

Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) in India: A Survey Article**Dr. Neera Verma & Sarina Saharan*****Prof. in Economics, Dept. of Economics, K.U.K.******Research Scholar, Dept. of Economics, K.U.K.****Abstract**

MNREGA has brought about a paradigm shift both in design and the approach towards employment generation. The primary objective of the program is employment generation and the secondary objective is to create the durable assets at rural areas. It differs in its approach that it is right based scheme. This paper is an attempt to review the literature related to conceptualization, implementation and impact of MNREGA in various parts of India highlighting the success stories as well as the problems under the scheme. Some of the studies highlight the inter-state variation due to different approach of authority towards implementation process. These studies suggest changes in the structure to make the scheme effective.

Keywords: Assets, Employment, MNREGA.

SECTION-1**INTRODUCTION****MNREGA: A STEP TOWARDS RIGHT TO WORK**

The experience with employment generation programs adopted in India from time to time underlined the need to redesign the strategy of wage employment programs to address the varied limitations. In this context, the Central Govt. launched NREGA- a job guarantee scheme enacted by legislation on Aug.25, 2005. It aims to provide a legal guarantee for at least 100 days employment to unskilled labour family in the rural areas in a financial year. It was renamed as MNREGA (Mahatma Gandhi Rural Employment Guarantee Act) on 2nd Oct. 2009. The Act has brought about a paradigm shift both in design and the approach towards employment generation. The primary objective of the program is employment generation and the secondary objective is to create durable assets in rural areas. It differs in its approach as it is a right based scheme.

PROVISION UNDER MNREGA

MNREGA provides a time bound guarantee of 100 days of employment to each household that demands unskilled manual work in a financial year.

- The adult members of a rural household, willing to do unskilled manual work, are required to register themselves by writing or orally requesting the local Gram Panchayat.
- The job card should be issued within 15 days of application.

- Work should be provided within 5 km radius of the village within 15 days of application for work. In case, work is provided beyond 5 km, additional wages of 10% of the minimum wage are payable to the beneficiaries.
- Wages are to be paid according to the Minimum Wages Act 1948. There is a provision of same wage rate to male and female candidates. At least one third of the total beneficiaries should be women.
- If Gram Panchayat cannot provide employment, then daily unemployment allowance at the rate of one third of the minimum wages has to be paid.
- Provision of facilities at work sites such as pure water, shades, first aids and crèches etc.
- The works that can be done under MNREGA include water and soil conservation, afforestation, land development works, rural connectivity, flood control and protection such as construction and repair of embankment, digging of percolation tanks and small irrigation projects.
- A 60:40 wage and material ratio has to be maintained. No contractors and machinery is allowed.
- The Central Govt. bears the 100% wage cost of unskilled manual labour. But the liability of payment of unemployment allowance is of the states.
- All the accounts and records relating to the scheme should be available for public scrutiny

The experience of MNREGA reveals that it has slowed down inter- state migration, improved wages and additional employment opportunities are being created. For example, in 2010-11, the scheme generated 250 crore days employment to 5.5 crore households (MNREGA Sameeksha 2012-13). It includes 51% of beneficiaries from SCs and STs Population and 41% of them are women. But critics point out that this Act has high cost burden – it is estimated that it costs 5 percent of the GDP. Further, the corruption at the local government has been rampant and this lead to exclusion of target group under this act. Further, the productivity of labourer under MNREGA is very low and therefore creation of durable assets still remains a distant dream.

SECTION-2

OBJECTIVES OF THE STUDY

The main objective of the paper is to carry out the review of the studies related to working of MGNREGS in India in order to:

- Understand the role of public work programs in general MNREGS and in particular to tackle the problem of unemployment in India.
- Highlight the inter-state variations, if any, in the impact of MNREGS on the beneficiaries.
- Identify various reasons responsible for inter-state variations.

SECTION-3

3.1 Nature of unemployment in India

As we all know, even today India remains a country of villages. More than 70 percent of the total population lives in rural areas and 64 percent of population is employed in agriculture and allied activities. Indian agriculture is characterized by the existence of seasonal unemployment and disguised unemployment. If this labour is provided work in other sectors, there will be no adverse effect in terms of total agriculture production but gain in production in other sectors. Danatwala (1990) analyzed that the capacity of agriculture to absorb additional labour force is limited and declining. The study finds that the growth rate of employment in agriculture which was 2.32 percent per annum during 1972-78 declined to 1.20 percent per annum during 1983-88. Lewis (1957) suggested transfer of the surplus labour from agriculture to industrial sector to utilize human resources for economic growth. But, in India, there is a limit to this transfer because industrial sector cannot absorb all the unskilled low productive labour force. More use of capital and machinery has replaced the use of labour especially unskilled. Arthur Okun (...) attempted to establish a relationship between unemployment and output lost. He concluded that a 1 percent increase in the rate of unemployment results in an annual 2.5 percent loss in the rate of growth of real GDP.

