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Executive Summary

Background & Objectives of the Study

The latest form of wage employment program, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was implemented under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) – a law enacted by Indian Parliament in 2005. This is a major step forward in the sense that it enforces right of citizen to demand 100 days of employment or payment of unemployment benefit in lieu of that. Thus, MGNREGS is a public works program, which moves away from being a purely supply-side intervention to one which caters to demand for wage employment at individual/family level in rural areas.

The MGNREGS is seen as a major instrument for fighting the twin evils of unemployment and poverty in rural India. MGNREGS was launched by the Government of India (GOI) with an intention to have a direct impact on the rural households in terms of their increased opportunity for wage employment and for the creation of livelihood assets in the farm and non-farm sector. With this perspective, the GOI, as a part of its developmental mandate, has invested a huge sum of money in the promotion and implementation of MGNREGS across all the Districts in the country.

MGNREG scheme began in 2006-07, and by the year 2009-10, it had become the largest ever special wage employment programme not just in India but in the World. After several years of the existence of the program there is a pressing need of strong systems for the effective management and implementation of the schemes so that people can avail the facility. Apart from providing the opportunity to the people to access the benefits of the Act in most transparent and effective way, other pressing challenge is to ensure that workers receive their wage entitlements, workdays, worksite facilities and unemployment allowance by legally enforcing the guarantee.

Keeping these perspectives in mind, the major objectives of the present study is

1. To assess the effectiveness of the implementation of MGNREGS and identify if possible, the issues that hinder the effectiveness of the implementation schemes to ensure sustainable impact on people's livelihood and the overall development of rural economy.

- To study the impact of assets created and employment generated through the Act on economic and social aspects of peoples' livelihood. The study proposes to assess both the short term and long term impact of the assets on livelihood of the people.

Sample and Data Collection

The appraisal has been done in three districts, namely, Dhar, Jhabua and Rajgarh of Madhya Pradesh. Within these three districts, the study covers a sample of 16 blocks, 396 villages/ falias/ majras in 211 Gram Panchayats (GPs).

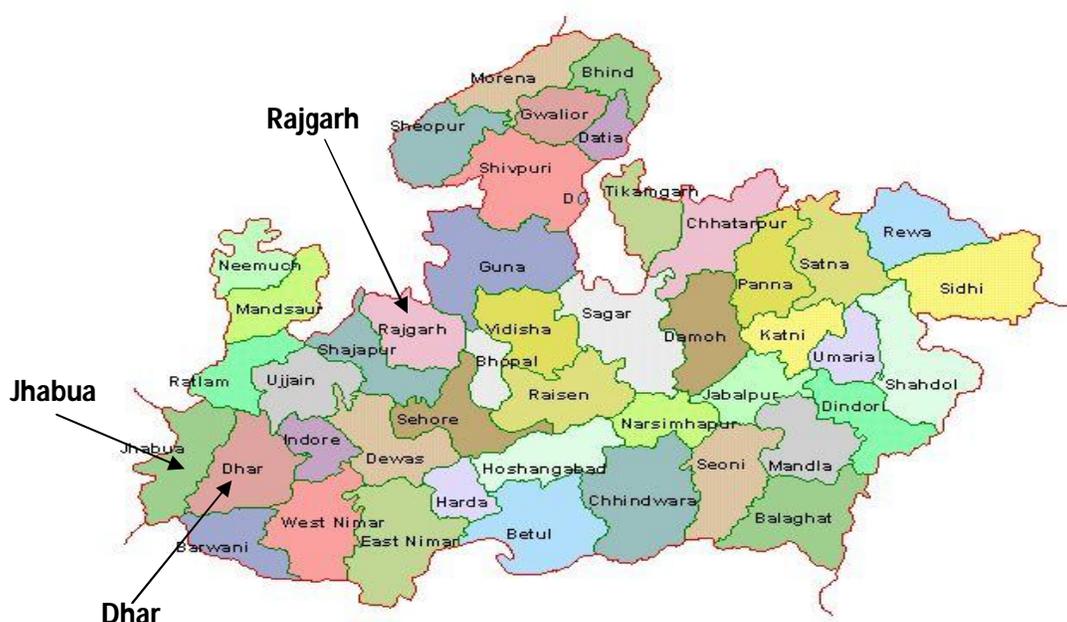


Figure 1: District Map of Madhya Pradesh

The study was conducted at three levels: Gram panchayat level, Household level and Worksite level. The study was conducted through survey questionnaires, field visits, focused group discussions and interviews with district / Block / Village level officials, and villagers. The usable data comprises of 350 responses at sarpanch/ sachiv level, 4714 responses at household level, and 1304 responses at worksite level in these three districts.

About 82 percent of the sarpanchs were having the educational qualification of secondary education and below. At the household level, about 66 percent of the respondents are male members and rest 34 percent are female members. About 67

percent of the respondents reported to be illiterates. At the worksite level, about 30 percent of the respondents were females and 74 percent of the respondents were illiterates.

About 85 percent of the households reported to have their own land, where as rest 15 percent respondents have no land assets of their own. Most of the respondent households (almost 83% of the surveyed households) were living in kuchha houses.

We used different statistical tools to analyze the data. We used frequency tables, random number generation and logistics regression in this report. Logistic regression tool divides the observations into different classes and predicts the class of a new observation for which the class is unknown.

Key Findings of the Report

The findings in the report are broadly divided into three themes. These are:

1. Entitlement Under MGNREGS
2. Participation, Grievance Redressal, and Transparency
3. Impact of MGNREGS

The key findings are given below

Entitlement under MGNREGS

As per the MGNREG Act, job card is the main document for the rural poor to get the benefits from the MGNREG schemes. It was found that most of the respondents in the worksites do not have job cards with them because they submitted their job cards before the Sarpanch/Sachiv to get jobs. It was also found that most of the respondents register their employment demand orally, which is neither recorded in the job card nor acknowledged by issuing a dated receipt. One of the reasons could be lack of awareness among the rural households about the scheme. In the studied districts, about 30 percent of the respondents were unaware of the scheme. Even the awareness levels of the Sarpanchs in some of the GPs were found to be low.

As per the MGNREGA, it is the responsibility of the Government to provide employment within 15 days after the demand for employment is given. It was found that most of the respondents get work within 15 days. Unemployment allowance was not observed in all the visited Gram Panchayats. It was found that most of the respondents have worked in the scheme and majority of them have got jobs for less than 50 days.

The data indicates that majority of the respondents earn Rupees 80 – 100 per day under MGNREGS. A majority of the respondents get their payments through banks and post offices. However, the data indicated the existence of some cases in which wages were paid in cash.

As per the MGNREGA, the wages should be paid weekly basis on a pre specified day of the week in each GP. It was found, at a gross level, that about 57 percent of the respondents reported that they do not get their wages in regular interval of time. According the MGNREGA provisions, work should ordinarily be provided within 5 km radius of the village or else extra wages of 10 percent are payable to the beneficiaries. A majority of the respondents reported that usually the work is provided within 5 kms from their house.

As per the guidelines of MGNREG Act, Medical Aid, drinking water, shade and crèche are to be provided. The data indicates that there are different degrees of achievement in providing these facilities in the worksites. Respondents also reported that they get adequate rest periods during the work.

