the activities implemented under the MGNREGS. It is found that assets created under MGNREGA have been useful and have contributed towards natural resource regeneration. It is suggested that the MGNREGS must be strengthened and revamped to provide not just wages for work done but work that will make ecological regeneration possible. There is also a need to raise the self-esteem of MGNREGA workers, making them feel proud of the fact that they are engaged in checking eco-destruction.

Jitendra Ahirrao (2012)\textsuperscript{61} opined that one major, and indeed unique, programme for poverty alleviation through employment generation and asset creation and which has elicited world-wide attention, is the Mahatma Gandhi Employment Guarantee Act. It has enabled the deployment of labour of the poor to build infrastructure for development. Its preponderant and immediate benefit every year, especially during times of distress due to droughts, is the effect of enabling the poor to handle the risk of decrease in consumption.


The study made by Krishnan and Balakrishnan (2012)\textsuperscript{62} aims at identifying the investment made on the watershed works and the resultant changes in the area under cultivation, cropping pattern; assessing the quantum of employment generated in the study area under MGNREGA and verifying the existence of grass root democracy in deciding the nature of works to be taken undertaken under MGNREGA. It is found that the goal of MGNREGA to make sustainable development of agriculture, by strengthening the natural resource base of the villages is found to be fulfilled in the sample village. Further, MGNREGA has increased the area under cultivation. The water conservation works undertaken under this scheme has directly provided employment opportunity and indirectly improved livelihood and food security of the farmers. The watershed works of MGNREGA has made positive impact on reduction of poverty directly and indirectly in the study village.

The study made by Ankita Aggarwal, et. al. (2012)\textsuperscript{63} assessed the usefulness of MGNREGA works. It is found that the criticism of poor quality of MGNREGA assets does not apply to most of the works surveyed in the study. Wage payments for labourers are found to be delayed.


Raghbendra Jha and Raghav Gaiha (2012) critically evaluated the performance of MGNREGA using official data. It is found that the NREGS has not performed well. In these days of very high fiscal and current account deficits, it is difficult to rationalise providing more funds to this initiative. Another serious failure is the tiny fraction of households availing themselves of the mandated 100 days of work despite an attractive wage rate, far in excess of prevailing agricultural wage rates. Reports abound of corruption at all stages with participants obtaining wages, often long delayed, unrelated to the work done. Project activity is dull or highly uneven with earmarked funds being siphoned off.

It is concluded that some of the studies have evaluated the impact of MGNREGA, while some other examined the implementation process. A few studies made suggestions to improve the functioning of the MGNREGA. There are no studies that examined the impact of MGNREGA among different social categories and the associated problems. The present study is taken up to fill this gap in the existing literature.

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