CHAPTER I
INTRODUCTION

1.1 Mahatma Gandhi National Rural Employment Guarantee Act-2005

The Mahatma Gandhi National Employment Guarantee Act (MGNREGA) is a flagship program introduced by the government of India in 2005. The main aim is to provide a legal guarantee of 100 days work in a financial year (1\textsuperscript{st} April to 31\textsuperscript{st} March) to every rural household whose adult members are willing to do unskilled manual work at a statutory minimum wage rate to enhance the purchasing power of rural poor (GOI, 2005). Covered by four different laws under the constitution of India, the MGNREGA also follows some of the the Directive Principles of State Policy (Part IV, Article 41 Constitution of India). The law by providing a 'right to work' is in consistence with Article 41 that directs the State to secure to all citizens the right to work\textsuperscript{1}. In coherence, It also seeks to protect the environment through rural works under Article 48A that directs the State to protect the environment\textsuperscript{2}.

According to the Article 21 of the Constitution of India, right to life is guaranteed with dignity to every citizen of India, through an assurance of livelihood security. Again, Article 16 of the Constitution of India guarantees equality of opportunity in matters of public employment and preventing the State from discriminating against anyone in matters of employment on the grounds of religion, race, caste, sex, and descent, place of birth, place of residence or any of them.

\textsuperscript{1} Ministry of Law and Justice, Govt. of India, 2008, p. 22
\textsuperscript{2} Ministry of Rural Development, Govt. of India, 2005, p. 22
Article 40 mandates the State to set up village panchayats and entrust them with such powers and authorities as may be necessary to enable these Panchayats to function as units of self-government. In the process of decentralization, initiated by 73rd amendment to the Constitution of India, Panchayats were granted a constitutional status. This is further reinforced by the Mahatma Gandhi NREGA that endowed these rural self-government institutions with authority to implement the law.

The overall objective of MGNREGA do hereby encompass the generation of additional employment and income for the rural people as they are mainly engaged in agricultural activity. When the harvesting season is over, they have limited work which is known as lean season. The MGNREGA activity is implemented during this lean season so that people can derive employment and income. MGNREGA basically involves unskilled manual work, so that farmers, self employed entrepreneurs, poor villagers and wage labourers can join easily in this type of work. Along with the development of rural household the Act also strives to develop rural areas by initiating activities like construction of roads, canals, land development, environment protection etc. The development of rural infrastructure and income generation of the rural people will ensure progress in the direction of economic growth, thereby raising the standard of living of the rural poor by reducing poverty. Thus, this study will highlight the relationship between employment, income generation and economic that play a pivotal role to reduce poverty.

1.2 Growth, Employment and Poverty Interlink

There lies significant correlation between growth and changing rates of unemployment (Hussain, 1999; McKinley and Weeks, 2009). McKinley examines the importance of public finance in supporting a development strategy in the country of
Moldova. In his opinion, public finance accelerates economic growth, generates employment and directs resources towards poverty reduction. Weeks states that poverty will reduce through an increase in employment and wages, in cases where earnings are below the poverty level. Such an increase requires a growth enhancing macro policy. Again to reduce the problem of unemployment one of the important priorities of economic policies is to increase the growth and employment opportunities. Therefore policy investment should link to create more employment opportunity by constructing investment programs which support the growth to eliminate unemployment (Al-Rawi, 2004).

Some scholars focus on economic growth as the prime eliminator of poverty reduction. These scholars are further divided into a number of groups, including those who recommend pre-market policies (Bhagawati, 1985; Lal and Myint, 1996; Dollar and Kraay, 2002), those who support import substitution as a path to industrialization (Frank, 1969), and those who argue that a developmental state works best for stimulating the type of growth that effectively reduces poverty (Amsden, 1996; Johnson, 1982). Again, a large group of scholars criticize the pursuit of economic growth (Streeten, 1993), arguing that the rapid promotion of development and economic growth actually perpetuates poverty (Escobar, 1995), whereby creating an unsustainable threat to the environment and to the earth’s supply of natural resources (Meadows, Randers, Meadows, 2004). Lastly, yet another group of scholars seek a middle ground, contending that economic growth is necessary but is not a sufficient condition for poverty reduction. De-emphasizing on economic growth somewhat in order to focus on human scale development helps to promote the kinds of growth that more directly reduces poverty (Schumacher, 1973; Chambers, Pacey and Thrupp, 1989; Max-Neef, 1991; Mehrotra and Jolly, 1997). Econometric studies (Kemal,
2004) also show a clear relationship between economic growth, employment, remittance and poverty.