Participation, Grievance Redressal, and Transparency

As per the MGNREGA, Gram Sabha meetings should be held at least once in every six months to review all aspects of the social audit. It was found that meetings are held regularly with publicity and advance notification. It was also found that respondents are well aware of the usefulness of certain activity. For example, most of the respondents believe that water conservation, rural connectivity, and minor irrigation are the top three important preferred activities. But somehow the respondents do not participate and, as a result, do not decide the nature and location of proposed work. They are also unaware about the sanctioned work.

According to the provisions of the MGNREG Act, grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process. It was found that in most of the cases there is no complaint registers available at the Gram Panchyats. Most of the respondents believe that the grievances are not disposed off within a reasonable time limit.

So far as transparency and accountability are concerned, muster roll plays very important role. For instance, it contains important information such as name of the workers, his/her job card number, days worked and days absent, workers signature or thumb impression, wages paid, and so on. However, muster rolls are not found in many work sites. Even, there is no mechanism to check the availability of muster rolls

at the work place. Register and notebooks are used to take attendance of the workers at the work sites.

Impact of MGNREGS

MGNREGS is successful in reaching out to the poorest of the poor, especially to the marginalized communities such as the SCs and STs. Data from the official sources indicate that at a gross level the participation of scheduled caste members in the studied districts has increased by 27.76 percent in the year 2010-2011 as compared to the numbers in the year 2008-09. Similarly, the cumulative person-days generated for Scheduled Tribe members has increased by 106.72 percent in the year 2010-2011 compared to the numbers in the year 2008-09. Overall MGNREG scheme has increased the number of households provided employment across three districts. For example, there is an increase of about 25 percent in the number of households who were provided employment in the year 2010-11 compared to the year 2008-09. About 65 percent of the respondents indicated that MGNREG scheme has improved their household income.

A well-designed employment guarantee program can create many durable assets in the economy. It was found that most of the assets generated under MGNREG scheme are related to natural resource management and majority of the assets (created in 2009-2010) are related to water supply followed by rural connectivity. The overall selection of assets under MGNREG scheme appears to match with its objective of promoting better management of natural resources and rural connectivity.

It has been criticized that the community assets created under the MGNREGS is not of good quality. But in our study about 64 percent of the workers rated the quality of community assets as good and durable. Most of the respondents (about 88 percent) also reported that without MGNREGS it would be difficult to create community assets. Similarly, majority of the respondents reported that assets in individual land are required and MGNREGS has helped in creating these assets which otherwise would have been very difficult for community/individuals to create.

It is important that the community and individual assets need to be monitored after they have been created. It was found that GP officials and sub-engineers monitor community assets during its creation. However, once the assets are created, virtually no body monitors the created assets particularly in community lands. On the contrary, assets created in individual lands are usually taken care of by the owners. It is obvious primarily due to ill-defined property right. Nobody takes care of the assets created in

community land because nobody owns them. However, there are cases of innovative practices in some districts to enhance community ownership of the assets.

Since most of the activities carried out under the MGNREG scheme are related to water conservation, it is expected that the scheme would have positive impact on water conservation. About 27-39 percent workers perceived a positive impact of MGNREGS in improving water conservation. The secondary data indicates an increase in irrigation area in these districts.

The list of works carried out under MGNREGS should ensure that the scheme contributes to the growth of agricultural production through enhancement of land productivity. The respondents believe that there is noticeable improvement in agricultural productivity. In the district of Dhar about 78 percent of the respondents agreed that there is moderate to significant increase in agricultural productivity due to MGNREGS. In Jhabua and Rajgarh the figures are 65 percent and 69 percent, respectively. There are numerous success stories in these studied districts that highlight the increase in agricultural productivity after the implementation of MGNREG scheme.

The rise in water conservation activities under the MGNREGS is expected to have some impact on the cropping pattern through a shift from low value traditional crops to high values crops. It was found that about 39 percent of the households reported that there is a change in cropping patterns since the implementation of MGNREGS. Success stories from these districts corroborate the findings.

It is believed that increase in income, coupled with the enhanced connectivity due to roads constructed through various schemes including MGNREGS might improve the access to health service centers. It was found that it has some impact in access to health service centers. For example, about 10 percent of the respondents feel that there is a positive contribution of MGNREGS in the improvement in access to health service centers in last two years. The success stories from these districts support our findings.

Women's involvement in the scheme is commendable. For example, at a gross level the women participation in the studied districts has increased by 61.17 percent in the year 2010-2011 as compared to the numbers in the year 2008-09. It might have improved their socioeconomic status in the family as well as in the society leading eventually to their empowerment. About 30 percent of the households responded that there is an increase in the decision-making power of women in the households after the implementation of MGNREGS. About 79 percent women (out of 1602 women

respondents) reported that there is no differential wage payment between men and women workers. This perception of equality provides a sense of empowerment among the women members.

It seems that the self-respect of the rural poor has increased after the implementation of MGNREGS in the village. Almost 22 percent households perceive that their status has increased in the village after the implementation of MGNREGS. It was also found that about 98 percent of respondents reported having no cases of harassment of labor at the worksites. This is in sharp contrast to the situation that used to prevail before MGNREGA, when rural public works were under the control of highly exploitative contractors.

We surveyed the households and enquired whether they have noticed any change in the enrollment of children in school in last three years. About 61 percent of villagers reported an increase in student enrolment in last three years. About 27 percent of the respondents agreed that MGNREGS has played an important role in bringing down the school-dropout rate. Even the secondary data supports the finding of a decline in school-dropout rates.

The MGNREGA has potential to stop distress migration. Migration seems to be higher in summer seasons compared to the migration in other seasons. It was found that most of the migrants work as construction worker, agricultural labour, and labour when they migrate. It was also found that about 30 percent of the respondents think that the implementation of the MGNREG scheme has reduced the migration of workers to search for employment elsewhere. It was found that about 66 percent of the respondents migrated outside the village for work last year. Based on the logistic regression, the present study argues that though the migration is high, distress migration is not a common phenomenon in these three districts. This finding is supported by the fact that a majority of the respondents reported to have two to three meals every day; take adequate rest in a typical day. Comparing these findings with reduced school drop-out rates and increased school enrolment rates the study argues that the instances of distress migration are very low. Further the present study argues for a need to distinguish distress migration from induced migration for better economic opportunities as well as for choice of work. Citing the World Bank report, the study argues that the aim of MGNREG scheme should never be the stoppage of all kinds of migration, but only the distress migration.

Recommendations

On the basis of the above findings, the recommendations are as follows:

1) Design and Maintenance of Job Cards

There is a need to change the design of the job card. In its current form, the job card does not provide any information about the scheme. The newer version should contain the details of the scheme along with the important (toll-free) contact numbers to be contacted in case of any grievances.

Also it is important to fix the responsibility for the maintenance of job cards. Given the literacy level of the villagers, the responsibility of maintaining the job cards should be assigned to a village level committee, which is independent of the implementing agency. The implementing agency should be restrained from collecting the job cards directly or indirectly from the villagers.

2) Awareness and Training

The success of the MGNREGS is largely limited by the lack of necessary awareness of the people about its various provisions like minimum number of days of employment, wage rate, unemployment allowance, etc. that a household should get. Therefore, more efforts are required to the traditional means of awareness generation, such as drumming around the village, wall paintings/writings, distribution of literature pertaining to MGNREGA, radio and so on. Camps can also be held for intensive awareness generation along with other activities such as process of application for work and issue of receipt of applications.

It is observed that most of the Sarpanchs are not aware of the procedures and processes of the MGNREGS. When the Sarpanchs are not aware of the scheme, then it may be difficult for them to raise the awareness level of their villagers. Training of members at the Gram Panchayat level will help in awareness generation.

