Chapter I

INTRODUCTION
"Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment."

- Article 23.1, Universal Declaration of Human Rights

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. Employment is the primary requirement for villages. Poverty and unemployment are interrelated and form a vicious circle. Villages are unable to break it.

Agriculture and allied sector, the backbone of rural economy, which directly supports the livelihood of about 55 percent of the country's population, now contributes even less than 18 percent to the Gross Domestic Product1. Joblessness is particularly acute in the rural areas because agriculture has been in crisis over the last decade. The growth of unemployment, stagnation and slow growth of agricultural productivity, distressed farmers committing suicides in various parts of the country, increase of distress migration from rural to urban areas are some of the hindering factors of growth. Such situation is not acceptable in a welfare state like India2.

Further, the incidence of poverty is high in rural areas as compared to the urban areas of the country due to lack of ownership of productive assets like land, little employment opportunities outside agriculture, seasonal nature of agricultural employment, dominance of illiterate and unskilled workers, petty production and service activities in rural areas, low wage rate, etc. High incidence of rural poverty has been a major problem faced by the Indian economy since independence. According to the Planning Commission Expert Group of the India (2009), which revised the poverty norms, 37 per cent of the population in India is poor, while 42 per cent of the rural and 26 per cent of the urban people are poor. This highlights the need to give more focus more on poverty reduction in the economic policies and planning of the country.

In India, the problem of unemployment has become very serious as around 9 per cent of the labour force is unemployed. Not only there is open unemployment is structural in nature. In urban areas, unemployment is mainly industrial and educational in nature. In rural areas, it is seasonal and disguised in nature. 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

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expansion in economic opportunities for all sections of the population should therefore be a crucial element.

Employment generation in rural India has emerged not only as one of the most crucial socio-economic issues in India in recent years, but also the most pressing political concern. This approach seeks solution to the unemployment problem not through emphasizing any particular pattern of resource allocation but through Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)⁵. Taking into consideration the limitations of earlier rural employment programmes, the Government of India has taken a historic move by enacting the MGNREGA, which is perhaps the largest employment generating programme in the world ensuring a one-step-ahead move towards guaranteeing the right to work in a country with a population over a billion.

1.1 Current Scenario of Rural Employment in India

At present, there is a decline in employment in agriculture in the country. The limited capacity of rural industry is unable to absorb the labour released from agriculture⁶. According to the report of the Ministry of Labour and Employment, Government of India⁷, the overall unemployment


rate in the country is 9.4 per cent. It is 10.1 per cent in case of rural areas and 7.3 per cent in urban areas. The unemployment rate is estimated at 94 persons out of 1000 persons in the labour force, while it is 101 persons in the rural areas and 73 persons in the urban areas. In rural areas, the proportion of unemployed is estimated at 37 persons per 1000 population in these areas, while in urban areas, the proportion of unemployed is 25 persons per 1000 population in these areas.

The worker population ratio is estimated at 325 persons per 1000 population, while it is 465 in the case of working age population, say, 15-59 years of age. The worker population ratio in the rural areas is estimated at 329 persons per 1000 population. The sex ratio of the employed persons shows that 259 females are employed per 1000 employed males at the overall level, while it is 278 in rural areas and 204 in urban areas. The labour force participation rate is estimated to be 359 persons out of 1000 persons in the labour force at the national level, whereas it is 365 in rural areas and 340 in urban areas.

The sex ratio of the labour force shows that there are 279 females per 1000 males in the labour force at overall level. In the rural and urban sector, the sex ratio in the labour force is 299 and 222 respectively. In the rural sector, 457 persons and 435 persons out of 1000 persons are in the categories of self employed and casual labour respectively. The rest of 108 employed persons belong to regular wage/salaried class in the rural areas.

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8 Unemployment rate is calculated as a percentage of labor force and not the total population. Therefore, 9.4 per cent of that part of population who is interested in working is unemployed and not 9.4 per cent of the entire population is unemployed.
It is estimated that 576 persons out of 1000 persons employed are engaged in agriculture, forestry and fisheries group, followed by 72 persons in the construction group and 67 persons in the manufacturing group of industries in the rural sector.