The degree of employment intensity in course of the growth process is extremely important for achieving the goal of poverty reduction (Islam and Majeres, 2001). It reveals that if labour-based approaches could be mainstreamed into overall investment policies, it would enable the simultaneous pursuit of the objectives of economic growth, employment generation, and poverty reduction.

Similarly some other scholars demonstrate that sectoral growth can reduce poverty (Kaldor, 1967; Kuznets, 1971; Ranis and Fei, 1961). As the share of industrial production increases, the structures of employment witness changes—agricultural employment declines as a share of total employment and the share of industrial and service employment increases. On one hand, growth in agricultural sector will increase poverty, but growth in the urban sector may reduce poverty (Satchi and Temple, 2006). But Coxhead and Warr (1995) find that agricultural productivity reduce poverty. On the other hand, Loayza and Raddatz (2006) find that, growth in unskilled intensive sectors contribute to poverty reduction. Thus growth in one sector of the economy will not automatically transfer the benefit to the poor. It will depend on the profile of the growth, its employment or productive intensity, the sectoral location of the poor and the extent of mobility across sectors (Hull, 2006). Ravallion and Dutt (2009) marked differences in the impact of poverty by sectors; with the development of primary and tertiary sector, poverty can be reduced either in rural or urban areas. But the growth in secondary sector had no positive effect on the poor in both rural and urban areas. The historical change noticed is that now tertiary sector deliveres significant gains to India’s poor.
It seems obvious that economic growth should reduce poverty, yet the issues remain controversial. Some scholars assert that economic growth does not eliminate poverty and may worsen the problems of the poor (United Nations 1997). For example, Dreze and Sen (1990) claim that economic growth does not generate benefits in terms of numerous non pecuniary measures of well-being. Thus, calls for increased government spending (Squires, 1993) or other redistribution of wealth (Todaro, 1997) are the logical extensions of the argument that growth does not ensure the elimination of poverty.

Growth in the rural economy accounted for the majority of China’s success in 1980 (Ravallion and Chen, 2007). However, over the period since 1980, it has been observed that rural economic growth in China had a far higher poverty impact than urban economic growth. Similarly, growth in the primary sector did more to reduce poverty than its growth in either the secondary or tertiary sectors. World Bank research article, “A Comparative Perspective on Poverty Reduction in Brazil, China, and India,” looked at the three nations’ strategies and their relative challenges and successes (2012). During their reform periods, all three have reduced their poverty rates, but through a different mix of approaches.

During the 1980s, the main objectives and strategies for reducing poverty by providing for basic needs like food and shelter were pursued (Streeten, 1981). It is interesting to note that many countries undergoing structural adjustment increased their employment programs for poverty reduction without much initial involvement of the international institutions guiding the adjustment policies (the World Bank and IMF, 2005). This in turn, brought changes only to a limited extent in the early 1990s
when the long term potential for reducing poverty through employment became more widely recognized (Pranati, 2009).

During the period of crisis like natural disasters or economic depression wage employment was taken as relief work organized for the poor. In contemporary times, these programs are recognized in literature as a modern instrument of development policy, as they have shown tremendous potential to alleviate poverty as part of mainstream economic strategy (Tinbergen, 1994). That is, these programs have emerged as a tool that promotes strategic use of surplus manpower for promoting pro-poor growth leading to sustainable development (Tinbergen, 1994).

Employment plays a vital role for achieving the aim of poverty reduction and economic growth (Jamel, 2015). Thus, the battle against poverty is considered as one of the main objectives of the development policies. Poverty reduction through the growth and employment generation benefit poor households, particularly in rural areas (McKinley, 2009). Consequently, international institutions such as World Bank, IMF, and OECD etc direct their policies and efforts towards the reduction of poverty. Thus, the objective of most of the developing countries of the world is to make economic growth more favourable to the poor.