3) Wage Payments

To facilitate effectiveness of wage payments banks and post offices should be brought under the Act's transparency provisions and money should be withdrawn by or at least in the presence of the MGNREGA workers.

The use of banking correspondent model for wage payments might help in disbursing wages through bank accounts as well as in reducing the delay in wage

payments. In each Gram panchayat, Banks can place a Customer Service Provider (CSP) who is provided with a smart card reader networked to the bank server. Each job card holder can be given a bank account after biometric authentication by the bank. All disbursements will be credited electronically to the accounts of the beneficiaries and through proper mechanisms these CSPs can provide money to the villagers. Suitable provisions may be made to record the details of the transaction.

4) Social Audit

Social audits should be done by independent agencies. This practice will not only enhance the credibility of the audits but also may encourage the villagers raise their voice without fear and consequently their participation in the discussion process. The data indicated that about 47 percent of the respondents either rarely or never participate in the discussions. It is also important that villagers should be made aware of their role in Gram Sabha, which, in turn, will increase their participation in Gram Sabha to decide the nature and location of proposed work.

5) Grievance Redressal System

As Panchayats are the implementing agencies of MGNREGS, they should not be involved for receiving complaints. A separate committee should be made at village level to make sure that the Grievance redressal system works effectively. The role of such committee should be to maintain the complaint register and to ensure that complaints are disposed within reasonable time limit. In order to make it more comprehensive, a block level official should be made a part of this village level committee. The villagers should also be informed about the mechanism of the functioning of the Grievance redressal system. Villagers need to be informed to whom to contact in case of any grievances not being handled by the concerned authorities. Helplines should be opened up and the villagers need to be appraised about the utility of these helplines. As mentioned earlier, important phone numbers should be printed in the Job cards in local languages.

6) Transparency

A system can be visualized whereby muster rolls are directly updated online. In order to do this, the GP official should carry something similar to a credit card swap machine or a point of sale terminal (POS) to the field. The machine should be connected to the centralized server. When a worker works, he/she has to authenticate his finger impression on the POS, which immediately verifies the Job

card number with the Central Registry. This will ensure transparency. In fact, the paper muster roll can be a print out of the online muster roll. The village level committee should also make sure that muster rolls are available and updated at the work sites.

7) Maintenance of Assets

There is a need to create awareness among the villagers to own the works done undertaken in MGNREG scheme on community land for the sustainability of the works. It came across everywhere that once the work is completed, the community does not take the responsibility of its maintenance. Probably once the community owns the work structures, the wear and tear will be much less, the quality of the work will be better and hence the benefits will be more. The study highlights the innovative practices initiated in some districts to create ownership of the assets through convergence.

Lack of proper maintenance of roads and other public infrastructure is a serious problem not only in Madhya Pradesh but also in all the states of India. Inclusion of maintenance of public infrastructure will help in employment generation as well as in the maintenance of these infrastructures, critical for the development of rural areas. There are examples of successful inclusion of road maintenance in the employment programs in other countries such as Bangladesh and Indonesia.

8) Expansion of Services

There are several critical services such as the maintenance of public hygiene; care of the old and disabled; and water supply which are important for the women, children and the disabled poor in rural areas. MGNREG scheme can try to include these services by providing employment benefits to the rural poor. Several countries such as Argentina (Jefes de Hogar) Indonesia (Padata Karya) and South Africa (Expanded Public Works Program) have successfully included these types of services as part of employment guarantee.

9) Highlighting Green Jobs

Typically, MGNREGA works have ranged from digging ponds, irrigations and land development. It is also creating green Jobs through afforestation, tree plantation (*nandan phalodyan*) which may aid in arresting climate change. Evidence of the environment services of the rural poor rendered under this Act in terms of ecological-contextual needs should be quantified and highlighted.

Chapter I

Introduction

The Indian economy today is confronted with the shining India at one end and the suffering India at the other. The Eleventh Five Year plan has envisaged the reduction of the poor population by 10% in India. In order to achieve this goal, a number of steps have been taken especially in rural areas. These initiatives would not only create social and economic infrastructure in rural areas but also may fulfill basic needs of the rural poor. Some of the programs initiated by the Central Government are Swarnajayanti Gram Swarozgar Yojana (SGSY), Sampoorna Grameen Rozgar Yojana (SGRY), National Social Assistance Programme (NSAP), Indira Awas Yojana (IAY), National Rural Employment Guarantee Programme (NREGP), and so on. In the following section we cover a brief background of the Mahatma Gandhi National Rural Employment Guarantee (MGNREG) program.

The goal of ensuring employment to all is very much in line with Article 23 of the UN declaration of Human Rights that states that “Everyone has a right to work, to free choice of employment, to just and favorite conditions of work and to protect against unemployment (Universal Declaration of Human Rights, UN, 1948). The ILO convention 122 reiterates, “with a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and under-employment, each member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.” The convention further declared that the said policy shall aim at ensuring that there is work for all who are available for and seeking work, such work is as productive as possible, the worker has the opportunity and freedom of choice of employment and opportunity to select work irrespective of race, color, sex, religion, political opinion, national extraction or social origin¹. MGNREG Act therefore, can also be considered as a part of global commitment to full employment by India.

1.1. Genesis of MGNREGA

Worldwide, public works programs have been used in countries of varying income levels, and with multiple objectives including short term income generation, asset

¹ Taken from www.ilo.org

creation, protection from negative shocks (natural disasters, droughts, macro-economic etc.) and poverty alleviation². Post independence, India has most often used public works programs to mitigate adverse shocks like drought that can otherwise have significant negative consequences³. National Rural Employment Guarantee Act, 2005 later renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the first tangible commitment and one of the most significant interventions of the Government in post-Independence India. Aiming at the overall mitigation of rural distress and addressing the principal causes of hunger and starvation in the countryside, the Act ensures to the poor that they can expect to earn a living wage, without loss of dignity, and demand work as their right. The Act recognizes employment as an entitlement and defines the obligation for the government to provide, in each year, 100 days of wage employment at a stipulated wage to all rural households whose members are seeking or willing to do unskilled manual work. The preamble of MGNREG act states that it is an “Act to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work” (GOI, 2005).

The genesis of this act is linked to the Employment Guarantee Scheme (EGS), which was first initiated in Maharashtra way back in 1973. It guaranteed employment to the rural poor in Maharashtra through piece rate wage labor. This scheme was expanded to the whole country as the National Rural Employment Program (NREP) by the Government in 1977. Subsequently the Rural Landless Employment Guarantee Program (RLEGP) came into force in mid-1980s with an objective to provide employment access to landless poor. During the late 1980s, Nehru Rojgar Yojana (which addresses wage employment issues in urban areas) and Employment Assurance Scheme (which provides wage employment in resource poor areas) were merged to form the Jawahar Rojgar Yojana (JRY). Essentially JRY was a Food for Work Program till the early 2000s. Employment scheme under MGNREGA – henceforth refer to as MGNREGS differs from previous employment programs as it is endorsed by a law enacted by Indian Parliament in 2005. The Act (MGNREGA) requires every state government to formulate an employment guarantee scheme, for the purpose of giving effect to the guarantee in areas where it applies. The Act guarantees 100 days of wage employment in a financial year to

² del Ninno, Carlo, Subbarao, K., and Milazzo, Annamaria (2009) “How to Make Public Works Work: A Review of the Experiences” World Bank Social Protection Discussion Paper.