1.2 Rural Employment Generation Programmes

At the time of independence in 1947, India was steeped in problems like acute poverty, mass unemployment, underemployment, static agriculture, accentuated by a vast magnitude of an illiterate and untrained labour force, an inadequate and inefficient tertiary sector, unhealthy banking and financial sectors. These multifarious and all pervasive issues required a common national effort for solution. The Constitution of India laid down the Directive Principles of State Policy which addressed these problems comprehensively. These Principles reflect India's predilection towards socialism, leading to the designing and making of a Welfare State. Their objective was the progressive removal of inequality of all sorts viz. social, economic and political, from the geographical boundaries of India. From Independence till now, India has pursued a planned approach as a lever of her social and economic change, thereby actualizing all-round economic development.

Since independence, the government made several attempts to eradicate poverty and unemployment in the country. The Government has

initiated several employment programmes, which are Self employment programmes and Wage employment programmes\(^\text{11}\). In the context of planning in India, the issue of employment has always assumed critical significance as employment generation in rural India has been a recurring theme in India’s development plans and a constant pre-occupation with policy makers.

Economic policies were re-designed for which the mandate was spelt out in unambiguous terms in the Five Year Plans. It was during the Fifth Five Year Plan that removal of unemployment and poverty alleviation was recognized as one of the principal objectives of economic planning in the country. The seventies, the eighties and the nineties saw the emergence of special schemes in the rural development sector such as Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP), Jawahar Rozgar Yojana (JRY) etc. to tackle the problem of rural unemployment and poverty through expanding livelihood opportunities and creation of durable assets in rural areas. As a result, the seventies and eighties witnessed steady increase in employment generation, though the rate of growth of rural employment continued to somewhat lag behind that of the growth of the labour force all along. During the Tenth Five-year plan the employment strategies mainly focused on the labour intensive sectors of the economy. Labour policy, including skill development and social security,

remains concentrated on the organized sector which constitutes only a small share of the total labour force.

The limited impact of plans and programmes in the removal of poverty and employment-generation, has led the Government of India to constitute a Committee under the chairmanship of S. R. Hashim to review and rationalise the various centrally sponsored schemes for poverty alleviation and employment generation. The Committee noted that there had been a considerable overlap and duplication as far as the implementation of the schemes at the grass-root level was concerned and it was necessary to rationalise and simplify the schemes to minimise overlap so as to make them more beneficiary-friendly. Acting upon the recommendations of the Hashim Committee, in 1999, the Government of India clubbed together employment generation programmes into four broad groups, viz. programmes for (a) self-employment, (b) wage employment, (c) Area Development (like Drought Prone Area Programme and Desert Development Programme), (d) Minimum Needs (like Indira Awas Yojana, Programmes on Sanitation etc.). As far as the self-employment programme is concerned, the IRDP and its allied programmes viz. Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self-Employment (TRY SEM), Supply of Improved Tool-kits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Wells Scheme (MWS) were re-structured and revamped\textsuperscript{12}.

In 1999, a single and holistic microfinance driven self-employment programme, Swarnjayanti Gram Swarozgar Yojana (SGSY) was implemented after subsuming IRDP, DWCRA, SITRA, MWS and GKY. This programme is a holistic programme of micro-enterprises covering all aspects of self-employment which includes organising rural poor into SHGs. SGSY aims at bringing the assisted poor families (Swarozgaris) above the poverty line by ensuring an appreciable level of income sustainable over a period of time. The main tool used to achieve this objective is the organisation of the rural poor into SHGs through the process of social mobilisation, training, capacity building and provision of income generating assets. It builds the self-confidence of the poor through community action, collective decision-making, prioritisation of their needs and resources and improves their collective bargaining power thereby empowering them socially and economically. In 2002, JRY and EAS were merged into Sampoorna Grameen Rozgar Yojana (SGRY). After two years, in 2004, the National Food for Work Programme (NFWP) was launched with an exclusive focus on the 150 identified backward districts.

