CHAPTER – II

REVIEW OF LITERATURE AND CONCEPTS
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2.1 General

To develop clarity and comprehension in any study, it is necessary first to review the various concepts, research methodologies and analytical tools used by researcher in earlier studies. Such an attempt would help the researcher to have better and precise understanding of the perspectives of the research problem and would also facilitate the researcher to modify and improve the present analytical framework in the right direction to suit the problem situation. In this chapter, the researcher is interested in bringing out the major findings of some of the related studies undertaken by other researchers in different places. The past literature, actually, helps the researcher to adopt, modify and improve the conceptual frame work of the thesis.

2.2 Review

The review is presented under the following headings for better perception and clarity. This chapter endeavours to study the socio-economic conditions of the MGNREGS workers’ performance of the MGRNEGS programme, employment and wage structure, the impact of the programme and the problems faced by the MGNREGS workers.
2.2.1 Studies related to Socio-Economic Conditions

Chandra Sekar et al., (2004)\(^1\) in their article on, “Feasible in Rural Employment Guarantee” indicated that in the political concern, socio-economic issues were identified. The political parties should implement the economic policies to create employment. However the government’s promise of guarantying employment in rural area through public works programmes has been fulfilled by giving work at least 100 days a year. Employment guarantee scheme is targeted at increasing capital formation and productivity in rural India with raise assets.

Raghbendra Jha et al., (2008)\(^2\) analyzed the NREGP in India- A Review collected the data from selected villages in Udaipur district in Rajasthan in 2007. The researcher has analyzed the participation in NREGP of different socio-economic groups. He has observed the econometric evidence that the disadvantaged groups had significantly high probabilities of participating in NREGP. It is found that the mean participation was 59 days and the targeting was satisfactory.

2.2.2 Studies related to Performance of MGNREGS

Shah., (2004)\(^3\) briefed the insights of draft MGNREGA and expected that this Act will create an additional space for a change in society with deep social

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and economic inequities and act as an instrument for galvanizing Panchayat Raj Institutions in India. He also mentioned that the success of the Act depends on the mobilization of disadvantaged in the society who virtually have no voice in Gram Sabhas and indicated the crucial role of grass-root civil society institutions in mobilization and empowerment of rural worker community.

Shah, (2005)\(^4\) has reviewed the recommendations of Standing Committee on draft NREGA bill, and articulated that the most important suggestion of the Standing Committee was universalisation of employment guarantee (not to be restricted to those below the official poverty line (BPL). The Standing Committee favours a universal, self-targeting employment and participation that will be ensured by the nature of the work to be and the wage to be provided by it.

Kundu et al., (2005)\(^5\) examined the rationale for exclusion of urban areas from the scope of MGNREGA, given socio-economic deprivation and vulnerability in small and medium towns. They felt that lack of employment in rural area has affected demographic growth of urban poor, leading to distortions in the urban hierarchy. The authors suggested the possibility of utilising the educated unemployed in non-manual work which needs to be explored.

CBGA (2006)\(^6\) conducted the survey in Andrea Pradesh, Chattisgarh, Madhya Pradesh and Jharkhand about MGNREGA and reported that awareness

levels were higher in Andhra Pradesh (97.5%) followed by Chattisgarh (69%), Madhya Pradesh (45%) and Jharkhand (29%). Non-payment of unemployment allowances, presence of invisible workers, difficulty in completion of given task under piece rate system were some of the challenges observed in the study.

Chakraborty (2006)\(^7\) has carried out the preliminary appraisal based on the secondary data and explained that NREGA has no problems for the budget. Its allocation is only marginally higher than what was spent in the past by the government on various rural employment programmes. 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. She recommended urgent need for coordination across the levels of governments.

CAG (2007)\(^8\) report on “Performance Audit of Implementation of National Rural Employment Guarantee Act, 2005 (NREGA”) has come with many lapses in implementation NREGA. It summarises lack of adequate administrative and technical manpower at the block and GP level; Systems for financial management and tracking were deficient, with numerous instances of diversion or misutilisation, delay in transfer of state share, delay in wage payments, non-existence of works etc.

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Mathur (2007)\textsuperscript{9} thinks that a system of regular and continuous flow of authoritative information is essential, as opposed to the sporadic reports and studies dependent on the initiative of individuals and groups. There is room for the government to take up concurrent evaluations, more effective monitoring, time-series studies, and focused reports on critical aspects like minimum wages, muster rolls. The states should also shoulder responsibility through rural development department, labour, and agriculture, forests, planning, the CSSO and its network. To improve implementation, the government needs to troubleshoot, modify policy directives, and issue operational guidelines for the district, block and village levels. The government must take the lead, be proactive, mobilize institutions and groups, and use the media effectively. NREGS involves 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. Government has the primary responsibility, and fortunately, also the capacity to do so, with its training in budget, infrastructure and network of support institutions. Most importantly, the isolation in which the NREGA now operates must end – as a mere scheme of one ministry, and no more. This in fact is a program of national importance which has been marginalized. While the ministry of rural development is the nodal ministry at the centre, every relevant department and agency requires being involved.

Datar (2007)\textsuperscript{10} reported the reason for failure of MGNREGS-Maharashtra as lack of enthusiasm among political and bureaucratic classes to NREGA because of its decentralised, transparent and accountable nature. The authors reported that the politicians were providing last minute support to drought affected farmers and landless labourers by sanctioning works in an arbitrary manner. In many districts, officials on contract basis have not yet been appointed. When poor pressurise the GPs, CEOs and BDOs, then NREGA will become vibrant in the state.

Dreze (2007)\textsuperscript{11} looks at the corruption in rural employment programs in Orissa and how this has continued in a NREGS as well. Nonetheless, he believes that there is tremendous potential of NREGA in the survey areas. Where work was available, it was generally found that workers earned close to and sometimes more than the statutory minimum wage of ₹70 per day, and that wages were paid within 15 days or so. This is an unprecedented opportunity for the rural poor, and there was evident appreciation of it among casual labourers and other disadvantaged sections of the population.

There is the hope among workers that NREGA would enable them to avoid long-distance seasonal migration, with all its hardships. Further, there is plenty of scope for productive NREGA works in this area, whether it is in the field of water conservation, rural connectivity, regeneration of forest land, or improvement of private agricultural land. The challenges involved in “making NREGA work”

should always be seen in the light of these long-term possibilities and their significance for the rural poor.

Dre’ze et al., (2007)\textsuperscript{12} reported that Rajasthan was far ahead of other states in providing employment under the NREGA as per the official data and fully consistent with independent reports. This is due to enforcement of MGNREGA’s “transparency safeguards” in the state. However, the depressing news is that people were paid much less than the minimum wages in some GPs.

Rai (2007)\textsuperscript{13} conducted a survey in six districts of Orissa covering 100 villages. The survey showed that the poor implementation of the Act was very poor in those villages. The report indicated that the funds released to the state did not reach the actual beneficiaries. No measure of transparency was evident in these districts. The survey results indicated that 18 out of 100 sample villages were not provided with job cards and 37 villages were not provided any employment under MGNREGA even after 16 months after launching of the Scheme. Not even a single family got 100 days employment and in three villages no wage payment done even after 4-8 months completion of work. Over 90 per cent of the families in rural Orissa need wage employment desperately but more than $1/3^{rd}$ of the needy households had not received job cards.

