Rural India, which is characterized by low income levels, poor quality of life and a weak human capital-base, comprises of around 74.57 percent of all India population and 78.42 percent of all India workforce. Although, in the post-economic reform period, India has grown economically faster, her performance in the reduction of poverty, unemployment and economic disparity has remained dismal. In India, the problem of unemployment has become very serious as around 9 per cent of the labour force is unemployed. Various causes responsible for high incidence of unemployment in India are growing population, in appropriate technology, faulty education system and failure of growth process in generation appropriate and adequate jobs. The persistence of poverty on the scale at which it still exists is not acceptable. A decisive reduction in poverty and an expansion in economic opportunities for all sections of the population should therefore be a crucial element.

In order to alleviate rural poverty by generating employment and creation of sustainable assets in rural India, Government of India enacted the MGNREGA. However, social security programmes are not free from flaws. So is the case with MGNREGA. There are problems and challenges from both the government and the public. It is not that everything is honky-dory with the MGNREGS since as many as 1010 complaints pertaining to irregularities in the implementation of the scheme have been received by the executing Ministry of Rural Development itself. The groueses mainly relate to delayed payment of wages, instances of use of funds for non-permissible activities, incorrect accounting of expenditure, use of machinery, non-issuance of job cards and ineligible persons provided employment under the Act. Even as the Gram Panchayats is the fulcrum and mainstay to implement the scheme, it woefully lacks the human resources and technical skillets to discharge what it is expected to carry out. The lack of a fulltime dedicated support structure for MGNREGA has been observed by several analyses of the implementation of the Act on the ground.

Even the Ministry of Rural Development, Government of India (2011) reported nine major challenges that are being faced by MGNREGA implementation. The report states that although the MGNREGA is a demand driven work, it has not done so. Very rarely unemployment allowance is being paid if the work is not provided within 15 days of applying for work. Further, it is stated that since work is not opened in time in response to the demand of workers, workers in general have little idea when work will open. In such a situation, they
have no option but to migrate. The report also stated the delays in payment of wages. Another challenge reported by the Ministry is providing requisite number of days of works as per demand and improving quality of assets created under MGNREGA and their relevance to the livelihoods of the poor. Other challenges include ensuring full payment of wages stipulated under the Act, anchor participatory grassroots planning, sustaining regular flow of funds and strengthening redressal mechanisms.

As regards issues and challenges among the people, it is observed from the earlier studies that inadequate awareness about MGNREGA is one of the major challenges. The fact is that the national average for workdays generated under the scheme is less than half of the entitlement of 100 days per household per year. Even in 2009-2010, a severe drought year, only 54 days of work per household were generated. In 2010-2011, this number decreased to 46.79 days. In spite of the large number of provisions under MGNREGA being in favor of workers, they could not enjoy their entitlements, such as getting work for the stipulated 100 days, unemployment allowances and basic amenities at the work site, on account of being unorganized. It seems to be a setback for the workers under the Act. Lack of awareness on the impact of inflation and illiteracy level among the rural poor are the reasons for not saving part of their income from this scheme.

Several attempts to evaluate the performance of the MGNREGA have been made by the Ministry of Rural Development, Government of India and the researchers. 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. As stated above, though there are several studies available in analyzing the functioning of MGNREGA, still there is a dearth of empirical studies. There are no studies that examined the impact of MGNREGA among different social categories besides problems and challenges in the implementation from the people side. The need of the hour is to take this Act seriously and check the loopholes of the Act. There is a need to improve quality of assets created and to bring about synergy between MGNREGA and agriculture and allied rural livelihoods. This endeavour will not only uplift the under-privileged and socially and economically vulnerable, but also support in making the agriculture a viable occupation. The present study is taken up to fill this gap in the existing literature by addressing the questions raised above.