1.3 Genesis of MGNREGA

An analysis of employment generation programmes of the government of India reveals that in 1980, National Rural Employment Programme (NREP) was launched to use unemployed and underemployed workers to build community assets. Later in 1983, Rural Landless Employment Guarantee Programme (RLEP) was launched to provide 100 days of guaranteed employment to one member from each rural landless household.
In 1989, Jawahar Rozgar Yojana was launched, combining NRE P and RLEP. The programme aims to alleviate poverty through creating supplementary employment opportunities for rural poor during agricultural recess period. Another objective of the scheme was to create social assets such as roads, schools and other infrastructure development. In 1993, Employment Assurance Scheme (EAS) was launched to provide employment during the lean agricultural season. The primary objective of the EAS is creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. The EAS also aims at creation of durable community, social and economic assets for sustained employment and development. In 1999, Jawahar Gram Samridhi Yojana (JGSY) was launched. The programme was dedicated to development of demand driven rural infrastructure. The primary objective of JGSY is to create demand driven community village infrastructure including durable assets at village level and skills to enable the rural poor to increase the opportunities for sustained employment. It also aims to generate supplementary employment for the unemployed poor in the rural areas. In 2001, Sampoorna Gramin Rozgar Yojana (SGRY) was launched, merging EAS and JGSY. The programme aims at providing wage employment. Preference is given to agricultural wage earners, non-agricultural unskilled wage earners, marginal farmers, women, members of Scheduled Castes/Scheduled Tribes, parents of child labour withdrawn from hazardous occupations, parents of handicapped children or adults with handicapped parents. The programme is implemented through the Panchayati Raj Institutions (PRIs). In 2004,
Food for Work Programme was launched to generate additional supplementary wage employment and create assets. It also aimed to ensure a minimum level of employment and incomes to the poor, give the poor an opportunity to develop their collective strength, improve their economic position, reduce their vulnerability, discourage migration and provide access to health, education and welfare services in the villages\textsuperscript{13}.

The impact of the employment generation programmes discussed above has not improved in reducing level of poverty. Despite significant improvements in poverty reduction over the first five decades, persistence of chronic poverty and lack of employment of opportunities among Indian masses still remain major issues. The abject poverty is prevalent on the system in tune with the global counterparts with the characteristics like lack of income and assets to attain basic necessities such as food, shelter, clothing and acceptable level of health and education\textsuperscript{14}.

Most of the schemes were unable to bring about the desired impact on rural employment growth due to lack of need based planning, lack of active participation of various stakeholders' in the planning and implantation process, irregular fund flow, lack of political will and irregular monitoring. While formulating most of the schemes there was lack of adequate information about the existing community resources, which could have been properly utilised during the implementation phase by ensuring an active participation of the target population. Across all the schemes, involvement


\textsuperscript{14} Ajit Kumar Sinha (2002), op. cit., p.189.
of the local self-Government, i.e. Panchayat Raj Institutions in programme implementation were not satisfactory\textsuperscript{15}.

Social Audit of programmes is nearly absent for plugging the loopholes if any. There is felt need to adopt a culture bound approach while making the rural poor aware about the introduction of new schemes in terms of availability of proper information, particularly in rural areas. This will guarantee an active participation of stakeholders as well as of the beneficiaries Policy-makers should be more informative and sensitive about the pulse of rural unemployment scenario\textsuperscript{16}.

Mainly, these schemes have suffered from one or the other problems while they were being implemented. The problems were lack of awareness, lack of community participation, lack of planning, diversion of funds, lack of monitoring and verification system and lack of public accountability. Towards achieving this goal the present United Progressive Alliance (UPA) Government made the National Rural Employment Guarantee Act (NREGA), 2005 to ensure employment opportunity for all. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on 2 October 2009.

The objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled

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\textsuperscript{15} Subhashree Sanyal (2011), \textit{op. cit.}\\
\textsuperscript{16} \textit{Ibid.}
\end{flushleft}
manual work. The goals of the Act include safety net for the vulnerable groups by providing a fall-back employment source, when other employment alternatives are scarce or inadequate; Growth engine for sustainable development of an agricultural economy through the process of providing employment on works that address causes of chronic poverty such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. Effectively implemented, NREGA has the potential to transform the geography of poverty; Empowerment of rural poor through the processes of a rights-based Law. New ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy.17

The Act was notified in 200 districts in the first phase with effect from 2nd February 2006 and then extended to additional 130 districts in the financial year 2007-2008 (113 districts were notified with effect from 1st April 2007 and 17 districts in Uttar Pradesh were notified with effect from 15th May 2007). The remaining districts have been notified under the NREGA with effect from April 1, 2008. Thus NREGA covers the entire country with the exception of districts that have a hundred percent urban population.