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\textsuperscript{13} Rai, P., Dalith of Bundelkhand Living with Hunger and Dying with NREGA Mafia, Centre for Environment and Food Security, New Delhi, 2007.
Dre’ze, and Khera., (2008) have identified that the main technique of embezzlement of NREGA funds is fudging the muster rolls (attendance sheets) fake names or inflated attendance figures in the muster rolls. The middlemen pocket the difference amounts. Leakages and imperfections are inevitable in the programme like MGNREGS and thereby such practices should not be allowed to cloud the significance and relevance of the employment guarantee.

Mehrotra (2008), a civil servant who has worked in implementation of the scheme, believes that four per cent of program costs now allocated to administrative costs and professional support is still quite low and does not recognize the fact that a program of the scale of the NREG requires serious professional support. If the two per cent per annum agricultural growth rate is to be reversed, the rain-fed 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. The evidence from watershed development programs in the past has demonstrated that such programs can repay the investment on them many times quickly. Therefore, if the NREG continues in existing manner, the program runs the risk of going the way of most previous wage-employment programs. On the other hand, if its design weaknesses, as well as the flaws in the design of its implementation are addressed,


it can raise the stagnating rural wages, push up productivity, stem the tide of rural-urban migration and have second- and third-round effects that go well beyond the policymakers’ original design.

Bandyo Padhyay (2008)\(^{16}\), explaining that currently, says there are two major programmes of the planning commission, namely, the Backward Region Grant Fund (BRGF) and the NRREGP. All the naxalite affected districts are Included in the BRGF and NREGP. The BRGF is being administered by the Ministry of Panchayat Raj and the NGEGP by the Ministry of Rural Development (MORD). Though at the ground level the gram panchayat and block are involved in implementation, because of the verticality of these programmes, they do not often converge at the implementation level. As a result of such Non-convergence this beneficial impart does not have the criticality they deserve. Hence, it is recommended that for these districts, both these programmes should be merged into one single programme and the two foci should be administered by one ministry through the instrumentality of the three-tier panchayat system.

Jha et al., (2008)\(^{17}\) mainly assessed cost effectiveness of social safety in three Indian states by using econometric exercises and analysed the participation of landless, small, marginal and medium farmers. The results were contrary to the findings of CAG and others. They reported that the share of participation of


households that worked for 90 days or more in 2007 was a little over one-fifth. The agriculture labour and self-employed in non-agriculture relied on the MGNREGS to supplement their incomes whereas for the workers of other labour and self-employed in agriculture categories, MGNREGS has become the mainstay of income. MGNREGS seems to have been well targeted by asset class as landless labour participation was higher and for long durations. The proportion of ST participation was the highest but the number of days worked was the highest among ‘others’. The performance of MGNREGS was uniformly not successful in various states and validated the optimism of Dreze, (2007) and Roy et al., (2008).

Siddhartha et al., (2008)\(^{18}\) criticised the way that the CAG has done the audit. The CAG does not explore the impact of MGNREGA on lives of workers, quality of assets created, impact on poverty, women empowerment, or agricultural productivity. They also observed that the CAG has not taken into consideration of the state specific NREGS circulars and orders. The authors viewed that the CAG averages reflected from extremely different regions with uneven performance of MGNREGS and hence, these averages should not be treated as benchmarks for judging the performance and viability of programme in a specific state.

Sudha Narayanan (2008)\(^{19}\) has conducted the survey on 2007 in two blocks at Villupuram District in Tamil Nadu and the respondents worked at NREGP.

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Almost 50 per cent left their children at home, while 19 per cent brought their children to the worksite. About 12 per cent of the respondents reported leaving their children at balwadi or anganwadi and around 11 per cent were at schools. However, the Act overlooks the fact that childcare is a problem for many of the working women, especially for young mothers. The balwadi or anganwadi were providing the nutritious food and childcare facilities at village level, for their children.

Socio-economic deprivation and exclusion have resulted in the growth of the Maoists in the backward areas of the country. The levels of rural distress can be tackled and the proper working of the NREGA seems to be a small but necessary step in that direction. The state has only to blame itself and its corrupt bureaucracy for flawed implementation of the flagship programme. Putting the blame onto a third party as anti-developmentalist does not seem to be cutting much ice-a fact revealed by our field study.

Hanumantha Rao (2008)\(^20\) in his study, “Implementation of APREG and INDIRAMMA in Andhra Pradesh”, says that they provide useful employment and assured livelihood in households at village level. The analysis of the schemes reveals that the rural people should recognize one stark truth. When the Andhra Pradesh implemented APERG and INDIRAMMA schemes in rural

household. The need for migration in search of jobs to other places leaving their native land becomes a reality.

Rao et al., (2008)\textsuperscript{21} studied the survey results of 10 states. Their paper describes that the backward states like Bihar and Utter Pradesh which together account for 37 per cent of rural poor have not gained adequately from MGNREGS whereas Chattisgarh and Madhya Pradesh could take full advantage of MGNREGS to enhance livelihood security. In Andhra Pradesh, the SC’s and ST’s share in employment was very low and in fact OBC households availed of more employment through MGNREGA. In respect of wage income, the differences in minimum wages and low turnout under the piece rate system were responsible for the variations in average wage incomes. The Poverty Gap Index (PGI), with and without MGNREGS, points out that most of the worker households were closer to the poverty line after participation in MGNREGA. The impact of quality of assets created, increase in wages of unskilled workers in other activities would determine the likely flow of benefits in reducing rural poverty. The paper concludes that MGNREGA is moving in a positive and significant direction and yet to become a demand driven one.

Mathur (2009)\textsuperscript{22} states that in social audit undertaken in Andhra Pradesh it was found that in certain villages, some people stated that they had not been paid for the work done. When comparisons were made of the payments as per the pass-

\textsuperscript{22} Mathur, L., Silent but Successful Initiative, The Hindu, 1st March, 2009.
book with the payment as per the job card, it was discovered that the job card did not contain the inner pages that record the work done by each person; the job card itself was incomplete. This came as a surprise as it had not happened in any region so far but then this area had resisted the initiative. The MPDO was asked to ensure that complete job cards were issued, investigate the lapse, fix responsibilities and send a report. Earlier, several officials, Field and Technical Assistants and Mates admitted to irregularities and about ₹50,000 were returned. From separate discussions with the sarpanches, it was evident that they were keen to ensure that there was no irregularity in their villages. In one of the regions, Thimmapur mandal had been selected as a pilot project for the payment of wages through Smart Cards, which work like ATM cards and are given to each person registered under the NREGP. The bank concerned at the mandal headquarters appoints an agent to make payment for each village under the scheme. The Kollampalli village agent was a young lady who was also the President of a successful SHG. She operated a simple instrument connected on line with the bank, and after biometric identification each worker was paid the wage earned that had been deposited in the savings account. The families preferred this procedure to that of payments through the Post Office.