From the above study we find that the experience of countries that succeeded in reducing poverty significantly indicates the importance of high rates of economic growth which is however, not a sufficient condition for poverty reduction. This is because the pattern and sources of growth as well as the manner in which its benefits are distributed are equally important from the point of view of achieving the goal of poverty reduction. Indeed, countries which have attained high rates of employment growth alongside high rates of economic growth are also the ones who succeeded in
reducing poverty significantly. And in this regard, the importance of employment as the key link between growth and poverty alleviation is often pointed out. While this proposition has strong intuitive appeal, there is some scattered empirical support for it too. For example, a comparison between the experience of pre-crisis East and South East Asia on the one hand and South Asia on the other clearly shows much higher employment elasticity of economic growth in the former where the record of poverty reduction was also much more impressive (Islam, 2001). This kind of evidence, however, needs to be compiled and analysed more systematically in order to make a case for an employment-intensive growth strategy. In other words, the nexus between economic growth, employment and poverty alleviation needs to be fully articulated and empirically substantiated. While this would involve some analytical work, a good deal of empirical work is required to monitor the labour market outcomes from the perspective of raising the incomes of poor households, and to identify policies, programs and interventions that could have a positive, poverty alleviating impact on such outcomes. The kind of work mentioned above bear significance because a large number of developing countries are currently engaged in formulating poverty reduction strategies; and yet policies for using employment as a route out of poverty are not often integrated into such strategies.

Therefore, many of the developing countries as a whole are engaged in addressing the most critical question that is, how to create hundreds of millions of job instantly for the poor with limited resources. The government of Bangladesh is fighting against poverty since 1974 by implementing Food for Work program (FFWP) in 1974, Rural Maintenance program (RMP) in 1983, 100 Days Employment Generation Program (100 EGP) in 2008-09 and providing for a secure and regular source of income to 700,000 of the poorest people where 33% were women. Again in
2009-10 the 100 EGP program has been upgraded as for Hard-Core Poor. The government of Pakistan has established Small and medium Enterprise Development Authority (SMEDA), Self Employment Scheme like Small Business Financial Corporation (SBFC), Punjab Rural Support Program (PRSP), Pakistan Poverty Alleviation Fund (PPAF) and Zakat and Ushr System which are rigorous procedure for disbursement of funds through the government’s administrative system. The purpose of the Zakat is to assist the needy, the indigent and the poor. A country like South Africa has implemented Reconstruction and Development Program (RDP) in 1994 to create Keynesian aggregate effective demand, Growth Employment and Redistribution Strategy (GERS) in 1996, Expanded Public Work Program (EPWP) in 2004 and 2009 in phase 2 to remove poverty in different sector in the economy. Again Argentina government has introduced Plan Trabajar I, II and III an Emergency Employment Program (EEP) in 1995, 1997 and 2000 which were a social work program to combat with poverty and unemployment. The country also implements Employment Road to Economic Recovery in 2002 to provide safety net to deal with large scale social dislocation, poverty and unemployment. Similarly, the European Union (EU) supports the World Bank and the Social Fund for Development (SFD) to improve employment opportunities for the Egyptian unemployed youth The Emergency Employment Investment Project (EEIP) is funded by the EU with a EUR 70 million grant and the program has already supported 38,000 beneficiaries with work opportunities in the poorest districts of the country.

After independence, many plans, programs and policies have been implemented in India’s planning process to fight against poverty notably through food subsidies, farm-input subsidies, subsidized credit schemes and welfare schemes. This type of scheme has benefited some section of the poor, but not all. While its benefits
has been enjoyed by many of the non-poor. Since independence, rural employment has been the prime agenda of debate in the country as 74% of the unemployed population hails from rural India. During the plan period for the last three decades India has been implementing different innovative schemes for rural employment generation program. Some have helped to achieve the goals, be it short or long term, whereas others have faced technical and implementation snags. In the past, a number of schemes have provided temporary employments in public works program at the government’s discretion, but the present day scenario brings with it legislation and rights-based approach for implementing pro-people development policies on the country. The prime goal of rural development is to improve the quality of life of the rural poor. In spite of spectacular growth achieved during the recent past, the benefits of the same could not be shared by the large number of people in rural areas. Hence, there is a need to give special focus on inclusive growth with emphasis on providing basic infrastructure services such as education, drinking water sanitation, electricity, housing, health, road connectivity as well as employment opportunities in both farm and non-farm sectors. There is a need to strengthen the Panchayati Raj Institutions and other community based organizations with a focus on women and youth. There are several programs being implemented for the last five decades both by the government of India as well as state government apart from several NGO’s intervention. However, the rural people still remain in absolute poverty in several pockets of the country, especially in the North East India.