1.3.1 Salient features of the Act

One of the prime requirements of the scheme is that it is to be implemented by the village Panchayat not through the contractors either appointed by the Panchayats or by the government. The entitlement of 100 days of guaranteed employment in a financial year is in terms of a household. This entitlement of 100 days per year can be shared within the household; more than one person in a household can be employed (simultaneously or at different times). All adult members of the household who register may apply for work.

Adult members of a rural household, willing to do unskilled manual work, may apply for registration in writing or orally to the local Gram Panchayat. The Gram Panchayat after due verification will issue a Job Card. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA and is free of cost. The Job Card should be issued within 15 days of application.

A Job Card holder may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment have to be at least fourteen. The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates. Employment will be given within 15 days of application for work, if it is not then daily unemployment allowance as per the Act, has to be paid, the liability of payment of unemployment allowance is of the

\[18\text{ Ibid.}\]
States. Work should ordinarily be provided within 5 km radius of the village. In case work is provided beyond 5 km, extra wages of 10 per cent are payable to meet additional transportation and living expenses.

For supervision of work and recording attendance of worksite, a Mate may be designated for each work. Mates should be selected through a fair, transparent and participatory process. Adequate representation of women among mates should be ensured. The educational requirements should be no higher than what is required for effective discharging of the mate's responsibilities. An adequate number of mates should be trained in each village to ensure that there is an adequate “pool” of trained mates at all times. The ratio of mates to labourers at a given worksite should be at least 1:50.

States may evolve norms for measurement of work. The factors underlying this may include a set of the following key considerations: i) The first is to ensure that all tasks required for undertaking the works under NREGS are identified clearly and that nothing remains invisible and underpaid in piece-rate work. Clubbing/bundling of separable tasks (e.g. digging and lifting) should be avoided. ii) The second is to devise productivity norms for all the tasks listed under piece-rate works for the different local conditions of soil, slope and geology types in such a way that normal work for the prescribed duration of work results in earnings at least equal to the wage rate iii) The third is to devise measurement norms (individual versus
collective), time lag between execution and measurement, in order to reduce corruption and underpayment<sup>19</sup>.

Wages are to be paid according to the Minimum Wages Act 1948 for agricultural labourers in the State. Equal wages will be provided to both men and women. Wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case. All payments of MGNREGA wages through Banks (or Post Offices) are a useful means of separating payment agencies from implementing agencies<sup>20</sup>.

At least one-third of the beneficiaries shall be women who have registered and requested work under the scheme.

Worksite facilities are to be ensured by the Implementing Agency. Medical aid, drinking water, shade, and crèche if there are more than five children below the age of six years will have to be provided. If more than five children below the age of six years are present at the worksite, a person (preferably a woman) should be engaged under the Scheme to look after them. She will be paid a wage equal to the prevalent wage rate paid to the unskilled worker. The expenditure will be separately recorded and will not be included as part of the work measurement. Location of crèche should be so planned that it is optimally utilized. Normally, one crèche should be opened at one worksite or group of worksites.

<sup>19</sup> Ibid.  
<sup>20</sup> Ibid.
Panchayats shall finalize, approve, implement and monitor the projects. The shelf of projects for a village will be recommended by the Gram Sabha (Village assembly) and approved by the Zilla Panchayat. At least 50 per cent of the works will be allotted to Gram Panchayats for execution. Permissible works predominantly include water and soil conservation, afforestation and land development works as per 2008 operational guidelines of the Act\textsuperscript{21}. Later, new works are added. At present, the works to provide employment are to be selected from the list of permissible works, which include water conservation and water harvesting, drought proofing (including plantation and afforestation), irrigation canals including micro and minor irrigation works, flood control and protection works, minor irrigation, horticulture and land development on the land of SC /ST /BPL/ IAY and land reform beneficiaries, renovation of traditional water bodies including desilting of tanks, land development and rural connectivity\textsuperscript{22}.