Gopal (2009)\textsuperscript{23} finds out in his, “NREGA Social Audit, Myths and Reality” that much has been conducted in Andhra Pradesh. The researcher has proof that

\textsuperscript{23} Gopal, K.S., NREGA Social Audit: Myths and Reality, Economic and Political Weekly, 44 (3): 2009, pp.70-74.
audits have achieved much less than they advertised and the rural people have ignored many important aspects of implementation of NREGA. The social audit process has a long way to go before it can claim to have contributed to transparency empowerment and good governance.

Dre’ze et al., (2009)\textsuperscript{24} compared the MIS data for 2006-07 and 2007-08 to assess the performance of MGNREGS in terms of the share of women, share of SCs and STs workers, expenditure on unskilled labour and average wage per day in NREGA. They concluded that the total expenditure and share of women was more or less in proportion with the increased coverage of the Act. The share of ST has declined from 36 per cent to 29 percent due to the high share of ST population in initial 200 districts. There was an increase of 15 per cent in the average wage rate along with increase in employment levels in phase-1 districts. The labour component was much similar in both the years. Finally, the authors concluded that the official data is an open question which calls for urgent scrutiny and suggested for some independent large-scale surveys on the MGNREGA. They noticed crucial gaps in MIS like lack of details of active worksites and lack of provision for tracing delays in wage payment through MIS etc. They noticed the gaps in transparency measures and called for urgent attention of State Governments.

Gundeti Ramesh and Krishna Kumar (2009) reveals that the beneficiaries expressed that wage should be paid only during the working days but on other days there should be better communication between beneficiaries and allied. The nature of the work should be amicable to all the workers and beneficial to the community. Effective social audits are necessary to eliminate bogus beneficiaries. At the field level, qualified persons are required to maintain accurate records of the beneficiaries. In spite of the few short falls in the programme, the programme is successful but it requires more transparency on its implementation.

Subhabrata Dutta (2009) in his research of MNREGS in north 24 Parganas District in West Bengal analysed some of the important challenges that plague the scheme. According to him the programme generates a great hope among the rural population but it has its own problems like corruption and leakages. Fudging of muster rolls and nexus between officials and Panchayat bodies. Social audit of MGNREGP should be mandatory. He concludes that MGNREGP in the existing frame has a great potential of transforming rural India, if it is sincerely and effectively implemented.

Dre’ze et al., (2009) wrote on the basis of a field survey conducted during May-June 2008 in six states of North India. The survey revealed that most of the
MGNREGA workers belonged to the most disadvantaged sections of the society. About 98 per cent of the sample workers stated that they were ready to work for 100 days in a year signifies the massive demand for work. The survey also showed that awareness levels among MGNREGA workers were still very low. The potential value of the MGNREGA as a lifeline for 69 per cent of the rural poor was observed and it helped to reduce hunger and migration (59%) and in sending children to school (38%), coping with illness (50%), repaying debt (32%), and in avoiding demeaning or hazardous work (35%) of workers. Inadequate shelf of works, delays in wage payments, lack of basic worksite facilities were observed. Behind these failures, existence of deep structural problems including poor flow of funds, staff shortage, flawed record-keeping, and the lack of grievance redressal mechanism were cited. The survey also found the involvement of contractors in 27 per cent of sample worksites. Finally, the authors concluded that the best weapon against corruption is strict enforcement of the transparency safeguards. They suggested that the productive value of MGNREGA works could be enhanced further with moderate doses of scientific or technical inputs. Few more studies in northern states of India also indicated the same results and this is due to lack of awareness and illiteracy of workforce. There are two main reasons for low performance (1) massive corruption built into the system (2) people’s ignorance of their rights. However, this is not the general situation across the country.
Pradeep Baisakh (2009)\textsuperscript{28} based on the findings of Social audit in Karon block of Deoghar district in Jharkhand, commented that muster rolls and job cards were being manipulated by implementing agencies to siphon off a large proportion of money from the wage component as well as money from material component. The author felt that while shifting cash payment to bank payment of wages, to curtail the looting of public money, the government overlooked the fact that bank records could also be manipulated as that of muster rolls and job cards. The signatures on withdrawal slips were forged to access money from the beneficiaries’ accounts without beneficiaries’ knowledge.

Abusalah Sharitt (2009)\textsuperscript{29} in the econometric analysis explored the household, societal and community characteristics that support NREGS enrolment and utilization. All the factors that herald the visible attributes of distress and vulnerability show better enrolments, for example, the rural casual wage worker households, the illiterates and women have significantly positive coefficients. Yet, a measure of economic standing constructed by using a set of household assets suggests that as compared with the deprived thus defined, the well-off from within the local area are maximizing the NREGA benefits, especially enrolments, which signify the first and essential stage in the scheme.


Barna Maulick (2009)\textsuperscript{30} in his case study on MGNREGP stressed the use of smart cards for wage payment. According to him the National Rural Employment Guarantee Scheme (NREGS) is possibly the most ambitious income security programme for India’s rural poor in post independence era. The rural poor principally comprise of landless labourers who are not even assured of finding work on a daily basis. It is in this context that the MGNREGP assumes importance. Since it guarantees 100 days of work to anyone desirous of it at the minimum wage. The purpose of the scheme is to employ labour to create rural assets.

Dey et al., (2010)\textsuperscript{31} carried out a study in Bhirbhum district of West Bengal, which showed universal awareness about 100 days employment guarantee. However, only 20 per cent of legally guaranteed employment was created during 2008-09 and hardly 3.4 days of employment provision was made during agriculture lean season.

Deepak et al., (2010)\textsuperscript{32} reported that the state of Maharashtra showed very poor performance in terms issue of job cards to the registered households, low employment generation that are well below 30 days and payment of wages less than the minimum wage. The works under MGNREGA were mainly concentrated

on irrigation and water conservation activities since irrigation was the major problem in the state. They recommended the linkage of employment guarantee scheme with other schemes of public works to improve the skills among the workers.

Emerlson Moses., (2010)\textsuperscript{33} in his study says any person who is above the age of 18 and resides in rural areas is entitled to apply for work. Any application is entitled to within 15 days, for as many days as he/she has applied, subject to limit of 100 days per household per year. Work is to be provided within a radius of 5 kilometres of the application’s residence if possible, and within the Block. If work is provided beyond 5 kilometres, travel allowances have to be paid. Workers are entitled to the statutory minimum wage applicable to agricultural labourers in the state, unless and until the Central Government “notifies” a different wage rate. If the Central Government notifies, the wage rate is subject to a minimum of \textcurrency{60} per day. Workers are to be paid weekly or in any case not later than a fortnight. Payment of the wage is to be made directly to the person concerned in the presence of independent persons of the community on pre-announced dates.

Leelavathi et al., (2010)\textsuperscript{34} based on the field survey results of 2006-07 in four districts of Andhra Pradesh, estimated the performance MGNREGS - Andhra Pradesh, with 23 indicators. Inter district variations were observed in


terms of performance. The overall effectiveness score was 43.68 per cent and termed the performance of MGNREGS in Andhra Pradesh as moderate.

Pankaj et al., (2010) highlighted the fact that high literacy rate in Himachal Pradesh is the cause of high awareness levels among women about the Act. They stated that 71 per cent of the female workers were able to meet their personal needs with income earned from MGNREGS. The payment of wages through SB accounts leads to greater incidence of self-collection and control over the usage of wages.