Table-1: Unemployment in India

Year	Unemployment Rates in various NSSO Rounds (CDS Basis)
1972-73	8.35
1977-78	8.18
1983	9.22
1993-94	6.06
1999-2000	7.31
2004-05	8.28
2009-10	6.53

Unemployment is not only an economic problem but also a social problem. Individuals suffer on account of unemployment in the form of loss of income earning capacity, low level of standard of living, falling morale and self-respect and social exclusion etc. From the point of view of the society, unemployment causes loss of output, unutilized human resource and poor socio-economic condition. Taking into account the cost of unemployment to the society, an important objective of development planning in India, has been to provide increasing employment opportunities to the unemployed as well as new additions to the labour force. It is evident that economy is facing a problem in generating enough employment to keep pace with the growth in labour force and also in raising productivity and wages. Though, the growth rate of population has decelerated to 1.92 percent per annum over the period 2006-07 to 2011-12 from 2.01 percent per annum over the period 1993-94 to 2004-05. But, the absolute addition to population is very large. India being the second most populated country in the world, employment generation is one of the most formidable challenges. Further, the future challenge is not only to create more jobs to keep pace with increasing labour force but also to increase the productivity in all jobs in order to reap meaningful demographic dividend.

3.2 Strategy against Unemployment

Economic growth of 7.8 percent per annum has been achieved in the tenth five year plan yet the unemployment rate has been increased from 7.3 percent in 1999-00 to 8.2 percent to 2004-05. Increasing labour force is a serious problem to utilize the capacity of the human resource especially regarding the demographic dividend in India.

Table-2: Real GDP Growth Rate and Unemployment Rate

year	Real GDP Growth rates (Factor Cost)	Unemployment rates
1999-2000	8.00	-
2000-01	4.15	-
2001-02	5.39	8.87
2002-03	3.88	9.12
2003-04	7.97	9.13
2004-05	7.05	8.22
2005-06	9.48	-
2006-07	9.57	-
2007-08	9.32	-
2008-09	6.72	-
2009-10	8.59	6.53
2010-11	8.91	-
2011-12	6.69	-
2012-13(RE)	4.47	-
2013-14(Adv E)	4.74	-

The planners were aware of the fact that even realization of a high rate of industrial growth could not absorb more than a fraction of unemployed labour force. Danatwala (1979) argued that employment strategy for reducing employment depends on high economic growth, labour intensive production function and regulation of technological change. The modern growth process is capital intensive and productivity is high as compared to labour intensive productive pattern. More use of machinery has reduced demand for labour. Another study by Krishna (1973) showed that the growth of employment depends on rate of investment and profit. Therefore, the strategy of special employment programs aimed at providing self-employment and wage employment to the poor section of the society. Ghose (2004) noted that agriculture sector was the biggest employer providing 59 percent of the total employment in the economy. Less than 8 percent were employed in organized sector and 50 percent of the employed worked as self employed including unpaid family workers. He focused on special employment programs to reduce the level of under employment

J. M. Keynes suggested a strategy of digging the hole and filling them to provide the employment by the govt. This will help to increase aggregate demand (AD). The government in India follows the Keynesian spirit of solution by attempts to generate employment opportunities through public works programs.

Table-3: Various Employment Programmes in India-at a Glance

Sr. No.	Programme	Year	objective
1	Community Development Programme (CDS)	1952	All round development of rural areas with people's participation
2	Employment Guarantee Scheme of Maharashtra	1972-73	To provide economic assistance to the poor in rural areas
3	Crash Scheme for Rural Employment (CSRE)	1972-73	To generate rural employment
4	Food for Work Programme	1977-78	Providing foodgrains to labour for the public works of development
5	National Rural Employment Programme (NREP)	1980	To generate employment opportunity for the rural poor
6	Rural Landless Employment Guarantee Programme (RLEGP)	1983	To provide employment to landless farmers and labourers
7	Jawahar Rozgar Yojana	1989	To provide employment to rural unemployed
8	Employment Assurance Scheme(EAS)	1993	To provide employment of at least 100 days in a year in rural areas
9	Swarna Jayanti Gram Swarozgar Yojana(SJGSY)	1999	To reduce rural poverty and unemployment through providing self-employment
10	Pradhan Mantri Gramodaya Yojana	2000	To provide basic requirement in rural areas through public works
11	Pradhan Mantri Gram Sadak Yojana(PMGSY)	2000	To connect all villages with pacca road
12	National Rural Employment Guarantee Act (NREGA)	2006	To provide a guarantee of at least 100 days employment in a financial year in rural areas

In 1952, govt. launched community development programme for overall development of rural areas with people's participation. With a straight intervention in 1972-73, Employment Guarantee Scheme of Maharashtra was launched to assist the economically weaker sections of the rural India. all the public programs introduced by the govt. can be classified in three categories as wage employment programs, self-employment programs and food for work programs.as a result of these policy measures, nearly 80 percent of all new govt. jobs were created in rural areas in the form of development schemes and increased expenditure in rural infrastructure. No doubt, these public work programs have benefitted the poor workers through increasing their income. Yet, these programs have been criticized on the ground of ignoring the objective of creation of productive assets and becoming economic burden to the govt. Bagchee (1984) has examined Employment Guarantee Scheme (EGS) in Maharashtra which came into existence in 1973-74. He found that the objective of assets creation was neglected under the Scheme.