1.3 Statement of the Problem:

Poverty and unemployment are among the main causes which have crippled the Indian economy for a very long period. Over the years various reports and data
has been released from Govt., semi-govt. departments and other institutions which have supported the above statement and have reflected upon the severity of these problems. According to Reserve Bank of India Report 2013, Goa ranks best with least poverty rate of 5.09 percent living below poverty line and on the other hand Chattisgarh ranks highest (39.96 percent), followed by Jharkhand and Manipur while the national average stand at 21.92 percent. The poverty scenario is graver in case of Assam as the poverty rate stand at 31.98 percent which is higher than the all India average.

In case of Unemployment status Assam has the highest unemployment rate\(^3\) (199 per 1000 persons) and Gujarat comes with the least unemployment rate (10 per 1000 persons), whereas the national average stood at 51 per 1000 person. (5\(^{th}\) Annual Employment Unemployment Survey 2015-16, GOI). So, it can be observed that in case of Assam there are some lacunas which are hampering the development of the state and ultimately resulting into poor performance ranking in poverty and unemployment.

The World Bank’s Global Monitoring Report for the year 2014-15 on the Millennium Development Goals states that India has been the biggest contributor towards poverty reduction between the period 2008 and 2011, with around 140 million or so lifted out of absolute poverty (Chakraborty, 2013 & Manas, 2014). The reason can be attributed towards the fact that there is decline in poverty leading towards India’s rapid economic growth since 1991 (Bhagawati and Panagariya, 2013; Swaminathan and Anklesaria, 2011; Ravallion and Datt, 2002). Another reason stated is India’s launch of social welfare flagship programs such as Mahatma Gandhi

\[^3\text{Unemployment rate}=\frac{\text{total number of unemployed people}}{\text{total workforce}}\times1000\]
National Rural Employment Guarantee Act (MGNREGA) and Midday Meal Scheme in Government schools (Klonner and Oldiges, 2012, 2014). In a study in 2012 (Klonner and Oldiges), conclude that MGNREGA helps reduce rural poverty gap (intensity of rural poverty), seasonal poverty, but not overall poverty.

Several studies relating to the evaluation and assessment of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) have been conducted in national and state level in different parts of our country, but very few studies have been conducted in Assam (Goswami, 2008; Hazarika, 2009; Bordoloi, 2011; Dutta, 2012; Bhowmik, 2013 etc). This has led to major research gaps as these studies are not enough to fulfill all the research queries relating to Assam. This issue shall be addressed in the course of this study. Henceforth, a need for a thorough and extensive investigation is still required to be carried out in order to make the rural development program self sustained and result oriented. Thus, the study will contribute towards the existing literature available on poverty, income, employment and rural development in Assam.

1.4 Brief history of MGNREGA

The National Rural Employment Guarantee Act (NREGA) was passed by the Government of India in September 2005 and on 2nd October, 2009 the Act was renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) which was a revolutionary step for India’s poor. MGNREGA is the world’s largest guarantee scheme of India to fight poverty and generate employment. It is internationally the first ever law, that guarantees wage employment at an unprecedented scale. Since independence, it was being demanded that right to work should be included in the list of fundamental rights. The MGNREGA goes beyond
poverty alleviation and recognizes employment as a legal right and “people’s act” for all of the job seekers in rural areas. In July 2004, the draft of National Rural Employment Guarantee Act was prepared by concerned citizens and sent to the National Advisory Council. The NREGA was passed in the monsoon season by the Parliament on August 23, 2005 and came in to effect on 5\textsuperscript{th} September 2005, by receiving the assent of the President and was notified on 7\textsuperscript{th} September, 2005. The NREGA was started as a pilot project from 14\textsuperscript{th} November, 2005 in certain selected and most backward districts of the country. The NREGA of 2005 covered 200 districts from 2\textsuperscript{nd} February, 2006, known as Phase I districts, and since April 1, 2007, this was extended to cover 130 additional districts known as the Phase II districts and since April 1, 2008 as last phase include all the districts of the country. The main aim of this Act is to provide a legal guarantee of 100 days work in a financial year (1\textsuperscript{st} April to 31\textsuperscript{st} March) to every rural household whose adult members are willing to do unskilled manual work at a statutory minimum wage rate to enhance the purchasing power of rural poor\textsuperscript{4}.