Sathya Sundaram (2011) study estimated that Tamil Nadu has completely eliminated material component on the ground that material expenditure attracts private contractors and breeds corruption. Studies show that NREGP has positive impact on hunger, migration, school going children, illness, debt repayment and demeaning or hazardous work. The income level of the workers increased substantially. The workforce participation of women in rural areas has increased significantly. The NREGP is also able to ensure better organization of workers and ensure payment of reasonable wages. The state is being encouraged to set up effective grievance redressal mechanisms for prompt disposal of complaints.


Venugopalan (2011)\textsuperscript{37} has analysed the MGNREGP scheme is one of the best poverty eradication programmes of the central Government launched in the year 2006. The scheme aims at the development of the rural poor by giving employment to both men and women and creating gender equality. These schemes create employment opportunities, thrift among the people, improves the standard of living of the rural people, empowerment of women, creates infrastructure development in the rural people to urban area and largely participate in the financial inclusion process by opening bank or post office accounts.

Vimala (2011)\textsuperscript{38} observes in her study on the intention of the NREGS that it provides basic employment guarantee in rural areas. The Act indicates the kind of workers that may be employed for the purpose. As for schedule 1 of the Act, the focus of rural employment guarantee scheme shall be on rural connectivity, flood control, water conservation and water harvesting, drought proofing, micro irrigation provision of irrigation facilities households belonging to SC/ST, marginal farmers or beneficiaries of renovation of traditional water works, land development and any other works approved by ministry of Rural Development.

Vijay Kumar (2011)\textsuperscript{39} said that NREGA is renamed as Mahatma Gandhi National Rural Employment Guarantee Act on 02.10.2009. The main aim of the

\textsuperscript{39} Vijaya Kumar, S., Mahatma Gandhi National Rural Employment Guarantee Act, Kurukshetra, 59(3): January 2011, pp.10-12.
Act is to enhance the purchasing power of rural people. The salient features of MGNREGP are:

i) Adult members of a rural household may apply for employment, if they are willing to do unskilled manual work. At least 100 days of work will be provided per household per annum.

ii) Household will have to apply for registration to the local Gram Panchayat in writing or orally.

iii) The Gram Panchayat after due verification will issue a job Card to the household. The job Card will bear the photograph of all adult members of the household willing to work under MGNREGP.

iv) All adults who have completed 18 years of age are eligible to work.

v) Employment will be provided within 15 days of application for work.

vi) Men and women will be paid equal wages and preference will be given to women in each work.

vii) If employment is not provided within 15 days, daily unemployment allowance in cash has to be paid. Liability of payment of unemployment allowance is for the states.

viii) At least one-third of persons to whom work is allotted have to be women.

The State Government bears the costs on the following items.

i) 25 per cent of the cost of material, wages of skilled and semi-skilled workers.
ii) Unemployment allowance payable in case the State Government cannot provide wage employment on time.

iii) Administrative expenses of the State Employment Guarantee Council.

Jawed Akthar et al., (2012)\(^\text{40}\) has point out that before MGNREGA the tribal villages had no option but to move from place to place during off-fishing and off-agricultural season. But with employment guarantee scheme in place, they have a source of livelihood during drought and off-fishing seasons. The lack of exact official data on migration is a matter that should be corrected as soon as possible as it is quite important to quantify this as accurately as possible as rural migration can become quite a problem for both the source and the destination areas.

Jala Salve Prakash Vankar et al., (2014)\(^\text{41}\) found that Indira Awaas Yojana (IAY) has improved socio economic condition of beneficiaries in rural area. Those living in deplorable conditions since the implementation of IAY. It has been found that depriving condition of poor people is changed positively. Considering the illiteracy of many beneficiaries the IAY scheme should be made user – friendly. Awareness programmes, recording of temporary workers and their residential status every 6 months is necessary. This data to be considered while deciding IAY beneficiaries.


One of the objectives of IAY is to raise the living standard of poor people by providing permanent shelter. The data indicates imperial facts about living standard of selected beneficiaries.

Ramesh Rangappa (2014)\textsuperscript{42} states that Poverty, unemployment and migration are dominating the nation in 21\textsuperscript{st} century. Developing economy, forces rural poor to urban migration. Many governments have tried to fight against poverty unemployment and migration by introducing various programmes. NREGA is an economic policy proposal aimed at providing a sustainable solution to the dual problems of unemployment and migration. Its aim is to create employment opportunities for unskilled manual workers and prevent rural-urban migration.

This scheme is essential to increase the wage rate as for the prices in the market. Providing ₹125 to 150 per day can meet their daily needs but cannot change their living status.

Indian Express (2016)\textsuperscript{43} article namely ‘A Scheme for Change - Ten years on MGNREGA requires Constant Review and Consistency in Political Support’ reveals that, total person-days of employment dipped to 166 crore in 2014-15 as compared to 220 crore in 2013-14. There has also been a 40 per cent delay in


\textsuperscript{43} Jairam Ramesh and Neelakshi Mann, A Scheme for Change - Ten years on, MGNREGA Requires Constant Review and Consistency in Political Support, The Indian Express, February 2, 2016.
wage payments in the current year. Overall, the government’s policy on the MGNREGA has been wavering. In 2014-15, there was also an attempt to change the wage-material ratio from the current 60:40 to 51:49. The idea was to change the labour-intensive nature of the scheme, which would have diluted the objective of the act. Though the Centre went back on this suggestion, fund allocation continued to be unpredictable. This year, the states are starved of funds and are unable to open new works and pay wages as on January 2016, 14 states were showing a negative fund balance. The change in government has taken away a key ingredient that contributed to the success of the MGNREGA: Political will and belief in the act.

The main arguments against the MGNREGA have been that it is full of leakages and that it is a dole that has not resulted in any assets. Both these are vastly exaggerated and founded on intellectual laziness and ideological blinkers. The MGNREGA certainly does not exist in a silo and there is no denying that it faces similar challenges on corruption as other development schemes. Corruption needs to be dealt with harshly, but cutting funds to development programmes is definitely not a plausible solution. The MGNREGA has been fighting corruption through the use of IT and community-based accountability mechanisms like social audits. It is, in fact, one of the few schemes that has digitised almost all information and made this database publicly available. Concerns on the durability and utility of assets were addressed by adding new permissible works in 2013. As a result, 50 per cent of MGNREGA works relate to productive rural infrastructure,
including toilets, and 23 per cent relate to building assets for marginalised communities.

Finally, a judgement on the need for the MGNREGA should make a distinction between the soundness and value of the act and the bottlenecks in implementation. In other words, poor implementation in some states, districts or, for that matter, incidents of corruption, is not a statement on the need or utility of the act. Of course, they point to the need to strengthen service delivery, improve access and governance structures.

While assessing the MGNREGA, we must consider that it has been the single most important instrument for empowering Gram Panchayats (GPs). The act gave gram sabhas the mandate to plan their own works and untied funds to execute these works, half of which have to be executed by GPs. No other scheme has placed funds at this scale (₹15 lakh per year on average) directly with GPs.