SECTION-4

REVIEW LITERATURE AND DISCUSSION**4.1 MGNREGS: Success stories**

As noted in the previous section, India has a long history of employment generation programs since 1970s. The experience of employment generation programs adopted over time indicated the need to redesign the strategy of wage employment programs to address the shortcomings of earlier programs. Accepting the need of right to work, MGNREGS, it also focuses on the issue of sustainability through asset creation in rural India. It has completed nine years of journey with a mixture of good and bad experiences. We first take up the studies related to success of MGNREGS in Kerala, Orissa, Tamilnadu, Northern states- Rajasthan, Madhyapradesh, and Uttar Pradesh etc.

Centre for Sciences and Environment (2008) examined the short term and long term impacts of the program to provide food and livelihood security in two districts: Nuapada district in Orissa and Sindhi district in Madhya Pradesh. The study was based on both primary as well as secondary data. For the primary data collection, two blocks were selected from each district and four villages were randomly chosen from each block. The sample size of 480 households were chosen and contacted to assess the impact of the program on their livelihood. It was found that Sindhi has realized the potential of the NREGA to generate employment opportunity and traditional ecological balance through creation of productive assets. The active Gram Panchayat played an important role for the success of the program. On the other hand, Nuapada has been failed to reap much benefits and treated it like all other employment programs. The report suggested that the effectiveness of NREGA must be evaluated on the basis of three parameters: increase in average annual income of households, increase in productivity of small and marginal land holding and contribution in creating productive assets.

Institute of Applied Manpower Research investigated the impact of NREGA on the overall quality of life of workers including major aspects such as impact on income level of household, expenditure on food and non-food items and asset creation under the program. The study was conducted in 20 districts all over the country for the period 2006-07. Two blocks were selected from each district and three Gram Panchayats were identified from each block for field survey. Total numbers of 6000 beneficiaries were contacted to assess the impact of NREGA. It was found that there was a positive shift in the expenditure pattern for food and non-food items. It has enhanced the income earning capacity of beneficiaries to purchase moveable assets as sheep, goats, cow etc.

Jacob N. (2008) examined the impact of NREGA on rural-urban migration in Villupuram district in Tamilnadu by using both primary as well as secondary data. The primary data was collected from fifty households each of Kalrayan hills and Neelamangalam Panchayat in Kallakurchi block. In Kalrayan Hills, NREGA has led to decrease in migration of female workers for work. But, the male workers told that they would continue to migrate due to the difference in wages earned under NREGA and wages earned in other works. The minimum wage was 80 rupees per day in NREGA while they could earn 200 to 300 rupees per day outside the village. The respondents complained about the low minimum wages in NREGA works. In Neelamgram Panchayat, it was found that after the implementation of the scheme, income of the beneficiaries has increased from around 9000 rupees to twelve to thirteen thousand rupees a year. The overall migration had decreased in the study area.

Dreze J. Khera R. (2008) conducted a study in six states of north India i.e. Rajasthan, Bihar, Uttar Pradesh, Madhya Pradesh, Jharkhand and Chhattisgarh in May-June 2008. The field data was collected

from 1000 workers employed on 100 worksites. It was found that targeting was good as 81% of the sample workers lived in kachha house, 61% were illiterate and 73% of them belonged to SCs and STs. But, only 13% of the respondents had completed 100 days of work under the program. Also, there was a wide spread inter-state variation regarding performance of MNREGA. Rajasthan and Pati block of Patna district showed the success of this program providing employment opportunities to the poor. In Rajasthan, there were muster rolls at the worksites and regular maintenance of job cards, active vigilance committees, social audits led to the transparency in the implementation process. These are weapons against corruption to implement the program in right direction. The findings are significant in view of the larger area of coverage and sample size.

Nair K.N. Sreedharan T.P. Kumar A. (2009) has attempted to study the impact of NREGP in three Gram Panchayats (GP) of Kasaragood district in Kerala. The study is based on primary as well as secondary data. The secondary data has been collected from NREGA section, Gram Panchayats(GP), Block Panchayats, Department of Economics and Statistics and official website of NREGA. The primary data has been collected by conducting interview of registered persons under NREGP, registered but not worked under the scheme and unregistered persons. From each GP, two wards were selected on the basis of expenditure criterion- one with the highest expenditure and the other with the lowest expenditure. The study found that this scheme has succeeded in raising the level of employment, income of the rural household and purchasing power of beneficiaries. It was observed that the success of scheme depended on the proper implementation and micro level planning by advisory council and the vigilance and monitoring committee. In the study area, there was lack of staff at micro level to implement the scheme. There was a need to prepare a work calendar and work days to be generated in agriculture in the lean season. It was also noted that NREGA has caused shortage of labour for agriculture in peak season and affected production in fields.

Khera R. Nayak N. (2009) have gauged the impact of NREGA on the socio-economic condition of women participants through their access to local employment at equal minimum wage rate with relatively safe work conditions. A field survey was conducted in six northern states-Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan and Uttar Pradesh in 2008. In total, ten sample districts were selected from these six states and 98 worksites were visited randomly including interviews of 1060 workers (including 32 percent women workers). State level variation in female participation in the program was observed. Rajasthan and MP showed high participation ratio of women with 71 percent and 44 percent respectively while in other states, the women participation ratio was lower than 33 percent. The program was considered `very important` by 68 percent of the respondents for providing income earning opportunity to women, which were hardly available before it. More than fifty percent of the sample workers stated that NREGA had helped them to avoid hunger and migration. 79 percent of the women workers has collected their wages from bank themselves and decided to spend their money. Widows were found to be more confident due to work availability at village level.