The MGNREGA was supposed to be the most unique scheme after independence as it provides statutory right to employment. The government has also statutory obligation to provide employment to every household in a financial year (Mathur, 2007 and 2008). The scheme gives unprecedented opportunities to build the foundations of social security system in rural India and revive village economies, promote social equity and empower the working class. It is a demand driven scheme where provision of work is triggered by the demand for work evoked by wage seekers.

\textsuperscript{4} 11\textsuperscript{th} Five Year Plan, vol.3; 86.
The MGNREGA seeks to fulfill the dream of Mahatma’s “Gramya Swaraj”. Therefore, it is not just wage employment program, but one that is legally enforceable, and changes can be initiated only through constitutional amendment. Thus, this Act provides the legal foundation for work guarantee, and the scheme is the means by which this guarantee comes into effect. It is a national legislation, but the scheme is state specific. It draws on India’s long experience with wage employment generation scheme. The journey of rural development program was started in India from the post independence period in 1950s by implementing Community Development Program and National Extension Services (1953) in the villages of rural India. The aim of the program was to create awareness among rural communities regarding the potential and means of development. In 1960-61, Intensive Agriculture District Program was introduced to increase the income of the cultivator; it was followed by Area Development Program (1966) for the development of specific areas such as Hills, Deserts and Boarder areas. Similarly, Drought Prone Area Program was launched in 1970 to minimize the adverse effect of drought on production of crops, livestock and productivity of land. After that, in 1971 Crash Scheme for Rural Development was launched to provide employment to 1000 persons in every district for 10 months in a year. Other important rural development programs during 1970s was Pilot Intensive Rural Employment Program (1972), Small Farmers Development Agency (1971), Marginal Farmers and Agricultural Labour Scheme (1972), Integrated Rural Development Program (1974), Command Area Development Program (1976) Food for Work Program and Antyodaya Program (1977). Again in 1980s two important rural development schemes were implemented, namely, National Rural Employment Program (1980) to provide self employment ventures for Below Poverty Line people and Rural Landless Employment Program (1983). After 1990s the
government of India restructured some rural development programs such as Jawahar Rojgar Yojana (1993), which was later on merged with Jawahar Gram Samridhi Yojana, NREP and RLEGP and made a rural infrastructure program. By restructuring the IRDP, TRYSEM, DWCRA, GKY, MWC, SITRA; Swarnajayanti Gram Swarojgar Yojana was implemented in 2000-2001. During the plan period, the government of India also introduced Sampoorna Gramin Yojana (2001) which later on merged with National Rural Employment Guarantee Act (NREGA) in 2005. The NREGA was first introduced in 200 districts in 2006; in 2007 it covers another 130 districts of India and in 2008 it covers all the districts of the country. The Act was renamed as Mahatma Gandhi National Rural Employment Guarantee Act in 2009.

1.4.1 Objectives of MGNREGA

The main objectives of the program are:

- Ensuring social protection for the most vulnerable people living in rural India by providing employment opportunities,
- Ensuring livelihood security for the poor through the creation of durable assets, improved water security, soil conservation and higher land productivity,
- Strengthening drought proofing and flood management in rural India,
- Empowerment of the marginalized communities, especially women, Scheduled Castes (SC) and Scheduled Tribes (ST), through the processes of a rights based legislation,
- Strengthening decentralized participatory planning through convergence of various anti-poverty and livelihoods initiatives,
- Deepening democracy at the grass roots by strengthening the Panchayati Raj Institutions (PRIs),
- Effecting greater transparency and accountability in governance.
Thus, MGNREGA demonstrates a transformative approach to poverty reduction in relation to its rights based approach. Therefore, it is different from the earlier employment generation schemes taken by the Government of India in its planning process in a number of important ways. First, MGNREGA is an Act enshrined in India’s Constitution, entitling any poor rural household to 100 days of employment. Second, this is the first public work program that has been national in coverage, organized and mainly funded from the central budget but implemented at the state level by the Gram Panchayats, instead of private contractors. Also an indirect goal of MGNREGA is to strengthen the grassroots processes of democracy by means of transparent and accountable mechanisms such as social audit and monitoring and evaluation systems. Third, MGNREGA marks a shift from allocated work to demand based work. After applying for registration, the person will be provided a job card. Next, he/she has to seek employment through a written application and choose the duration of work. Under this law, there is also a legal guarantee that the work requested has to be provided by the Panchayat within 15 days. Otherwise, the state has to provide an unemployment allowance at a quarter of the wage for each day employment that is not given, thereby providing the Panchayat an incentive for effective implementation. Wages will be paid at the wage rate to the wage earner through their Bank/Post office account. Fourth, at least one third of the workers should be women. Thus, MGNREGA has become a powerful instrument for inclusive growth in rural India, through its impact on social protection, livelihood security and democratic governance. Water conservation, drought proofing (including plantation and afforestation), irrigation canals, minor irrigation, horticulture and land development on the land of SC/ST/BPL/IAY and land reform beneficiaries,
renovation of traditional water bodies, flood protection, land development, rural connectivity etc. are the prime areas to work under MGNREGA.