³ Gilligan, Daniel O. and Hoddinott, John, (2006) “Is there persistence in the impact of emergency food aid? Evidence on consumption, food security, and assets in rural Ethiopia”, FCND Discussion Papers 209, International Food Policy Research Institute (IFPRI).

any rural household whose adult members are willing to do unskilled manual work. In fact, the Act moves away from being a purely supply-side intervention to a demand-driven wage employment intervention at individual/household level in rural areas. The salient features of the act are given in below.

1.2. NREGS – Salient Features

- A. Adult members of a rural household may apply for employment if they are willing to do unskilled manual work.
- B. Such a household will have to apply for registration to the local Gram Panchayat, in writing, or orally.
- C. The Gram Panchayat after due verification will issue a Job Card to the household as a whole. The Job Card will bear the photograph of all adult members of the household willing to work under NREGA. The Job Card with photograph is provided free of cost.
- D. A Job Card holding household may submit a written application for employment to the Gram Panchayat, stating the time and duration for which work is sought. The minimum days of employment has to be fifteen.
- E. The Gram Panchayat will issue a dated receipt of the written application for employment, against which the guarantee of providing employment within 15 days operates.
- F. Employment will be given within 15 days of application for work by an employment seeker.
- G. If employment is not provided within 15 days, daily unemployment allowance, in cash has to be paid. Liability of payment of unemployment allowance is of the States.
- H. At least one-third of persons to whom work is allotted, have to be women.
- I. Wages are to be paid according to minimum wage as prescribed under the Minimum Wage Act 1948 for agricultural laborers in the State, unless the Centre notifies a wage rate which will not be less than Rs. 60 per day.
- J. Disbursement of wages has to be done on weekly basis and not beyond a fortnight.
- K. Panchayati Raj Institutions (PRIs) have a principal role in planning and implementation.
- L. Each district has to prepare a shelf of projects. The selected works to provide employment are to be selected from the list of permissible works.
- M. The different categories of permissible works are as follows:
 - a) Water Conservation and water harvesting
 - b) Drought Proofing (including plantation and afforestation)
 - c) Irrigation canals including micro and minor irrigation works

- d) Flood Control and Protection Works
 - e) Minor Irrigation, horticulture and land development on the land of SC/ST/-BPL/IAY and land reform beneficiaries
 - f) Renovation of traditional water bodies including de-silting of tanks
 - g) Land Development
 - h) Rural connectivity
- N. The shelf of projects has to be prepared on the basis of priority assigned by Gram Sabha. At least 50 percent of works have to be allotted to Gram Panchayat for execution. A 60:40 wage and material ratio has to be maintained. Contractors and use of labor displacing machinery is prohibited.
- O. Work should ordinarily be provided within 5 km radius of the village or else extra wages of 10 percent are payable.
- P. Worksite facilities such as crèche, drinking water, shade have to be provided.
- Q. Social Audit has to be done by the Gram Sabha.
- R. Grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process.
- S. All accounts and records relating to the Scheme are to be made available to any person desirous of obtaining a copy of such records, on demand and after paying a specified fee.

Source: Ministry of Rural Development, GoI, 2008, “The National Rural Employment Guarantee Act (NREGA): Design, Process and Impact”, New Delhi.

1.3. Implementation of MGNREGA

The Act was implemented through the MGNREG scheme which was consciously attempted to counter weaknesses of earlier programs through several features in its design. It introduced a rights-based framework with legislative backing. It also incorporated time bound action to fulfill guarantee of work within 15 days of demand for work and a disincentive for non- performance^{4,5}. According to the Comptroller and Auditor General’s report (2007), the basic objective of the Act is “to enhance livelihood security in rural areas ...This work guarantee can also serve other objectives: generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others.”

⁴ Mehrotra, Santosh (2008) “Two years on: Where do we go from here?” *Economic and Political Weekly*, 2 August, 27-35.

⁵ Ambasta, P., Vijaya Shankar P. S., and Shah, Mihir (2008) “Two years of NREGA: The road ahead”, *Economic and Political Weekly*, 23 February, 41-50.

The Act was implemented in a phased manner. In its first phase, it was launched in 200 districts across the country. In the second phase in year 2007-08, it was expanded to 130 districts of the country. Subsequently, the government decided to cover remaining 274 rural districts. Since 2008-09, MGNREGS has been implemented in all the 604 non-urban districts in the country. The MGNREGS was quite modest in scale at the beginning in 2006-07, but it expanded quite rapidly and, by the year 2009-10 it had become the largest ever special wage employment programme not just in India but in the world. In the year 2009-2010, nearly 53 million rural households were reportedly provided with 2862 million days of wage employment under MGNREGS⁶. However, the above mentioned figures are at an aggregate level. In fact, there are large variations in performance across the states as well as the districts. In the present study we focus our attention on the state of Madhya Pradesh.

1.4. The Context of Madhya Pradesh

About 69.0 percent of India's rural poor live in five high-poverty states alone, including Madhya Pradesh. In its present form, Madhya Pradesh came into existence after the separation of the state of Chattisgarh on November 1, 2000. Madhya Pradesh is the second largest Indian state in size with an area of 308,000 sq. kms. It has 50 districts, 341 Tehsils, 313 blocks, 23040 panchayats, and 55393 villages. The map of Madhya Pradesh depicting different districts is provided in Figure 1. The total number of inhabited villages is 52117. According to census 2001 reports, the total population of Madhya Pradesh is about 60,348,000. About 73.54 percentages of its population lives in rural areas and rest of the population lives in urban areas. About 51.1 percent of the population is male members. The percentage of ST is 20.30 percent (Census 2001) and SC is 15.20 (census 2001). According to census 2001, the literacy rate is 64.1 percent (male literacy level is 76.5 percent and female literacy level is 50.6 percent); male: female ratio of the state is 920: 933.

According to census 2001, the workforce in Madhya Pradesh constitutes 42.74 percent of its total population, of which 31.65 percent are main workers and 11.09 percent are marginal workers. Out of the total work force (main and marginal), 42.79 percent workers are cultivators, 28.69 percent are agricultural laborers, 4 percent are workers in household industries, and 24.51 percent workers are engaged in other activities.

⁶ Ghose, Ajit K. (2012) "Addressing the employment challenge: India's MGNREGA", Employment Working Paper No. 105, Economic and Labour Market Analysis Department, International Labour Organization.

According to the State Government Office Diary – 2010, the performance of the state of Madhya Pradesh is not very encouraging in terms of its socio-economic and demographic indicators. For example, the birth rate, death rate and infant mortality rate in the State was 28, 8.6, and 70 respectively in 2008, compared to the all India average of 22.8, 7.4, and 53, in the same time period. In Madhya Pradesh, the percentage of population below poverty line (BPL) was 38.3, whereas the all India average was only 27.5 in 2004-05. All the above mentioned facts imply that Madhya Pradesh has not performed satisfactorily in terms of socio-economic indicators.

The present study focuses on three districts of Madhya Pradesh namely, Dhar, Jhabua and Rajgarh. The arrow marks in Figure 1 indicates the geographical location of the above mentioned districts. Two districts namely Jhabua and Rajgarh are the border districts. Dhar and Jhabua were covered under the Act in the first phase of the implementation and Rajgarh was covered in the second phase of the implementation. In the present study we take the undivided Jhabua as a district having 12 Blocks under it.