A 60:40 wage and material ratio has to be maintained. The scheme shall not permit engaging any contractor for implementation of the projects. Thus no contractors and machinery is allowed.

Unlike the earlier wage employment programmes that were allocation based, MGNREGA is demand driven. Resource transfer under MGNREGA is based on the demand for employment and this provides another critical incentive to States to leverage the Act to meet the employment needs of the poor. The Central Government bears 100 percent wage cost of unskilled

\textsuperscript{21} Ibid.

manual labour and 75 percent of the material cost including the wages of skilled and semi-skilled workers. The State Government will bear the following costs: i) 25 percent of the cost of material and wages for skilled and semi-skilled workers. ii) Unemployment allowance payable in case the State Government cannot provide wage employment within 15 days of application. iii) Administrative expenses of the State Employment Guarantee Council\(^{23}\).

Social Audit has to be done by the Gram Sabha. Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process. All accounts and records relating to the Scheme should be available for public scrutiny. MGNREGA has strengthened the social auditing through various mechanisms adopted by the scheme which is mandated to be implemented by the village Panchayats.

### 1.4 Statement of the problem

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 grouses mainly relate to delayed payment of wages, instances of use of funds for non-permissible activities, incorrect accounting of expenditure, use of machinery, non-

\(^{23}\) Government of India (2008), op. cit.
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 skilllets 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\textsuperscript{24}.

Even the Ministry of Rural Development, Government of India (2011)\textsuperscript{25} 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.


Another issue is the deficiency of adequate administrative and technical manpower at the Block and Gram Panchayat (GP) Levels, especially at the level of programme officer, technical assistants, and Employment Guarantee Assistant Level etc. The lack of manpower has adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of the stipulated records at the block and GP level. Even the report by the Comptroller and Auditor General of India (CAG) has highlighted the lack of administrative capacity of the Village Panchayat members to run this scheme in a designed and decentralised manner. The CAG report points out that besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency26.

Cases of discrimination against women and people from backward groups are reported from several regions of the country. Some states such as Kerala and Andhra Pradesh have registered high percentage of women workers getting enrolled in the scheme whereas others have registered a very low percentage of women availing benefit under MGNREGA. In some states, the powerful groups among the work force get large number of job cards. Statistics clearly indicate that the poverty alleviation programmes have had a minimal effect on poverty levels in India due to corruption. There are several cases of fake muster roll entries, over writing, false names and irregularities in job cards. Even the names of dead people who have not registered often feature in the muster rolls. The National average of

households that have completed 100 days under the job guarantee plan last fiscal was also poor at 10.1 per cent compared with 8.8 per cent in the districts hit by the Maoist insurgency27.

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 Act28.

Although the MGNREGA has obviously increased the earning capacity of the rural people, the spending pattern of the workers assumes significance because there is hardly any saving out of the wage earned from MGNREGS. 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 scheme29.

27 Ibid.
28 Ibid.
29 Ibid.
Mihir Shah and Pramathesh Ambasta (2008)\(^{30}\) reported that 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. Tripathy (2012) opined that Government sponsored development programmes are unanimous regarding the implementation flaws at the grass-root level\(^{31}\).

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

\(^{30}\) Mihir Shah and Pramathesh Ambasta (2008), “NREGA: Andhra Pradesh shows the way”, \textit{The Hindu, English News Paper} (India), 8\textsuperscript{th} September.

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.

1.5 Importance of the study

The history of economic development reveals that with the increase in the pace of development, there is a decline in the proportion of agricultural workers as well as the share of agricultural income. Unfortunately, this has not happened in India. On the contrary, the proportion of the population dependent upon agriculture has remained almost constant during the last one century. Agricultural labour is economically the weakest and socially the most handicapped section of rural society. Steeped in age old misery and driven to destitution in times of natural calamity, a vast majority of them continue to live on the verge of poverty. Until the conditions of this vital section of society improve, the economy cannot progress as a whole.

The empowerment of the rural poor depends on the availability of employment and increasing levels of income. The study examines the progress made under the Act at the national and state level during the last six years in terms of number of job cards, demand for employment, person days, works completed, wage rates and financial performance. This will be useful to know the extent the scheme had reached the rural poor.