2.2.3 Studies related to Employment and Wage Structure

Reserve Bank India (2006)\(^{44}\) in order support the financial inclusion efforts under MGNREGA, as well as to leverage the advancement in the banking technology initiated, two kinds of third party banking agents. Business Facilitators (BF) who would primarily be involved in the process of opening of accounts and Business Correspondents (BC) who could, in addition to the BF functions, mobilize deposits and disburse credit on behalf of the bank.

Shankar Chatarjee (2008)\textsuperscript{45}, gives that, features of NREGS are presented below: Employment to be provided to every rural household whose adult member volunteers to do unskilled manual work. Such household is to be provided work for 100 days in a financial year this is a demand added programme and demand is rising from the village through the Gram Sabha. Every person who has done the work to be provided minimum wages as described under the minimum wages Act 1948 for agricultural labours in the state. And such wages shall not be less than sixty rupees per day and disbursement of wages to be done on weekly basis but not beyond a fortnight. Each employment seeker is to be registered by Gram panchayat often due verification and the household to be provided a job card. Gram panchayat is the authority for planning registering, issuing job cards to the beneficiaries, allocation employment and monitoring of works.

Mamidipally Rajanna et al., (2009)\textsuperscript{46}, explains the impact of NREGP programme question is also served to the workers to elicit the views on the programme before and after launching of the programme in the income and expenditure and net saving levels are accepted as appropriate measures of economic well being, the behaviour of income levels speaks about the economic status of the different sub groups of workers participated in this programme. It is observed that the income levels of the workers have increased substantially and

\textsuperscript{46} Mamidipally Rajanna and Gundeti Ramesh., NREGP Facet of Inclusive Growth, 57(4): February 2009, P.52.
the daily wage income has increased two fold and in turn it has helped in catering to the minimum needs of the NREGP workers. The study also reveals that the expenditure levels before implementation of this programme was met by the workers by indulging on debts to meet their minimum needs expenditure. Further they expressed that this programme helped in easing out the debt burden to some extent after the implementation of the NREGP.

Santhikumari (2009) explained the process of payment of wages through IT based total financial inclusion project called ‘Bio-metric Smart Card Technology’ adopted by the Govt. of AP. The simplified enrolment procedures, integration of enrolment and payments through single device, replacement of Java based 32KB memory cards with POT identity cards to reduce the cost of cards, involvement of bank branch managers in the entire process to redress the difficulties, if any, were some important changes that were adopted to remove some of hurdles in the process. However, problems like non-activation of cards, network congestion, and power problems in villages still exist and need the attention of administration.

Arjun Y. Pangannavar (2009) said that Rabindranath Tagore was perhaps the first person to start rural development programme in India through his shantiniketan pre-independence period. The Government had implemented a series of self-employment and wage employment generating programmes like Rural

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Works Programme (RWP) Integrated Dry Land Agricultural Development (IDLAD) Area Development Schemes (ADS) etc.,

Dre’ze, (2009)\textsuperscript{49} noticed prolonged delays in wage payment and hurdles for delays. The delay in work measurements, flow of funds, irresponsible record keeping etc., were observed. In addition to these, sudden switching to bank payments led to ‘jam’ in banking system and reluctance of government functionaries also contributed to the delays. He commented that the answer shown by the centre to the problem of delayed payment was ‘Business Correspondent (BC)’ model which has little to do with delays. He also suggested the replacement of piece-wage rate with daily wage in drought affected areas and revoking of the Section 25 of MGNREGA to ensure transparency.

Sunil Suryawanshi et al., (2009)\textsuperscript{50} said that employment generation is one of the major priorities drawing the attention of the Governments and Economic Planner all over the world. India is no exception. The approach to tackling unemployment problem has varied from time to time. In the initial years of planning no attempt was made to define an independent employment strategy. The focus on economic growth was viewed as essential for improving the employment situation. Thus, in the Five Year Plans, the generation of employment was viewed as part of the process of development.

The problem of unemployment arises when an adequate response by way of a change in the composition of labour supply is presented either by lack of access to training and education or by an attempt to protect the employment of low demand categories of labour by inappropriate forms of intervention. To achieve the objective of full employment in the years to come, policies to encourage those sectors in which employment opportunities are high must be adopted.

Naganagoud et al., (2010)\(^5\) found the most important social economic rights that have drawn attention in recent years is the right to food and employment. In the 40s and 50s there was hardly any focus on the right to work although the need for full employment was emphasized. The right to work has emerged as a corollary of right to development, which was instrumental in making a surge for a host of third generation rights.

To achieve the full potential of NREGA unless the structure for its implementation is more adequately strengthened. Particularly the woman has less participation in the above mentioned states. Recent Social Audit of NREGA indicates the Programme can have a positive impact on the socio economic well being of rural labourer and their families in bringing major changes in the lives of women. This is especially true in a state like Tamil Nadu, where women constitute an overwhelming proportion (80\%) of NREGA workers.

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Tripathy, (2010)\textsuperscript{52} explained that, the low work participation rates in the rural areas are due to the non-availability of employment opportunities and the necessary investment needed for job avenues in rural sectors. MGNREGS in this context, is expected to have the potential to create job opportunities at the gross root level and remove such demand side rigidities from the rural scenario. The scheme has completed four years of its implementation and has provided 100 days employment to around 40 million rural households. Considering the importance of spread and outreach of the wage employment, an amount of ₹40,000 crores has been provided to this scheme which is ₹1,000 crores more than allocation made for the scheme during 2009-10.

Velsuresh et al., (2010)\textsuperscript{53} points out that NREGA is the first ever law internationally, that guarantees wage employment at an unprecedented scale. The primary objective of the act is augmenting wage employment. Its auxiliary objective is strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion and to encourage sustainable development. The process outcome includes strengthening grassroots processes of democracy and infusing transparency and accountability in governance. With its right based framework and NREGA marks a paradigm shift from the previous wage programmes. The Act is also a significant

\textsuperscript{52} Tripathy. K.K., A Feel Good factor for Rural India?, Krukschetra, 58(6): April 2010, p.4.

\textsuperscript{53} Velsuresh and Saravanan, P., NREGA and Women in Rural India, Kissan World 37(4): April 2010, p.22.
vehicle for strengthening decentralization and deepening processes of democracy by giving a pivotal role to the Panchayat Raj Institution in planning, monitoring and implementation. Unique features of the Act include, time bound employment guarantee and wage payment within 15 days, incentive-disincentive structure to the state Governments for providing employment as 90 per cent of the cost for employment provided is borne by the centre or payment of unemployment allowance at their own cost and emphasis on labour intensive works prohibiting that of the contractors and machinery. The Act also mandates 33 per cent participation for women.

Anandita et al., (2010)\(^{54}\) conducted a survey in UP and Jharkhand. They revealed that majority of workers preferred payment through bank or post office account rather than cash payment. 41 per cent of workers went on their own to withdraw the wages while 50 per cent accompanied by others (Sarpanch, Contractor or Abhikarta) who have exploitative nature. Non-issue of passbooks, non-entry of transaction details, and embezzlement of wage amount through collusion were observed in some of the sample GPs. Issue of incomplete pay orders, clubbing of pay orders of four to five works, or four to five weeks was also observed in many GPs during the survey.