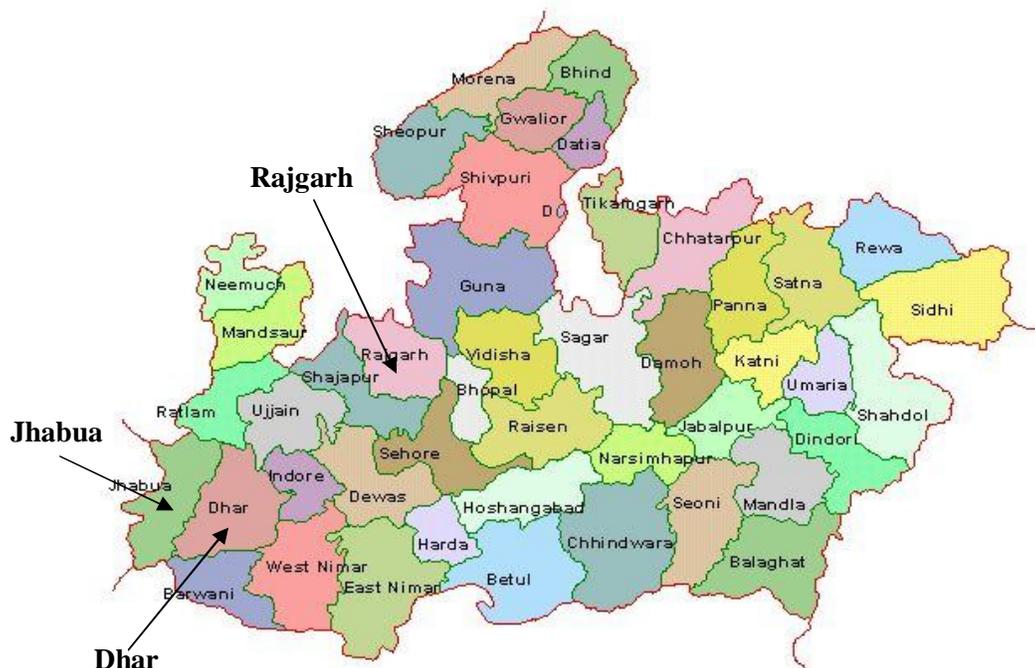


FIGURE 1: DISTRICT MAP OF MADHYA PRADESH

1.5. Rationale & Objective of the Study

NREGS was launched by GOI to have a direct impact on the rural households in terms of their increased opportunity for wage employment and for the creation of livelihood assets in the farm and non-farm sector, on the other. After about four

years of the existence of the program there is a pressing need of strong systems for the effective management and implementation of the schemes so that people can avail the facility. Apart from providing the opportunity to the people to access the benefits of the Act in most transparent and effective way, other pressing challenge is to ensure that workers receive their wage entitlements, workdays, worksite facilities and unemployment allowance by legally enforcing the guarantee. Keeping these perspectives in mind the objective of the present study is

- To assess the effectiveness of the implementation of MGNREGS and identify if possible, the issues that hinder the effectiveness of the implementation schemes to ensure sustainable impact on people's livelihood and the overall development of rural economy.
- To study the impact of assets created and employment generated through the Act on economic and social aspects of peoples' livelihood. The study proposes to assess both the short term and long term impact of the assets on livelihood of the people.

1.6. Scope of the Study

The present study specifically address to:

- A. Review and appraise implementation of MGNREGA schemes and assess the effectiveness of the implementation schemes in respect to following categories:
- 1) Employment on time: Awareness of the scheme, days elapsed between jobs sought and jobs provided; information about time and duration when work is sought.
 - 2) Unemployment allowance: Amount of the allowance, Mode of payment (cash, post-office, banks), issue of dated receipt of written application for employment sought.
 - 3) Work place location: Within 5 KMs radius of the village
 - 4) Prevalence of distress migration
 - 5) Timely wage payments: Mode of payment, Convenience of payment, Disbursement of wages (weekly but not beyond fortnight), delay in disbursement of wages; whether payments are based on rules.
 - 6) Work-site facilities: Self – drinking water, shades for children, periods of rest, first – aid box, employment of persons to look after children (in case the number of children are more than 5).

- 7) Social Audits by the Gram Sabha: Assess the social audits done by the Gram Sabha and its impact on villagers; involvement of the Gram Panchayat in Gram Sabhas.
- 8) Involvement of line-departments (Forest, PWD, Agriculture, Water resource, Fisheries)

B. Assess the social and economic impact of the MGNREGA on people's life. The scope of the study is described below:

- 1) What are the assets created and the short term and long term impacts of the assets.
- 2) Quality of the assets created (both community assets and assets in individual lands) in terms of their duration.
- 3) Impact of the program on people's livelihood with respect to agriculture, domestic assets, livestock, and education.
- 4) Impact of individual earnings on women empowerment.
- 5) Impact of MGNREGA on livelihood security of the households.
- 6) System of monitoring of physical and financial quality of assets.

1.7 Information about the study Districts

The following section discusses the three districts that are targeted in the present study.

1.7.1.Dhar

The district has an area 8,153 km². It is bounded by the districts of Ratlam to the north, Ujjain to the northeast, Indore to the east, Khargone (West Nimar) to the southeast, Barwani to the south, and Jhabua to the west. According to the 2001 census figures, the population of the district is 1,740,577. The male population is 577,384 whereas female population is 550,340. Sex ratio of the district is 941. Urban population in the district is 16.6 percent. Literacy rate of the district is 52.5 percent.

Table 1.1: Achievements under MGNREGA in the District of Dhar

| | |
|------------------------------------|----------------|
| Employment provided to households: | 1.72912 Lakh |
| Persondays [in Lakh]: | |
| Total: | 141.15 |
| SCs: | 12.49 [8.85%] |
| STs: | 101.91 [72.2%] |
| Women: | 85.48 [60.56%] |
| Others: | 26.75 [18.95%] |
| Total fund: Rs. | 228.22 Crore. |
| Expenditure: | 155.18 Crore. |
| Total works taken up: | 19796 |
| Works completed: | 5822 |
| Works in progress : | 13974 |

Source: <http://nrega.nic.in>

Though male literacy rate is 65.7 percent the female literacy rate is 38.6 percent. According to Census, 2001 reports, the Scheduled Caste Percentage to Population is 6.5, whereas Scheduled Tribe Population Percentage to Total Population is 54.5. Table 1.1 highlights the activities of NREGS in Dhar district of MP.

1.7.2. Jhabua

Jhabua is a predominantly tribal district located in the western part of Madhya Pradesh. It is surrounded by Panchmahal and Baroda districts of Gujarat, Banswara district of Rajasthan and Dhar and Ratlam districts of Madhya Pradesh. Jhabua is sparsely populated area and according to 2001 census reports the total population of Jhabua is 1,394,561. The male population is 702,053 whereas female population is 692,508. The sex ratio in the district is 990. The total area of the district is 6793 Sq Kms. About 85% of population is tribal while 3% population belongs to Schedule Castes. 47 per cent of the people live below the poverty line. The literacy rate according to 2001 census is 36.9 percent. Male literacy is 48.0 percent and female literacy of only 25.7 percent. According to Census, 2001 reports, the Scheduled Caste Percentage to Population is 2.8, whereas Scheduled Tribe Population Percentage to Total Population is 86.8. Table 1.2 highlights the activities of NREGS in Jhabua district of MP.