Roy D et al (2009) have explored the relationship between good governance and employment generation through NREGA by conducting a case study of 120 Gram Panchayats of West Medinipur district of West Bengal. The study is based on primary as well as secondary data collected for the year 2007-08. The five parameters namely participation, transparency, effectiveness and efficiency, accountability and equity were considered as components of good governance. A linear regression model was framed by identifying average person days generated per household as a dependent variable and five components of good governance as independent variables. It was found that there was a positive relationship between employment generation and good governance. The regression results for accountability, effectiveness and efficiency and equity were statistically significant. The study concluded

that improving the governance through Gram Panchayats can enhance the performance of NREGS by reducing poverty level.

Roy S. (2010) has carried out a study in Tripura to evaluate the performance of NREGS based on both primary as well as secondary data. The primary data is collected from 100 beneficiaries of the scheme and 42 respondents involved in the implementation process including Panchayat Secretary, Gram Rojgar Sevaks, Gram Panchayat members. The study highlighted that performance of NREGS was satisfactory with regard to employment generation, women participation and created community assets, especially rural infrastructure in the form of roads, land development and water conservation. The impact of NREGS on rural population was multi-dimensional. It has increased income level, lessened incidence of poverty, provided food and health security, provided access to productive assets and led to women empowerment. It was observed that the Panchayat Raj Institutions were efficient and effective for the implementation of scheme. There was proper mechanism for work measurement and social audits and the work plan was formulated through the Gram Sabha.

Dheeraja C. et al (2010) have analyzed the impact of MGNREGS on gender relations and women empowerment in Sikkim. This study was conducted in two districts namely west Sikkim and East Sikkim in 2008-09. The sample size of 240 respondents was chosen to find the impact of this scheme on economic, social and political gender relations. Likert scale (three point scale) was employed and it was found that the gender relation index score has gone up from 37 percent to 56 percent after inception of MNREGS. The scheme has positively and significantly contributed to improvements in gender relations including economic, social and political aspects.

Jahan R. (2010) has explored the impact of Hundred Days Employment Program (HDEP) on the socio-economic conditions of the extreme poor people in Bangladesh. The Government of Bangladesh launched the HDEP to provide a financial support to the the poor severely affected by inflation in 2008. The study has been conducted in two unions named Mouchak and Haldia. Mouchak was an industrial area near to Dhaka. On the other hand, Haldia region was prone to natural calamities like flood, river erosion etc. the analysis was based on the primary as well as secondary. The primary data was collected through questionnaire from fifty six beneficiaries of the two unions and ten officials of the program. The `Top-Down Approach` of policy implementation has been used to analyze the policy implementation process. The field survey found that there was a significant positive effect on the quality and quantity of food accessibility to the beneficiaries. The targeting under the program was effective through the access of poorest of the country.

Dasgupta S. Sudarshan R.M. (2011) in their study have focused on women`s participation in the NREGP and analyzed its impact on women`s access to work and wages for women workers in rural areas. The study was based on secondary data obtained from the National Sample Survey Organization survey for 2004- 05 and state level data from official website of NREGA. The study found a positive correlation between state wise women`s participation in NREGP and overall women`s participation in rural areas. Further, it highlighted that women`s participation was negatively related with gender wage differences prevailing for the unskilled agricultural labour. The provision of equal and minimum wages has thus motivated that women worker to work in NREGP. It has caused to increase in wages in private sector for women.

Palanichamy A.P. (2011) has examined the role of MNREGP in providing employment opportunities to the rural poor of Thiruvannmlai district in Tamilnadu. The study like most of the studies is based on both primary and secondary data. Two villages were purposely selected from the study area and sample of 100 beneficiaries was randomly chosen. The hypotheses were tested whether there was

any significant impact of MNREGP on socio- economic conditions, income level and employment availability to the beneficiaries in the study area. The techniques of correlation analysis, Chi- square and Likelihood ratio were used to interpret the results of the study. It was found that annual income of the respondents after joining the work under the program has increased in the sample villages. There were significant changes in income level before and after implementing MNREGP with a positive correlation between monthly expenditure and annual income. The author suggested that there was a need to address specific infrastructure activities under the program to shift from short term job provider activities to long term sustainable livelihood enhancement initiatives.

Chandrasekhar C.P. et al (2011) conclude that MNREGA has positively affected women workers in rural labour market by causing real wages to rise in agriculture sector. The data of 64th round of NSSO was used to compute changes in wages for male and female workers from 1993-94 and 2007-08. Real wages for both male and female have increased over time, but more rapidly for the female workers. Further, the days of employment for rural women workers under MNREGA has increased around 4.4 times during 2004-05 to 2007-08. The chief reason of this program attracting women workers is that there is no gender gap in wages paid. The average wages received in MNREGA were significantly higher than casual wages paid in open market in other kind of works.