Indira Hirway (2010)\textsuperscript{55} commented that useful strategy in this context would be that of promoting labour-intensive sectors in the economy so that the overall employment elasticity of growth improves. It is important to note that there are several strong links between NREGA and the full employment growth path in our economy. Firstly, NREGA can strengthen the sectors in which the poor are predominantly located. These sectors are agriculture and allied activities like animal husbandry and dairying, forestry, fishery, sericulture, etc., Which suffer from low productivity as well as uncertainty arising from fluctuating production and incomes. NREGS can be used in a way that it helps to stabilize these sectors by reducing fluctuations and promotes their growth by raising labour productivity.

Sharma (2010)\textsuperscript{56} states that the study of agricultural labour households assumes importance as they constitute a vulnerable segment of the rural population, whose proportion has increased significantly in almost all the states in India. The paper, therefore, examines the nature and trends in the employment and wages of agricultural labour and quantities and their determinants are also examined. There is improvement in the economic status of agricultural laborers over the year-both in the case of males and females. So there has been significant increase in their employment and wage earnings over the years.


Bishwanath Golder (2011)\textsuperscript{57} points out that the employment in India’s organized manufacturing has been growing rapidly in recent years. The results of the Annual Survey of Industries (ASI) of the Central Statistical Organisation (CSO), government of India reveal that between 2003-2004 and 2008-2009, employment in the organized manufacturing sector increased at a very high rate of growth of 7.5 per cent per annum. The growth rate of employment for total ASI was marginally higher at about 7.6 per cent per annum. It is interesting to note that in the preceding eight years, 1995-96 to 2003-2004, employment in the organized manufacturing had fallen at the rate of about 1.5 per cent per annum. Evidently the recent trends in the employment in the organized manufacturing sector are quite different from those in the period 1995-2003 and the impression of jobless industrial growth that was prevailing for some time among scholars and other commentators on the Indian economy is not valid any more.

Sivaiah et al., (2011)\textsuperscript{58} study reveals that Andhra Pradesh Rural Employment Scheme succeeded in providing wage employment to the unskilled workers in the rural areas particularly to women with the least and scarce financial resources. For productive investment has to ensure effective utilization of funds for the socio-economic development of rural and backward areas. Hence the

\textsuperscript{57} Bishwanath Golder., Growth in Organized Manufacturing Employment in Recent Year, Economic and Political Weekly, 46(7): February 2011, p.20.
scheme has to guarantee not only employment, but also village development by honouring the Minimum Wages Act 1948.

Tripathy (2012) viewed that the 2012-2013 plan allocation for MGNREGP has been reduced by 17.5 per cent. The enactment and implementation of a right based MGNREGP 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 MGNREGP is pegged at ₹31,000 crore which is ₹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. The budget estimate for 2012-13 in case of MGNREGP is kept at ₹33,000 crore the need of the hour is to improve quality of assets created and to bring about synergy between MGNREGP and agriculture and allied rural livelihoods. The endeavour will not only uplift the under-privileged and socially and economically vulnerable but also support in making the agriculture a viable occupation.

The target groups are the poor living below the poverty line MGNREGP would help in extending skill training to rural households living on unskilled manual activities.

Vinayak Reddy (2013) makes a study on, “NREGS an Approach to Inclusive Growth,” and more effectively with a new approach for providing the social security work in job in rural BPL households. The delivery systems can be improved with the new approach of participatory development, social mobilization, right to information, involvement of civil society and panchayat raj institutions. It is the services economy and it’s providing the employment opportunity with inclusive growth in rural India.

2.2.4 Studies related to Impact of MGNREGS

Balla et al., (2003) has attempted on Rural Employment and Poverty. He made this paper, regarding employment and income growth agriculture and non-agriculture in rural urban areas under various sectoral growth rates and employment elasticities. It focuses on generating employment in the years and labour force as also in raising wages and productivity of workers. It is considered possible strategies for increasing employment significantly reducing rural and urban poverty by 2020.

Kannan (2005) viewed the MGNREGA as much needed developmental perspective that seeks to enhance human development by inclusion of the rural poor. He opined that the goal of investing in human capital can be completed

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through MGNREGA in projects like construction of schools, health centres at local level along with the repairs of existing buildings. This will be the best way to utilise the unutilised potential in rural areas.

Singh (2007)\textsuperscript{63} says the programme is still in its infancy stage and it has a long way to go, but that does not take one away from what is achieved in its infancy. Today many families are happier because of NREGS. If targeted and implemented effectively, the NREGS could decrease poverty in the deprived areas. This can be hastened by taking up works that rejuvenate the natural resource base of the livelihood of poor communities. Later its scope can be enlarged to cover skilled work by artisans. All that is being hoped right now is that the NREGS should be able to mitigate the hard times and increase the abysmal household earnings for the poorest.

Mourlin’s (2007)\textsuperscript{64} view is that the enactment of the NREGA is a classic success story of the civil society. The role of the civil societies like Development Alternatives is significant for the effective facilitation of the NREG Schemes and also in creating and enabling the environment for the sustainable development of societies. Within given historical, political, cultural, economic, agro-ecological, demographic, social contexts, the people develop livelihood strategies, such as, agricultural intensification or extension, diversification or migration. These


strategies are mediated through institutional processes and structures, such as, government, laws, norms and policies to deliver sustainable livelihood outcomes, such as, more income, creased well-being, reduced vulnerability, improved food security, more sustainable use of natural resources. Thus, NREGA becomes a means to create a durable assets as well as productive employment in the rural areas. If carried out properly and successfully, it will definitely lead to sustainable development.

Ashok K Pankaj (2008) clearly indicated the relatively high share of MGNREGA income in the total income (about 8% of the total annual income of the households in Bihar and to about 2% in Jharkhand) of the beneficiary households despite the low number of employment days in Bihar (and also in Jharkhand) was because of the very low income base of the households. The beneficiaries in both the states used their MGNREGA earnings for food and daily consumption items. Due to MGNREGA a reduction of seven percentage points of indebtedness, 12 percentage points reduction in out migration among beneficiary households was observed in Bihar. Nevertheless, it has inculcated a new level of consciousness about the entitlement on minimum wages. An increase in the Work Participation Rate (WPR) was observed but no significant impact on the local wage because of the availability of abundance labour force and low level of employment generation under MGNREGA.

Barnam Aunick’s (2008)\textsuperscript{66} article entitled “implications of MGNREGP District barabanki, Uttar Predesh; A case study” points out the fact that MGNREGP has encouraged the transfer of local solutions and best practices through online knowledge network. Initial experiment in the use of smart cards for wage payment to MGNREGP workers in remote village are being supported by these networks.

Gladson Dungdung (2008)\textsuperscript{67} explained that high labour making agriculture unviable and driving up the cost of food. Increased mechanisation is an option, but has to be weighed against the capital and long-term environmental costs (apart from the problem of soil compaction). For instance, many of the intercultural operations suggested under the Integrated Pest Management Scheme are manual. If labour is not available, farmers may have to opt for increased use of pesticides and herbicides. This is ecologically undesirable, besides driving up input costs.