Table 1.2: Achievements under MGNREGA in the District of Jhabua

| | |
|------------------------------------|-----------------|
| Employment provided to households: | 1.4497 Lakh |
| Persondays [in Lakh]: | |
| Total: | 122.43 |
| SCs: | 1.42 [1.16%] |
| STs: | 112.28 [91.71%] |
| Women: | 60.84 [49.69%] |
| Others: | 8.73 [7.13%] |
| Total fund: Rs. | 152.81 Crore. |
| Expenditure: | 195.27 Crore. |
| Total works taken up: | 27407 |
| Works completed: | 6097 |
| Works in progress : | 21310 |

Source: <http://nrega.nic.in>

1.7.3. Rajgarh

Rajgarh is surrounded by Rajasthan state to the north, by districts of Guna to the north east, Bhopal to the east, Sehore to the south east, and shajapur to the south and west. According to 2001 census reports the total population of Rajgarh is 1,254,085. The male population is 649,106 whereas female population is 604,979. The sex ratio in the district is 931. The total area of the district is 6154 Sq Kms. About 82% of population is tribal while 3% population belongs to Schedule Castes.

Forty seven percent of the people live below the poverty line. The literacy rate according to 2001 census is 36.87% with female literacy of only 4%. According to Census, 2001 reports, the Scheduled Caste Percentage to Population is 17.4, whereas Scheduled Tribe Population Percentage to Total Population is 3.8. Table 1.3 highlights the activities of MGNREGS in Rajgarh district of MP.

Table 1.3: Achievements under MGNREGA in the District of Rajgarh

| | |
|------------------------------------|----------------|
| Employment provided to households: | 1.68849 Lakh |
| Persondays [in Lakh]: | |
| Total: | 68.7 |
| SCs: | 14.25 [20.74%] |
| STs: | 5.39 [7.85%] |
| Women: | 23.7 [34.5%] |
| Others: | 49.06 [71.41%] |
| Total fund: Rs. | 131.56 Crore. |
| Expenditure: | 105.29 Crore. |
| Total works taken up: | 9455 |
| Works completed: | 5806 |
| Works in progress : | 3649 |

Source: <http://nrega.nic.in>

Chapter II

Research Methodology

The work performed and the assets created under MGNREGA are heterogeneous and have varying impact across different villages and time horizons. Each work may be unique and therefore there lies scope for both qualitative and quantitative methods of data collection. We undertook in-depth interviews of individuals and focus group discussions in the home, the village, and at the worksites. The quantitative aspects of the data was collected by administering survey instruments to the beneficiaries as well as by secondary data sources from various points like government records, Gram Panchayat (GP) records, life histories of people and observations in the field. The study also envisages taking responses of GP representatives, Block and District level officials to incorporate their responses.

2.1. Sample Distribution

It was required to study the three districts of Madhya Pradesh, namely Dhar, Jhabua and Rajgarh. Since considerable reduction in the sampling error can be achieved by increasing the overall sample size, we have selected more than 50% of the total number of blocks in these three districts at the first stage of sampling. The study proposes to cover 6 Blocks in Dhar, 6 Blocks in Jhabua and 4 Blocks in Rajgarh district. We propose to study the following blocks based on the following criteria:

1. Person-days created by each block and
2. Person-days created per GP in each block in the year 2008-2009.

Based on the above criteria, we selected the blocks having the high, medium and low person-days created per GP in that block. However, to make the samples spread across the districts, we visited the following Blocks (mentioned in Table 2.1) for the study.

Table 2.1: Blocks Covered in the Present Study

| Districts | Block Names | | | | | |
|----------------|-------------|-----------|---------------|---------|-----------|----------|
| Dhar | Badnawar | Sardarpur | Nalchha | Dhar | Dahi | Nisarpur |
| Jhabua | Meghnagar | Petlawad | Jobat | Jhabua | Alirajpur | Ranapur |
| Rajgarh | Rajgarh | Biora | Narasinghgarh | Zirapur | ----- | ----- |

It is often advantageous to select sampling units with unequal probabilities, which reduces sampling errors. Thus, we selected the number of GPs based on the number

of rural households and the total number of GPs in a given block as per the 2001 census reports. Each GP in a block was selected following simple random sampling. In this technique, each element in the population (GPs in our case) is assumed to have equal probability (chance) of selection in the sample, given a sample size. That means, each element is chosen to be a part of sample independently of each other without any bias. This also implies each sample of given size also has an equal chance of being selected. The detailed description and assumptions are explained below.

Parameters:

N = Population size

n = Sample size

The constraint is

$$n \leq N$$

2.2. Methodology

In order to perform random sampling in our study, the following steps were done

Step 1: Each element (Gram Panchayat) is assigned a number from 1 to N .

Step 2: A sample of n different random numbers are generated and random numbers are selected using Microsoft Excel 2007 software package. A caution is taken so as not to repeat any random numbers.

Step 3: The random numbers generated from step 2 will represent the elements that makes up the sample. For example, let's say, the n random numbers between 1 and N are: $n_1, n_2, n_3, n_4, \dots, n_n$. This means, the GPs which were assigned numbers, $n_1, n_2, n_3, n_4, \dots, n_n$ are included in the sample. The above methodology is repeated for all the selected blocks in three districts, viz., Dhar, Jhabua and Rajgarh.

We also checked the sample size using the following formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision.

Given the total number of GPs in the studied districts are 2057; we took confidence level of 90 percent and the margin of error as 0.1. The sample size required for the study comes out to be 96 GPs. However, we have covered 211 GPs in the studied districts. Given the sample size of 211 GPs it is adequate to capture the population level data. Due to some local issues, as per the advice of the Janpad CEOs, we replaced some Gram Panchayats with new ones. The block-wise distributions of GPs are given in Table 2.2. The detail lists of GPs in the selected Blocks are given in Appendix I.

Table 2.2: Block wise Selection of GPs in the Present Study

| Jhabua | | Dhar | | Rajgarh | |
|------------------|---------------|-----------|---------------|--------------|---------------|
| Blocks | Number of GPs | Blocks | Number of GPs | Blocks | Number of GPs |
| Alirajpur | 10 | Dhar | 12 | Biora | 17 |
| Meghnagar | 11 | Dahi | 10 | Narsinghgarh | 19 |
| Jhabua | 12 | Nisarpur | 7 | Rajgarh | 15 |
| Jobat | 8 | Sardarpur | 19 | Zirapur | 14 |
| Petlawad | 15 | Badnawar | 19 | | |
| Ranapur | 9 | Nalchha | 14 | | |
| Total GPs | 65 | | 81 | | 65 |

While calculating the sample size for the number of villages we found out the total number of villages in these three districts, which were 4517 villages. Based on the above formula we took confidence level of 95 percent and the margin of error as 0.05. The sample size comes out to be 368 villages. In the present study, we have covered a total of 396 villages/ falias/ majras, which is adequate to capture the population level data. The block-wise distribution of villages is given in Table 2.3.

Table 2.3: Block-wise distribution of Villages/ Falias/ Majras

| Dhar | | Jhabua | | Rajgarh | |
|------------|------------------------------------|------------|------------------------------------|--------------|------------------------------------|
| Block Name | Number of Villages/ Falias/ Majras | Block Name | Number of Villages/ Falias/ Majras | Block Name | Number of Villages/ Falias/ Majras |
| Badnawar | 30 | Jobat | 18 | Narsinghgarh | 36 |
| Sardarpur | 36 | Jhabua | 27 | Zirapur | 22 |
| Nalchha | 26 | Petlawad | 41 | Rajgarh | 30 |
| Nisarpur | 11 | Alirajpur | 19 | Biora | 33 |
| Dahi | 17 | Meghnagar | 18 | | |
| Dhar | 22 | Ranapur | 10 | | |

The following table (Table 2.4) summarizes the number of blocks, GPs, villages/ falias/ majras that were covered in this study. We covered a total of 396 villages/ falias/ majras.