Azam M. (2012) has assessed impact of NREGA on public work labour- force participation and real wages of casual workers using difference-in-difference (DID) analysis. This analysis is based on individual level data of the National Sample Survey Organization (NSSO) and Government of India for 1999-00, 20004-05 and 2009-10. The study classified districts as treatment districts where NREGA was implemented in Phase-I and Phase-II and control districts where it was implemented in Phase-III. It was found that NREGA has a positive impact on labour-force participation (especially that of female workers) and wages of workers. The results showed that real wages of female casual workers are 8 percent more in NREGA districts as compared to non-NREGA districts.

Berg E. et al (2012) have examined the impact of NREGS on agricultural wages. The analysis is based on the monthly wage data for the period 2000-2011 for 250 districts across 19 Indian states. Real wages have been computed by deflating monthly with consumer price indices for rural labour. It was concluded that NREGS has caused the real daily agricultural wage rates to increase by 5.3 percent. There was no significant difference in the wage impact of NREG on wages for male and female workers. The validity of the results was confirmed by using Placebo tests.

Das D. (2012) has explored the impact of MGNREGS on women empowerment in Assam by using secondary data. The study finds that this program has positively affected the employment pattern for women both at individual and community level. It has enhanced women's capacity to earn and contribute in family income. At community level, women participation in Gram Sabha, public meetings etc. have increased.

4.2MNREGS: Grim Picture and Areas of Concern

One of the grounds on which MGNREGS is criticized because this Act has high cost burden – it is estimated that it costs app. 5 percent of the GDP. Further, the local government corruption can lead to exclusion of target group under this act. The productivity of labour under MNREGA is perceived to be very low and therefore creation of durable assets may still remain a distant dream. In this sub section, we survey some studies related to the problem of ineffective Gram Panchayats, corruption under the system, poor quality of assets created, delay in wage payments, fake entries in the muster rolls etc. in connection with MNREGS.

Datar (2007) has attempted to identify the causes of failure of NREGS in Maharashtra. The field survey was carried out in two districts namely Chandrapur and Nandurbar during 2005-07. It was observed that political as well as bureaucratic will was absent in implementing the scheme. Information sharing appeared to be the major problem so that even the implementing staff did not know how to execute the scheme. In Chandrapur district, out of twenty villages only thirteen villages had some ongoing construction work. There were complaints from the beneficiaries about irregular and delayed wage payments. The poor had become weary of the scheme and seasonal migration had increased.

Dreze J. (2007) pointed out the existence of contractor system in the implementation of works under NREGA. A survey was conducted in Oct. 2007 in 30 Gram Panchayats of three districts named Bolargir, Boudh and Kalahande of Orissa. For the field observation, one work site was selected randomly from each panchayat to verify the muster rolls. It was found that contractors were involved in the form of village labour leaders or in other forms on 15 NREGA work sites. It was observed that it had become a routine practice to adjust the muster roll entries. The job cards did not have any column for wages paid to the individual. The use of code language in job cards had made it unreadable and complex to understand. The study suggested that transparency in the implementation process is the best way against the traditional system of corruption.

Dey S. (2009) investigated the performance of the NREGS in terms of three aspects viz. targeting under the program, efficiency of Panchayat Raj Institutions and economic impact of the program on households. The study was based on primary data collected from 2249 beneficiaries of 500 households during 2006-09. The results of regression model showed that program was well targeted in the study area. However, there was no significant impact on the economic status of the households. A statistically significant relation between work under NREGS and reduction in the stress of being unemployed was established in the study. NREGS also offer better working condition and has a potential to improve economic and social condition of beneficiaries. But the PRIs were inefficient and were not implementing the program effectively.

Jha R. Bhattacharya S. Gaiha R. Shakhar S. (2009) has examined the extent of capturing of National Rural Employment Program in Andhra Pradesh and Rajasthan by the non-poor. The states were selected as Andhra Pradesh (AP) has a high growth and a high poverty elasticity and Rajasthan has a low growth and low poverty elasticity. The analysis was based on data collected from three villages of Udaipur district in Rajasthan and Chittor district in Andhra Pradesh. A total 942 households were interviewed in 2007- 340 households from Rajasthan and 602 households from Andhra Pradesh. The aggregate analysis of both the districts showed that size of landholding was a negative predictor of participation in NREGP. But at disaggregate level; in Andhra Pradesh it was found that there was a positive relation between landholding and participation in NREGP. This indicates that the program had been captured by the non-poor in Andhra Pradesh. The main factors responsible for this capture were the geographical remoteness of the villages and relatively greater political interference in NREGP at village level in Andhra Pradesh.

Sanyal S. N. (2011) has investigated the implementation of MGNREGA in Bihar from three perspectives-the total person days of employment generated, women participation and the ratio of job cards issued with actual participation of beneficiaries under the program. The study was based on primary data collected from six Gram Panchayats of Muzaffarpur and Gaya district in Bihar. The analysis highlighted that the performance of NREGA was influenced by socio-economic conditions and socio-political relations at village level. The program was not performing well in providing employment opportunities to the target group. The village level power relations influenced the implementation process and hindered the functioning of Panchayats Raj Institutions (PRIs) which resulted in poor

performance of the program. The study, therefore, suggested that the program should be designed keeping into view the existing complex social structure to reduce poverty.