As MGNREGA provides 100 days of employment to the rural poor especially during the lean agricultural season, it improves the socio-economic status of the labour force in rural area. For this purpose, it is necessary to study whether the labourers are getting 100 days of
employment through MGNREGA. The study also aims to understand and identify the issues like issue of job cards in time, to know provision of employment in time, delays in the payment of wages, provision of minimum facilities at the worksite, like first aid, drinking water, child care facilities at the work site and shade. Further, the present study also examines the awareness of the rural poor about various provisions of the Act, which is stated earlier as the one of the challenges in the implementation of the programme.

The study also aims to understand and identify the problems and challenges in the implementation of the Act from the people such as usefulness of assets created under the scheme, irregular muster rolls, delays in the measurement of work, etc. The study also throws light on the income earned by the rural poor under the scheme and how they had spent the income so earned. To know the effective implementation of above programme a detailed study at the grass root level is necessary and for this reason, the present study has its own significance.

As the present study addresses the questions discussed above besides other relevant issues, the study assumes greater importance. The successful implementation of the programme would go a long way in making at least a dent in the massive problem of poverty and unemployment. It is expected that the Government has to strengthen its implementation and monitoring mechanism to ensure financial and operational sustainability. The Act will be very effective in addressing the acute problem of poverty in India. Therefore the study on the implementation of MGNREGA and the associated
problems would throw light on the impact on the successful implementation of the programme. This study will be useful for the policy makers, researchers and others who have a keen interest in the implementation of the Act.

1.6 Objectives of the Study

Keeping in view of the importance of the study, the following are the objectives of the study.

(1) To examine the progress made under MGNREGA during the last six years at the India and Andhra Pradesh level.

(2) To find out the socio-economic profile of the sample respondent households under MGNREGA.

(3) To discuss the MGNREGS registration and working details of the sample respondents

(4) To identify the problems and challenges in the implementation of the MGNREGA

(5) To examine the changing livelihoods of the sample rural poor through MGNREGS.

(6) In light of the above, to suggest suitable remedial measures for facilitating early achievement of the objectives of the MGNREGA.

1.7 Methodology

The study uses both primary data and secondary data. Multi-stage random sampling method is used for the present study to collect primary data. Guntur and Warangal districts of Andhra Pradesh were randomly chosen for the present study. In the second stage, five mandals were
selected from each district. In the third stage, one village was selected from each selected mandal. Thus, a sample of 10 villages was selected for the purpose of the study. In the final stage, a sample of 48 respondents was selected randomly from each village. Thus a sample of 480 households was selected for the study. Primary data was collected from these 480 sample respondents using pre-tested questionnaire.

Secondary data was collected from books, journals, articles, internet and from various reports of the Ministry of Rural Development, Government of India and the Ministry of Rural Development, Government of Andhra Pradesh. Most of the statistical data regarding MGNREGA implementation was collected from the national as well as state website of the MGNREGA. Secondary data was also collected from NSSO data, various Census reports, Statistical Abstract of Andhra Pradesh, economic survey reports, district handbooks, etc.

The important variables were formulated and the relevant data collected from the field were coded and analyzed using SPSS (Statistical Package for Social Sciences) software. Cross tables were drawn for analyzing the data. A substantial part of the thesis was based on tabular analysis. Suitable and appropriate statistical tools such as percentages were used. Test of significance of the data was carried out using Chi-square test. Chi-square test results are analyzed as detailed below.

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## SAMPLE DESIGN

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### 1.13 Organization of the Study

The study is organized into nine chapters. Chapter I gives introduction. Review of literature is presented in Chapter II. A profile of the study area is provided in Chapter III. Chapter IV analyzes the progress of MGNREGA in India and Andhra Pradesh. Chapter V deals with the socio-economic conditions of the sample respondents. Registration and working details are discussed in Chapter VI. Chapter VII portraiture the problems and challenges in the implementation of the Act. Changing livelihoods of the sample rural poor through MGNREGS is presented in Chapter VIII. Last Chapter gives summary, conclusion and suggestions.