Table 2.4: District-wise distribution of Villages/ Falias/ Majras

| | Number of Blocks | Number of GPs | Number of Villages/Falias/ Majras |
|---------|------------------|---------------|-----------------------------------|
| Dhar | 6 | 81 | 142 |
| Jhabua | 6 | 65 | 133 |
| Rajgarh | 4 | 65 | 121 |
| Total | 16 | 211 | 396 |

2.3. Questionnaire Design

We met some key officials to understand their observations and capture crucial insights into the reality of the ground. The details of the officials are provided in Table 2.5. We also attended the meetings with the engineers coming from different Janpads to have an understanding of the functioning of the Scheme.

Table 2.5: List of officials we have met regarding MGNREGS

| Sl. No | Date | District | Person |
|--------|----------------|----------|---|
| 1 | March 23, 2010 | Jhabua | CEO, Jilla Parishad |
| 2 | March 26, 2010 | Rajgarh | CEO, Jilla Parishad |
| 3 | April 13, 2010 | Dhar | CEO, Jilla Parishad Addl.CEO, Jilla Parishad |

Through an exhaustive review of literature and research reports, we have identified relevant parameters for the study. These interviews facilitated in the refinement of the questionnaire and in adding some more dimensions to the questionnaire. We have captured the data at the following levels.

1. Gram Panchayat (GP) level
2. Worksite level
3. Household level

The questionnaire was prepared in an iterative manner. During the process of designing the questionnaire, we discussed with district CEOs, Janpad CEOs. The standard process of translation and reverse translation was followed while translating the questionnaire from *English* language to *Hindi* language. We translated the English version to Hindi and then back translate the Hindi version to English language. Finally comparing the English versions we modified the language. Selection of

candidates for the data collection was done through a rigorous interview process done by two faculty members of IIM Indore. Among other criteria of selection, familiarity with local language was given weightage. Some of the students were from the villages and are aware of MGNREGA. We preferred these students and while deputing them to different districts, we ensured that they do not go the district from which they are from. About 32 students were included in the team. We started the field work from the district of Dhar followed by Jhabua and Rajgarh. To carry out the survey, we divided our team in two sub-teams to survey different Blocks. To ensure the questions being answered are free of bias if any because of the fear from local politicians, our team conducted the survey by going to home of each job card holders to make him/her feel conformable while giving answers. We encouraged focused group interviews to get the responses free from individual biases. Similarly, at the worksite we ensured that mate or any authority must be absent while workers are answering to our investigators. In every village we also tried to gather few people in the end of the survey and discussed some open ended questions so as to visualize in a better way the problems that people are facing during the implementation of MGNREGS on the ground.

2.3.1. GP Level Questionnaire

The questionnaire meant for *GP level officials* aims to explore the efforts put in by the GP level officials in creating awareness about MGNREGS, and the difficulties faced by them while implementing the MGNREGS. It included questionnaire inquiring about how many job card holders are there, what is the usual life style of village people, what have been their initiatives to promote women participation in MGNREGS work, any difficulty they face because of the over involvement of people in MGNREGS if any, mode of payment, role of contractors and machines, Line department in MGNREGA projects, list of projects being undertaken in MGNREGA, the foremost need of their village, quality assessment of the assets being created, about the social audit if any, involvement of district level officials in participating Gram Sabha's, any difficulty they face while maintaining 60:40 ratio of the fund between unskilled labor and material respectively, any improvement in the water conservation in their village. Also we asked what their opinion with respect to any change in the live style of the villagers if any. We also discussed issues related to child labor, school dropouts, and alcoholism. In the end of each questionnaire, we also tried to figure out how they resolve the grievances of villagers, and any suggestions they want to give so that MGNREGA can be implemented in a better way.

2.3.2. Worksite Questionnaire

The *Worksite questionnaire* is designed to bring forward the working conditions of the labors and the above mentioned objectives. The questionnaire started with various observations at the worksite such as the presence of Muster Roll, the details available at the worksite such as sanctioned amount, list of labors working at the site, to what extent Line Departments are involved in MGNREGA projects. While interviewing the labor working at the worksite, we asked them about the way work being assigned to them, after how many days they get their wages against the work done, who do the assessment on the worksite, to what extent machines are being used in addition to manual labor, payment mode, empowerment of women in the village, the extent to which individuals working at the site have the access to see the muster roll, if at all they are being exploited at the time of working and lastly their personal opinion about the importance of the assets being created from the perspective of welfare of the village.

2.3.3. Household Level Questionnaire

The *household level questionnaire* includes various topics such as awareness about MGNREGA, their economic and social status in the village. Secondly we tried to figure out to what extent villagers are involved in Gram Sabhas. Next issue we raised which is being the central idea of the survey, that is to what extent one has got benefit from this scheme by asking how many days they have got employment under MGNREGA, mode of payment, unemployment wage and the practices they follow to register their demand for work. We also included questions highlighting Grievance Redressal, their individual opinion about how useful the assets being made under this scheme are and whether priority should be given to private assets or public assets. In order to throw light on the sustainability of the assets being made and how much useful they are for the environment focusing on water conservation, we also asked job card holders about whether they have experienced any increment of water level in their village and also is there any growth being done with respect to flora and fauna of the village and its surrounding areas. Lastly we asked them about issues such as alcoholism, their way of spending a usual day, their eating habits etc.

Apart from the households we visited the worksites at the GP level. We covered 211 GP level officials and in total we surveyed 350 sarpanchs/ Sachivs and other persons at the GP level. We have visited 136 worksites in the three districts. In some of the GPs we did not found any worksites. There were 18 sites where there was no work on the day we visited. The details are given in Table 2.6.

Table 2.6: District-wise distribution of worksites

| District | Dhar | Jhabua | Rajgarh | Total |
|------------------|------|--------|---------|-------|
| Worksite visited | 56 | 43 | 37 | 136 |
| Work stoppages | 5 | 6 | 7 | 18 |

Work-sites Covered

The distribution of workers in the three selected districts according to different work is given in Table 2.7.

Table 2.7: Work-wise distribution of Respondents

| District | Dhar | Jhabua | Rajgarh |
|---------------------|------|--------|---------|
| Kapildhara | 48 | 48 | 21 |
| Percolation Tank | 5 | 0 | 0 |
| Watershed | 17 | 22 | 0 |
| Pond | 204 | 206 | 97 |
| Well | 60 | 28 | 90 |
| Road | 128 | 64 | 202 |
| Check dam | 3 | 19 | 21 |
| Maid Bandhan | 0 | 2 | 2 |
| Mountain Treatment | 0 | 4 | 0 |
| Tree Plantation | 1 | 2 | 0 |
| Bridge Construction | 0 | 7 | 0 |
| Nahar | 3 | 0 | 0 |

2.4. Analysis of Data

We used frequency distribution, logistic regression to analyze the data.

2.4.1. Frequency distribution

Frequency distribution shows the summarized grouping of data divided into mutually exclusive classes and the number of occurrences in a class. It is a way of showing unorganized data. Some of the graphs that we have used with frequency distributions are histograms, line graphs, and bar charts.