Shome S et al (2012) have attempted to assess the effectiveness in implementation of NREGA and its impact on quality of life in the Anekal taluk of Bangalore district in Karnataka. The study is based on primary data collected from a sample of two hundred respondents randomly selected from four Gram Panchayats in the taluk. To measure the quality of life, an index was prepared using four parameters as income level, housing condition, education level and health condition. The rating for these parameters was taken on a five point Likert scale. The results of regression model showed that the NREGA has a significant positive impact on both quality of life of the beneficiaries and village level infrastructure development. The infrastructure at the village level has been improved due to the NREGA work including drought proofing, land development activities, rural connectivity, renovation of water bodies and irrigation facilities.

4.3 CAUSES OF INTER-STATE VARIATIONS:

It has been observed in many studies related to inter-state analysis that the role of MGNREGS is not uniform all over India. This sub-section is devoted to some major attempts in this direction:

Visaria et al. (1973) analyzed the role of public works programs for providing additional employment to unskilled labour force. The experience of employment generation programs provided useful insights into the problem of better utilization of rural unskilled labour. There were regional variation of wage rates and locations of worksites were far away from the residential place of the labour. It concluded that the organizational capacities for formulating and implementing these programs should be strengthened. It identified that the location of worksites and wage rates offered for work would be significant factors to generate employment opportunities effectively.

Dantwala (1979) has argued that employment strategy depends upon the high rate of economic growth, policy measures to make labour-intensive pattern of production and to regulate the technological changes. The root cause of the low level of employment during the period of 1973-78 was inadequate resources and lack of skills formation.

Bagchee (1984) has examined the provisions of Employment Guarantee Scheme (EGS) in Maharashtra which came into existence in 1973. The study analyzed the major two objectives of employment generation and assets formation. It was found that the objective of assets creation has been neglected under the Scheme. The author suggested that there was need of suitable monitoring and evaluation policy for the implementation of the scheme to achieve its objectives.

Gaiha (2005) has attempted to analyze the role of the Employment Guarantee Scheme (EGS) on the basis of evidence collected from the planning Department of Government of Maharashtra and field survey conducted in two villages of Ahmednagar district in 1999-2000. The effect of EGS on wages and labour participate on has been analyzed by using panel data technique and Granger-Sim Causality test. This study highlighted the need of higher funds outlay for backward regions under EGS.

Murgai R. et al (2005) compared the cost of implementation of an employment generation scheme with untargeted transfer scheme. This analysis was based on employment-unemployment schedule of National Sample Survey (NSS) for 1999-00. The estimates have been based on econometrics model of wage determination, casual labour-market participation and poverty line defined by Planning Commission. The rural sample includes about 61000 households from fifteen major states. For an

employment guarantee scheme providing 100 days of work in the lean season at wage rate 40 rupees was sufficient for the average rural families to cross the poverty line. The poverty rate fell from 34% to 31%. It cost to 1.7% of GDP at rupees 40 wage rate. The guaranteed minimum wage scheme has been compared with a hypothetical family allowance scheme named a budget neutral transfer to rural areas. It was found that the untargeted policy would have a greater impact on poverty with same fiscal outlay.

SECTION-5

SUGGESTIONS:

Vijay Shankar P.S. et al (2006) has argued that the schedule of rates (SROs) for NREGA was anti-labour and encourages use of machinery. The SORs assumed that the average productivity of workers would be uniform throughout the state. It did not address the variation in geographical region, climate and variation with in workforce. Due to these variations, workers would not be able to earn the minimum wage for work done during a day. Time taken for the task was not considered to pay wages under the program. The study suggested that there was need to modify the SORs to take care of different geographical and climate conditions across and within district. A working group including Gram Panchayats, Zilla Panchayat, NGOs, Govt. officials etc. should be set up to deal with the SORs.

Yesudian C.A.K. (2007) in this review article has analyzed the functioning of poverty alleviation programs to reducing poverty from economic and social perspectives in India. These programs have been classified as wage employment programs, self-employment programs, food safety and social security program and urban poverty alleviation programs. The parameters used for analysis were utilization of allocated funds, change in poverty level, person days of employment generated and number of beneficiaries. The paper highlighted the economic and social impact of these programs. It was reviewed that too much of the Govt. official involvement led to poor targeting, corruption, high administrative cost. It is suggested that the involvement of local communities is key to the success of poverty alleviation programs. These programs should be implemented by strengthening the Panchayat Raj Institutions. The author presented that economic upliftment alone could not alleviate poverty but it must lead to social upliftment through access to employment, empowerment and independence.