Singh et al., (2009)\textsuperscript{68} assessed the impact of MGNREGS in three districts of Uttarakhand and reported that NREGS activities were found to be supplementing income of the household only to the extent of 10-20 per cent and hence no significant improvement in their income and employment levels. Further, marginal improvements in curtail of migration and indebtedness were found. Increase in

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\textsuperscript{66} Anish Vanair, A Tale of Two Villages, Yojana, Vol.52, August 2008, pp.15-17.
\end{flushright}
consumption levels and savings were also marginally improved among the sample households. The report indicates that lack of procedures, low levels of awareness and weak PRIs etc., were the reasons for low performance of MGNREGS in the sample districts.

Swaminathan, (2009) highlighted that the priority works under MGNREGS are important to strengthen the ecological foundations of sustainable agriculture. He also commented that a major weakness was the absence of effective technical guidance and support from agriculture and rural universities and institutes. He suggested the need to bring convergence of child care, nutritional health and education programmes at MGNREGS worksites for sustainable rural development along with human development. He opined that the MGNREGA workers need to be engaged in checking of eco-destruction. Recognition could be given to MGNREGA workers with Environment Savior Awards for their outstanding work for sustainable ecological development.

Jha et al., (2009) find that landholding of a household is a negative predictor of employment provided under MGNREGS in Rajasthan. However, the relationship turns positive in Andhra Pradesh as the programme was used by households with larger landholdings. This difference arises due to varied level of land equality in the two states (more inequality in AP than in Rajasthan) and

\[69\] Swaminathan, M.S., Synergy between Food Security Act and NREGA, The Hindu, June 1, 2009.

higher ratio of MGNREGS wage to agricultural wage rates. Other determining factors are remoteness of the villages and greater political interference in AP. They also find evidence of complementing in both the states, between Public Distribution System and MGNREGS employment suggesting real income transfer through food subsidies requires supplementation.

Datta, (2009)\textsuperscript{71} carried a quick appraisal of MGNREGS in Dangs (Gujarat) and Jalpaiguri (West Bengal) districts and reported that the mobility and interactions of community increased due to the impact of rural connectivity works. Migrations also became limited to only one member of a family during slack season due to availability of work locally. The report also indicates that even though people are not well aware of works carried out in their village under MGNREGA, improvement in water availability has been observed by them. Further, hardly any permanent assets have been created out of NREGS fund due the stipulated norm of 60:40 ratio between labour and material cost and also due to lack of coordination with line departments.

Shah, (2009)\textsuperscript{72} briefed that the concept of the ‘multiplier and accelerator effect’ that was borrowed from macro economics and adapted to an agrarian economy. He explained how MGNREGA could do in a recession. MGNREGA will stimulate demand as it provides money in the hands of rural poor who have

\textsuperscript{71} Datta, S.K., A Quick Appraisal of NREGS and Strategies for the next level, Indian Institute of Management, Ahmedabad, 2009.

\textsuperscript{72} Shah, M., Multiplier Accelerator Synergy in NREGA, The Hindu, Opinion Leader Page, April 30, 2009.
the highest Marginal Propensity (MPC) to Consume. In this way it will stimulate production of goods, income and create demand in the economy. A mutually reinforcing relationship between investment and income catalysed by MGNREGA as the workers rebuild the small farms and give them a chance to return to full-time farming which in turn spurs further investment. He suggested the convergence of MGNREGA with other rural livelihood programmes and creation of a cadre of dedicated executive agencies to carry this momentum forward in a positive upward spiral where it will become broad based growth process.

Pattanaik, (2009)\textsuperscript{73} points out the work under the scheme available in and around the village panchayat, Women those who are interested but not getting any opportunity because of distance factors seized the benefit. Many of them opined that (82\%) the scheme has given a valuable work opportunity to them to raise their household income. As the work is implemented by the panchayat and payment is also made by the panchayat, it creates a genuine belief and confidence in their mind. However, a study in Tamil Nadu has shown that some women are often unable to join the NREGS worksites at all because of the problem of childcare ‘...Youth are the largest beneficiaries of the scheme. Moreover, 50 per cent of the beneficiaries of the scheme are the illiterate and primary educated persons.

Harsha, (2010)\textsuperscript{74} argued that MGNREGA cannot be a long-term solution to

\textsuperscript{73} Pattanaik, B.K., NREGS: Some Preliminary Findings from Hoshiarpur District, Krukshtetra, 57(6): April 2009, p.35.

\textsuperscript{74} Harsha, A., National Rural Employment Guarantee Act Review, retrieved from http://www.policyproposalsforindia.com/article.php?article_id=169&languageid=1,
the unemployment problem of rural India. A comprehensive and a more sustainable solution that creates large-scale self-employment opportunities in the secondary and tertiary sectors in the rural areas that stimulates demand and increases rural productivity is still the need to be found.

Roy et al., (2010) conducted study in two districts, Burdwan and Dakshin Dinajpur of West Bengal to assess the impact of MGNREGA on the empowerment of the beneficiaries. Significant positive changes were found in the level of aspiration, self confidence and self reliance of the respondents after commencement of the scheme. All the respondents were found to be in low empowerment category before MGNREGA. After working under MGNREGA, 75.5 per cent of the respondents were found under low empowerment category and 24.5 per cent were found under medium empowerment category. So a positive impact of the programme was observed on the empowerment of its beneficiaries in the study area.

Gangadhara et al., (2011) studied the rural development generation schemes after independence MGNREGS Stands as the grandest one. It has provided “right to work” to rural population. India is abundant with manual workforce, which is the only source to it to eke out livelihood. That involves not only the empowerment of women population but also labour share are to be given

February 19, 2010.

due weight in the act to enlarge opportunities and income levels. Sustained efforts of the academics and activities for the act to reduce poverty among marginal groups are needed. There are number of Provisions which are clearly meant for female workforce in rural India.

Alungal Manikandan (2011)\textsuperscript{77} analyses that the MGNREGA has numerous objectives in which increase in agricultural productivity is one. This is because of low fertility and productivity of the agricultural land which is one of the root causes of poverty in rural areas. By envisaging a situation like this, NREGA focuses on large productivity increase in the agricultural land, especially the small and marginal land. It is very important in states like Kerala because 95 per cent of paddy land is small and marginal. Therefore, NREGA must improve productivity of rice fields. Otherwise, it would have an adverse impact on rice fields due to increase in the shortage of labour and wage rate. Hence, paddy cultivation will become more unviable.

Mukherjee et al., (2011)\textsuperscript{78} analysed the impact of NREGA scheme on (i) rural labour market, (ii) income of the poor households and (iii) overall agricultural production. It is seen that the income from NREGA alone can be a substantial part of the target income of the poor. In such a situation, the poor may exhibit a backward bending supply curve of labour which may lead to an

\textsuperscript{77} Alungal D. Manikandan, Paddy Cultivation and MGNREGA: A Study of Kerala, Financing Agriculture, 43(9): September 2011, p.33.

aggregate reduction in agricultural output. This adverse production effect can take place even when the NREGA activities lead to a moderate improvement in agricultural productivity.