1.5 Research Questions

The study proposes to enquire upon the following questions:

- Has MGNREGA been successful in giving more employment in reaching out to the rural poor? Who are the MGNREGA beneficiaries? In what type of work have they engaged under this scheme?
- Has MGNREGA wages been higher than reservation wages?
- Is there any impact of this scheme on labour supply market? Has MGNREGA been successful in checking rural urban migration?
- What determines participation in MGNREGA?

1.6 Objectives

The following objectives have been formulated for the study :-

- To assess the effectiveness of the scheme in creation of employment and reaching out to the rural poor.
- To analyse the problems faced by the implementing agencies as well as beneficiaries and to identify the administrative drawbacks.
- To study the impact of MGNREGA on rural labour market and wage rate.
- To estimate the factors that determines MGNREGA participation.

1.7 Methodology

1.7.1 Study Area

The field study has been conducted in Barpeta District and a comparison is furnished with Marigaon District of Assam. Selection of the above two districts has been done by using secondary data from the official source of MGNREGA in 2013-
14. During 2013-14, highest number of job cards were issued (2.50 Lakhs) in Barpeta District. But, the total number of households (HH) that demanded employment (34.91 thousand) and that received employment (33.27 thousand) is lowest (13 percent only) in Barpeta district as compared to job cards issued. Due to poor infrastructure and poor irrigational facilities, cultivators are engaged in agricultural activities only during the monsoon session. Therefore, for most of the year the workforce are unemployed and poor. Similarly, Marigaon district was selected on the basis of highest number of households getting 100 days employment (5 thousand) in the same year. The district also generated highest number of employment for women (6.93 lakh mandays) and SC population (4.99 lakh man days). In some literature, such as (Panda et. al.2011; Hazarika 2009), the performance of Marigaon district is quite satisfactory. Moreover, in both the districts out of the total population more than 91 percent people live in rural areas as per 2011 census, which is much higher than the state average (86 percent). Again, both the districts are industrially backward because there is no industrial estate and industrial area in the two districts (Statistical Handbook, Assam 2011). To make a comparative study, a district of the same phase was intended to be selected, so that this would not have a negative impact on the result. Therefore, both Barpeta and Morigaon were selected from the second phase of MGNREGA implementation on 1st April, 2007, so that appropriate comparative can be carried out in the same duration of time. The study covers a period of ten years, from financial year 2006-07 to 2015-16.

1.7.2 Data Source

The study uses both primary and secondary data. The secondary data has been gathered from the various published and unpublished sources, official website of
MGNREGA, Ministry of Rural Development, Govt. of India, books, referred journals, periodicals, publications, various monitoring and evaluation reports of the Ministry of Panchayats and Rural Development (Govt. of India), Government of Assam Report, various operational guidelines and notifications of the Ministry (Govt. of India), report from different institutions like World Bank, National Institute of Rural Development (NIRD), State Institute of Rural Development (SIRD), Overseas Development Institute, Indian Institute of Entrepreneurship (IIE), IOSR Journal of Economics and Finance, Economic survey of India, Statistical Handbook of Assam, 2011, Census of India 2011 and from unofficial sources. On the other hand, the primary data has been collected by conducting sample surveys through a semi-structured schedule from beneficiaries and non beneficiaries of MGNREGA work.