Menon S. V. has attempted to explain the significance of Right to Information (RTI) in improving transparency and accountability to check corruption and leakage of public finding in NREGA in an effective manner in Rajasthan. The study was based on primary as well as secondary data for the period 2006-07. The field experience of Dungarpur, Jalore and Udaipur districts in Rajasthan found NREGA was successful to generate employment opportunity, rural assets creation, micro watershed development, checking urban migration etc. it was found that NREGA had led to substantial rise in daily income and standard of living of beneficiaries. At least one member from fifty percent of the household was employed in this program. The households had played an active role through Gram Sabha and all works were planned by them. The work selection process focused on deepening of canals, water harvesting system, plantation of trees. This resulted in preventing soil erosion and led to water conservation. The use of RTI act has created the culture of transparency and accountability, for instance higher level of awareness among the workers and muster rolls were available on all work sites. The challenges associated with the implementation of NREGA can be effectively tackled with a vigilant civil society to monitor the program.

Ambasta P. (2008) has highlighted the potential of NREGP as a revolution in rural governance if its implementation is backed by political will. The field experience in Gujarat, Madhya Pradesh, Chhattisgarh and Orissa indicates the problem of corruption, inefficiency and non-accountability in the

structure of NREGP. The study suggested that work under NREGP must focus on enhancing agriculture productivity in the most backward regions. The system of continuous monitoring and evaluation at every stage of the program should be maintained to ensure the quality and use of information technology. It would infuse transparency, accountability and performance in the process of sanction of works, release of funds and wage payments.

Bassi N. Kumar D. (2010) have argued that works under NREGA related to water management are undertaken without consideration of physical and socio-economic realities. This has led to negative impact on the productive potential of the program. Three broad and distinct regional typologies have been identified in this study (naturally and physically water abundant region, naturally water abundant but physically water scarce region and naturally and physically scarce regions) to implement water management activities for different regions all over the country. The study proposed that flood control and protection related works would be highly effective in naturally and physically water abundant region, works related to water harvesting and irrigation facilities on the land holding by weak classes can be carried out in naturally water abundant but physically water scarce region of Northern and North-Eastern region of India. On the other hand, in the physically and naturally water scarce region of western, North-Western Central and Penesulae India, works of renovation of traditional water bodies and on-farm water management activities will be important and effective. Proper planning and implementation of water management works under NREGA for each typology has the potential to enhance the livelihood of rural communities.

Srivastava N. Srivastva R. (2010) have analyzed the work participation of women in rural areas and examined the trends and nature of employment for women. The analysis was based on the data published by National Sample Survey Organization (NSSO), National Family Health Surveys (NFHS), Agriculture census and national income data. Logistic Regression analysis was used to analyze the determinants of participation of women in rural areas. The women participation in employment has grown over the decades but they are largely self-employed or employed as casual labourer in agriculture. Women face various form of discrimination such as low wages in works. The determinants of women work participation are possession of land, education and demographic variables as age, marital status, number of children etc. Education is the most important determinant of better quality non- agriculture work.

SECTION-6

CONCLUSION

The MNREGA act addressed many of the weakness of the earlier programmes through introduction of a right-based framework, a legal guarantee of work, time bound action work within 15 days of demand for work, disincentive for non- performance as unemployment allowance to be paid if work is not provided and accountability of public delivery system through social audits. In this scenario, the act is an important step towards realization of the right to work. It is also expected to enhance people's livelihood on a sustained basis by developing social and economic infrastructure. Despite the practical problems, the MNREGA proved by and large, effective in providing gainful employment to the poor who depended on it for their livelihood.

This review study explores that MNREGA is popular among the workers as a 100 days employment program. It ensures minimum and equal wages for the male and female without any discrimination and provides work in their own villages. It has enhanced rural infrastructure in terms of ponds, streets,

renovation of traditional water bodies and development of common waste land. But, the economic returns are not immediate as any skill formation, low productivity and less assets creation.

PRIs active participation and will to implement the scheme: Mahatma Gandhi emphasized on decentralization of the political power by assigning the major role to the Panchayat Raj Institutions (PRIs). MNREGS has been implemented with the same philosophy. The success of the program depends on the active participation of Gram Panchayats. This review study supports that there was different experience in the reviewed study depending on the willingness of implementation authority and sarpanchs. Those GPs were active to start the program, it has benefitted positively in terms of availability of employment opportunities

REFERENCE

- Ambasta P.(2008). `Two Years of NREGA: The Road Ahead`, Economic Political Weekly, pp.41-50.
- Azam M.(2012).`The Impact of Indian Job Guarantee Scheme on Labor Market Outcomes: Evidence from a National Experiment`, Discussion paper No. 6548,IZA(Institute for the Study of Labor) and World Bank.
- Berg, E., S. Bhattacharyya, R. Durg, and M. Ramachandra,(2012) `Can Rural Public Works Affect Agriculture Wages: Evidence from India`, WPS/2012–5, Oxford: Centre for the Study of African Economies Working Papers.
- Bagchee, S.(1984)`Employment Guarantee Scheme in Maharashtra`, Economic and Political Weekly, Vol.19, No.25, pp. 1633-1638.
- Centre for Science and Environment (CSE),(2008) `An Assessment of the Performance of the National Rural Employment Guarantee Programme in Terms of its Potential for Creation of Natural Wealth in India's Villages`, Report submitted to the Ministry of Rural Development/UNDP, New: Delhi: CSE.
- Chandersekhar C.P. and Ghosh J. (2011). `Public Works and Wages in Rural India` Macroscan an Alternative Economics Web Centre, Jan. 2011, pp 1-6. (www.macroscan.org).
- Das D. (2012). `Examining India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): Its Impact and Women's Participation`, International Journal of Research in Management, Issue 2, Vol. 6 (Nov. 2012) ISSN 2249-5908.
- Dasgupta S. and Sudarshan R.M. (2011).`Issues in Labour Market Inequality and Women's Participation in India's National Rural Employment Guarantee Programme`, Working paper No. 98, International Labour Organisation, Geneva.
- Dantwala, M.L.(1979). `Rural Employment : Facts and Issues`, Economic and Political Weekly, Vol. 14, No. 25. Pp. 1633-1638.
- Datar C. (2007). `Fail ure of National Rural Employment Guarantee Scheme in Maharashtra`, Economic Political Weekly, pp. 3454-3457.