Nazeer (2015)\textsuperscript{79} in his article reveals that, the rural development strategies in India made remarkable achievements in the long saga of social and economic welfare of people living in rural India. MGNREGA is considered as a vibrating force for eradicating rural poverty and unemployment, by way of generating demand for productive labour force in villages. It provides an alternative source of livelihood which will have an impact on reducing migration, alleviating poverty, and making villages self-sustaining through productive assets creation such as road construction, soil and water conservation, etc. For which, it has been considered as the largest anti-poverty programme in India. In this paper, an attempt has been made to comprehensively understand the livelihood strategies though rural employment generation. The researcher used qualitative research methodologies to obtain information pertaining to the study through the Focus Group Discussions (FGDs) and Key Informant Interviews (KII)s. The study revealed that MGNREGAS generating demand for productive labour force in Indian villages. It provides an alternative source of livelihood which will have an impact on, alleviating poverty, and making villages self-sustaining through productive assets creation under social and physical infrastructure facilities. The

study also found that there is a much scope for inclusive development of the social groups. To sum up, it is observed that, the scheme played a vibrant role as a safety net for the unemployed youths in the study area.

2.2.5 Studies related to Problems of MGNREGP Workers

Dev, (2007) reported that initial reports on the working of MGNREGS have been positive although there were problems at the ground level. The MGNREGS was relatively better implemented in A.P. because of tracking the progress with IT, social audit, involvement of post-offices etc. He suggested that the delivery systems in all the direct programmes can be improved with the new approach of participatory development, social mobilization, Right to Information, involvement of the civil societies and Panchayati Raj Institutions. The author viewed that if there is political will, it is possible to implement NREGS effectively with the new approach.

Chhaya Datar (2007) had made a study on, “Failure of NREGS in Maharashtra.” This article revealed that the NREGS collected data with the help of the organization in Chandrapur district of Maharashtra. A survey of 20 villages and got the 99 persons identity card but only 38 beneficiaries had job card. There is no enthusiasm among the political class as well as bureaucracy to accept the new scheme, because, the power are decentralized. Then in earlier, MEGS work has

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been done by contractors and get orders by paying bribes to line departments. This programmes or scheme implemented as a populist measure for last minute support to prove their concern for drought affected farmers and land less labour get some sanctioned work.

Anish Vanaik et al., (2008)\(^8^2\) has made a study of Bank Payments End of Corruption in NREGA study in Orissa states. The researcher revealed that payments of wages are made into bank accounts for work carried out under the NREGA. Improving the system of bank payments can only go part of the way towards that end. Building a culture of transparency and accountability in the implementation of NREGA remains extremely important.

2.3 Research Gap

The researcher could peruse a number of research works, studies and books already published relating to the study undertaken. She could gain significant insights into the several aspects, role of MGNREGS in promoting rural development and increases in the standard of living at different places and stages. Still, anyone can identify a few gaps in the previous studies or past literatures with respect to the objectives of MGNREGS such as employment generation, income level and working conditions.

In the light of such research gaps, the present research study has been designed and completed. This study tries to fill in the research gaps in a modest

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manner. The researcher has been optimistic that this task is well met to a very great extent.

2.4 Concepts

Rural

Rural areas are sparsely settled places away from the influence of large cities. Such areas are distinct from more intensively settled urban and suburban areas. Inhabitants live in villages, hamlets, farms and in other isolated houses.

Rural Development

The World Bank defines rural development as “Rural development is a strategy to improve the economic and social life of a specific group of people, the rural poor including small and marginal farmers, tenants and the land less”.

Hamlet

A hamlet is a small settlement too small to be considered a village. The name comes from the diminutive of a Germanic word for an enclosed piece of land.

Village

The census of India has defined a village as the basic unit for rural areas the revenue village which has definite surveyed boundaries. The revenue village may comprise several hamlets but the entire village has been treated as one on it for presentation of census data. In unsurveyed areas like villages in which forest areas,
each habitation area with locally recognized boundaries in which each forest range officer’s beat was treated as one unit.

**Panchayat**

The panchayat is an Indian political system. ‘Panchayat literally means assembly (yat) five (panch) wise and respected elders chosen and accepted by the village community. Traditionally, these assemblies settled disputes between individuals and villages.

**Villages Panchayat (or) Gram Panchayat**

Village Panchayat refers to the lowest order of panchayat raj systems unusually it consists of one or more revenue village recognized as the local administrative unit. It has a separate administrative body called panchayat council constituted by members directly elected to the council. There is a panchayat president, vice president and members. Villages are federated to in panchayat union at the block level.

In other words, the Gram panchayat is the foundation of the panchayat system. A Gram panchayat can be set up in village with a population of more than five hundred.

**Block Panchayat**

Block panchayat is the middle or intermediate tier to undertake all the development and promotional activities in the rural areas falling in its jurisdiction.
Manday

It is the common unit of measurement of human labour. It refers to eight hours of work by an adult male and female worker of average skill. All other categories of labour are expressed in equivalents of mandays, by converting them in proportion to the wage rates.

Household

A household is taken to mean a group of persons related by blood marriage or adoption, living under the same roof and sharing a common kitchen continuously for not less than one year at the time of the interview.

Household Income

Household income is the total of the annual income of all earning members of the family. This income includes farm income and non-farm income.

Household Expenditure

The aggregate expenditure of the community is equal to its aggregate income. The reason is obvious. One man’s expenditure becomes another man’s income. Personal consumption includes all types of expenditure on personal consumption by the individuals of a country. It comprises of expenses on durable goods like watch, bicycle, radio etc., and expenditure on consumable articles like milk, bread, ghee, rice, cloth etc., and also expenditure incurred on services of all

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kinds like fees for school, doctor, lawyer and transport. It includes the expenditure on intermediary goods.

Expenditure includes expenditure on food items and non-food items. Food items consist of expenditure on food (cereals, pulses, spices and condiments, fruits and vegetables, oil, milk, non-vegetarian items and beverages and narcotics) and non-food items include expenditure on house rent, fuel and lighting, education, clothing, footwear, medical expenses, transport, recreation and social and religious expenditure and others if any.

**Empowerment of Women**

Empowerment of women is nothing but women who live their own life in which they think appropriate, on the basis of their condition of family circumstances, qualities and capabilities of those things, and consider themselves as the best judges.\(^{84}\)

Women empowerment can further be studied as political empowerment, economic empowerment and social empowerment. Since the researcher has concentrated his studies only on the economic empowerment that includes financial empowerment which is characterised by factors like income, expenditure, savings and investment.\(^{85}\)

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\(^{84}\) Kumar, D., and Vanitha, K., Empowerment of Women, Kisan World, October 2006, pp.21-23.

2.5 Summary

The review of literature relating to MGNREGS has given a general idea of the scheme, history, implementation, problems and prospects as well as the challenges faced by them. It is to conclude that the existing literature clearly indicates that MGNREGA has the potential to transform the lives of rural people, especially the households that have participated fully and gained higher income benefits from MGNREGS. The information revealed by many studies can give us broad ideas but they may be a little imprecise because of smaller sample size about the status of employment guarantee scheme implemented with a lot of expectations. It is clearly understood that the success of the Act depends on mobilisation of the poor, proper institutional support and timely availability of funds etc.

Further, the review of the earlier studies and other similar studies enabled the researcher to identify the fact that no comprehensive study has so far been made to assess the role of MGNREGS in creating employment opportunities. The present study seeks to analyze the role of MGNREGS creating employment opportunities for both men and women in Thoothukudi District.