1.7.3 Sampling Design

The field study has been conducted at four levels i.e. district, block, panchayat and village applying multistage sampling method. From each district two Development Blocks(DB) were selected purposively. One DB is selected on the basis of lowest cumulative number of households (HH) provided employment while the other DB is selected on the basis of dominance of minority and tribal people. Next, from each DB, two Gram Panchayats (GP) have been selected using the same criteria mentioned above. In the third stage, two villages from each GP have been selected in consultation with the president/secretary of the concerned Panchayat. Finally, a proportionate number of HH from each village have been selected. Selected villages from the two districts are shown below.

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5 Minority indicates Muslim community Tribal people indicates Schedule Caste/Schedule Tribes
1.7.4 Sample Size

In every Gram Panchayat proportionate number of beneficiaries from two different villages has been selected randomly from the list of job card holders/beneficiaries available with MGNREGA website. A total number of 320 households were surveyed for the study, out of which 130 households were from Barpeta district and 190 households from Marigaon district. Another 50 number of non-beneficiaries household were taken as controlled group from all the selected GP of two districts who are willing to work under MGNREGA, but unable to get job card.
1.8 Line of Analysis

The study uses both empirical and analytical methods. Data has been collected from both primary and secondary sources, though emphasis has been given on primary data collected from field study through the canvassing of two structured interview Schedule among job card holders and Panchayat officials. The field data has been cross examined with available official statistics. Moreover, focus group discussion has also been conducted to avail village level data. In this study, both qualitative and quantitative methods of research have been used. Various tabular as well as, graphical and basic statistical approaches to represent the data have also been used.

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<th>Objectives</th>
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<td>Primary and secondary data</td>
<td>Descriptive and through table and graph.</td>
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<td>2. To analyse the problems faced by the implementing agencies as well as beneficiaries and to identify the administrative drawbacks.</td>
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<td>3. To study the impact of MGNREGA on rural labour market and wage rate.</td>
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<td>4. To estimate the factors that determines MGNREGA participation</td>
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1.9 Variables Used

The main objective of the entire study is to examine whether the MGNREGA is successful in employment generation, and whether it provides for increased wages and improved quality of life among rural poor people. For this, the field study would endeavour to bring out the impact of the scheme on various important attributes which contribute to the enhancement of quality of life such as

(i) Land holding pattern of the beneficiaries of this scheme
(ii) Details of livestock creation prior to and after utilization of the scheme
(iii) Status of household assets gathered before and after the scheme in vogue
(iv) Acquisition of movable and immovable assets by the beneficiaries during the year of implementation of the scheme
(v) House type
(vi) Beneficiaries of the scheme having electricity connection

1.10 Limitations of the Study

➢ The study is limited to two districts only out of 27 districts of Assam\(^6\). Therefore, the conclusions based on the findings may not present the full story.

➢ MGNREGA works are planned and implemented during the lean agricultural season where it continues mostly between November and March. Due to the rigidity of time for field work, it is not possible to visit many worksites where works are ongoing.

\(^6\) Although the number of district now increased in Assam from 27 to 32, total districts in Assam shown in MGNREGA is still 27 only.
Due to shortage of time household data collection is limited to only 370, which may not give clear picture about the whole area of study.

1.11. Layout of the Thesis:

The study is an exploratory one based on both primary and secondary data. The thesis is divided into six chapters with different contents.

Chapter I: - Introduction

In this chapter, there will be a brief discussion about economic growth, poverty and unemployment problem in the economy of the world as a whole and Assam in particular. It also includes the background of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and its implementation in India. The objective of the study, research quarries, and research methodology, limitation of the study and tools and techniques of analysis will also be included.

Chapter II: - Literature review

This chapter provides a review of the different studies which are related to the study. The review has been done in regional level, state level and national level.

Chapter III: Overview of MGNREGA in Assam in General and Districts in Particular

This chapter gives a broad overview about the implementation of MGNREGA in the country and state along with the districts of Assam. It gives the overall scenario of the Act with table and graph.

Chapter IV: Methodology

This chapter provides a detailed description of the theoretical framework adopted for the study. It gives idea about the study area, data source, sampling design and survey area of the study.
**Chapter V: Results and Discussions**

The result followed by discussion based on both primary and secondary data has been placed in this chapter.

**Chapter VI: Findings, Summary and Conclusion**

This chapter sums up all major findings and conclusion of the whole study.