Dey S.(2009).`Evaluating India`s National Rural Employment Guarantee Scheme:the Case of Birbhum District, West Bengal`, International Institute of Social Studies.

Dheeraja C.(2010). `Changing Gender Relations Through MGNREGS`, Sikkim State Report, National Institute of Rural Development.

Dreze J. (2007). NREGA: Dismantling the contractor raj *The Hindu*, 20th November. Economic survey 2010-11.

Dreze, (2007)`Employment Guarantee and the Right to Work`, in *The Battle for Employment Guarantee*, ed. R. Khera, New Delhi: Oxford University Press, 2011, pp. 3–21.

Economics & Management, Vol. 2, No. 1, Jan, 2012, pp.136-140.

Gaiha, R (2005). `Does the Employment Guarantee Scheme Benefit the Rural Poor in India?` Economic and Political Weekly, Vol.45, No.6, pp. 949-969.

Institute of Applied Manpower Research, Delhi (2008). All India Report on Evaluation of NREGA a Survey of Twenty Districts.

Jacob, N.(2008).`the Impact of NREGA on Rural-Urban Migration: Field Survey of Villupuram District, Tamilnadu, Working paper No. 202, Summer Research Internship Programme, Centre for Civil Society.

Jahan R. (2010). `Dynamics of Implementation of 100 Days Employment Generation Program: A Study of Mouchak and Holdia Union Parishads`, Master in Public Policy and Governance Program Dept. of General and Counting Education North University, Bangladesh. (Online)

Khera and Nayak(2009). `Women Workers and Perceptions of the National Rural Employment Guarantee Act`, Economic Political Weekly, Oct. 2009,Vol xiiv No. 43, pp. 49-57.

Murgai R. and Ravallion M. (2005). `Employment Guarantee in Rural India: What Would It Cost and How Much Would It Reduce Poverty?` Economic Political Weekly, July 30, 2005, pp. 3450-3455.

Nathsanyal S.(2011).`Implementationn of MGNREGA in Bihar`, International Institute of Social Studies.

Naomi J. (2008). `The Impact of NREGA on Rural-Urban Migration: Field Survey of Villupuram District, Tamilnadu`, CCS Working paper No. 202, Summer Research Internship Program, Centre for Civil Society.

Nair K.N., Sreedharan T.P. and Anoopkumar(2009).` a Study of National Rural Employment Guarantee Programme in three Grama Panchayats of Kasargod District` Working paper 413 available at www.cds.edu.

Palanichamy A.P. (2011). `A Study on MGNREG Program in Thuinjapuram Block Thiruvannamalai District in Tamilnadu`, International Multidisciplinary Research Journal, 1(3) pp. 37-46.

Roy D.S. Samanta D. (2009). `Good Governance and Employment Generation Through NREGA: A Case Study of Gram Panchayat in West Bengal`, Presented in Conference on `Infrastructure, Finance and Governance: Push for Growth`, New Delhi, India.

Roy S. Singh B. (2010). `Impact of NREGA on Empowerment of the Beneficiaries in West Bengal`, Indian Research Journal Ext. Education, pp. 21-25.

Roy S. (2010). `Implementation of NREGS in Tripura: An Evaluation`, The NEHA Journal, Vol.viii, No-1, pp. 65-78.

SasiKumar B. Rengasamy K. (2012). `Participation of Rural Workers in the Mahatma Gandhi National Rural Employment Guarantee Act in India`, International Multidisciplinary Research Journal 2012, 89-90. ISSN. 2231-6302. (Available online [http:// irjs.info](http://irjs.info)).

Shome S.(2012). `Impact of Workfare Programmes on Quality of Life: A Case Study of National Rural Employment Guarantee Act in India`, Stirling International Journal of Postgraduate Research, pp. 17-45.

Srivastava and Srivastava (2010). `Women Work and Employment Outcomes in Rural India`, Economic Political Weekly, Vol. xiv no. 28, pp. 49-62.

Visaria, P (1973). `Employment Planning for the Weaker Sections in Rural India`, Economic and Political Weekly, Vol-8, pp. 269-271.

Yesudian C.A.K. (2007). `Poverty Alleviation Program in India: A Social Audit`, Indian Journal of Multidisciplinary research, Oct. 2007, pp. 364-373.

Jha R. Bhattacharyya S. Guha R. Shenkar S. (2009). Journal of Asian Economics, pp. 456-464.