2.4.2. Logistic Regression

In order to scientifically analyze the migration, we attempted a statistical tool known as Logistics Regression. We used logistic regression (also called as logit model) in this study as the dependent variable was binary in nature. Logistic regression attempts to model the probability of a “migration/no migration” outcome using a linear function of the predictors.

The input is z and the output is $f(z)$. The logistic function is useful because it can take as an input any value from negative infinity to positive infinity, whereas the output is confined to values between 0 and 1.

The variable z is usually defined as

$$f(z) = e^z / (1 + e^z)$$

The variable z represents the exposure to some set of independent variables, while $f(z)$ represents the probability of a particular outcome. Logistic regression is a useful way of describing the relationship between one or more independent variables and a binary response variable, expressed as a probability that has only two values, such as having migration or no migration. The independent variables are chosen based on the reasoning that these are the common reasons for the migration.

This tool divides the observations into classes. For example, in our case, the class can be defined as migration happened (1) and migration not happened (0). Each of the observation from the respondents will belong to one of the two classes. Logistic regression will be used to predict the class of a new observation for which the class is unknown.

Steps undertaken:

- 1) The real-life data is collected from the respondents (more than 4500) across three districts by asking them the question through survey based methodology. The question asked was whether they have migrated in the last year or not.
- 2) The data was pruned and cleaned. Further, it was segregated across three districts (Dhar, Jhabua and Rajgarh). It was intended to do the statistical study for all the districts separately.
- 3) We start by partitioning the data randomly using the standard rule of 60% (training set) and 40% (validation set). The training set is used to fit the model and validation set is used to assess the model's performance through correlation co-efficient.
- 4) The data was subjected to Logistics Regression to find the statistical fit with the following variables:

| | |
|------------------------------|--|
| Dependent Variable | Migration |
| Independent Variables | No of Adults in Job Card |
| | No. of Days of Job you have got in last one year |
| | Level of Awareness |
| | Attractive Market Wage Rate |

2.5. Limitations of the Study Methodology

Since the study was cross-sectional in nature, it is difficult to capture the trend from primary sources. However, surveys are useful in describing the characteristics of a large population and no other method of observation can provide this general capability.

The study does not rule out the possibility of volunteer bias. Volunteer bias occurs when a sample of volunteers is not representative of the general population. However, we took steps to control this bias. To ensure the questions being answered are free of bias if any because of the fear from local politicians, our team conducted the survey by going to home of each job card holders to make him/her feel conformable while giving answers. Similarly, at the worksite we ensured that mate or any authority must be absent while workers are answering to our investigators.

The study does not rule out the possibility of interviewer bias. Interviewer bias occurs when an interviewer's expectations influence a subject's responses. We preferred these students and while deputing the interviewers to different districts, we ensured that they do not go the district from which they are from. This was done to take care of any biases in their mind regarding the implementation of MGNREGS. The selected candidates were invited to the IIM Indore campus and two complete days were spent to make them aware of the MGNREGS and to explain the questionnaire to them. Before field visit they were trained on how to approach the respondents.

The study does not rule out the possibility of biases due to distortion. Distortion occurs when a subject does not respond to questions honestly. While collecting data, we encouraged focused group interviews to get the responses free from individual biases. In every village we also tried to gather few people in the end of the survey and discussed some open ended questions so as to visualize in a better way the problems that people are facing during the implementation of MGNREGS on the ground.

Despite the letter from the Employment Guarantee Council, there were reluctance among some Sarpanchs and Sachivs to interact with the team members and to share some of the information related to the implementation of MGNREGA.

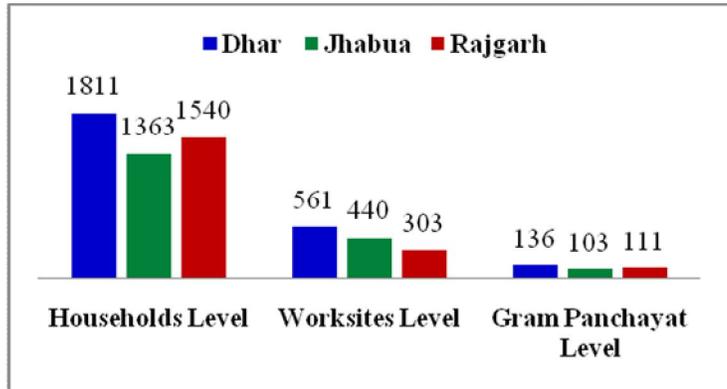
2.6. Profile of the Respondents

The data collection was done at the following levels

1. Gram Panchayat level
2. Household level
3. Worksite Level

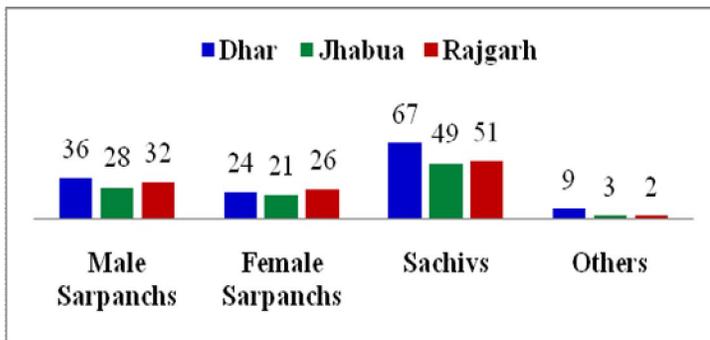
The usable data comprises of 350 responses at sarpanch/sachiv level, 4714 responses at household level, and 1304 usable responses at worksite level in these three districts. The district-wise break-up of the respondents are given in Figure 2.1.

Figure 2.1: District-wise break-up of the respondents



2.6.1. Gram Panchayat Level Data

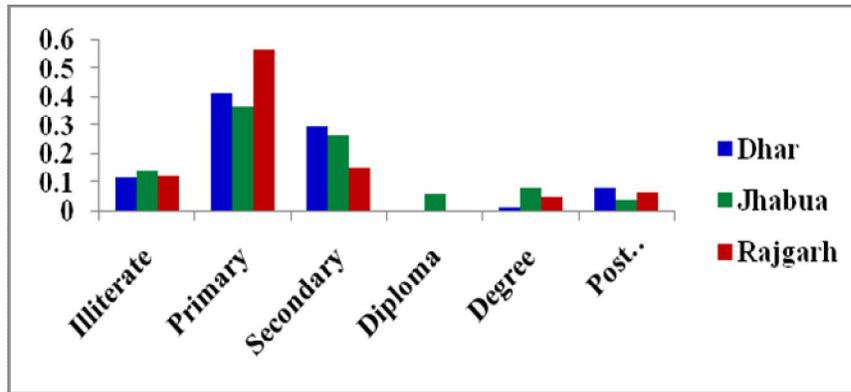
Figure 2.2: District-wise break-up of Sarpanchs/ Sachivs



We interviewed sarpanchs and sachivs of the gram panchayats. We also surveyed some of the ex-sarpanchs. In most of the cases where there is a woman sarpanch, we noticed the presence of her husband (called as sarpanch pati by local people). They were virtually the sarpanchs and were holding all the powers.

The literacy levels of these sarpanchs are given below. About 82 percent of the sarpanchs were having the educational qualification of secondary education and below. 12.6 percent of the sarpanchs were illiterate and about 45.51 percent of the sarpanchs were having primary education. Educational qualifications of sarpanchs in different districts are given in Figure 2.3.

Figure2.3: Educational qualification of Sarpanchs (in percentage)



Sample size=167 (Dhar=60, Jhabua-49, Rajgarh-58)

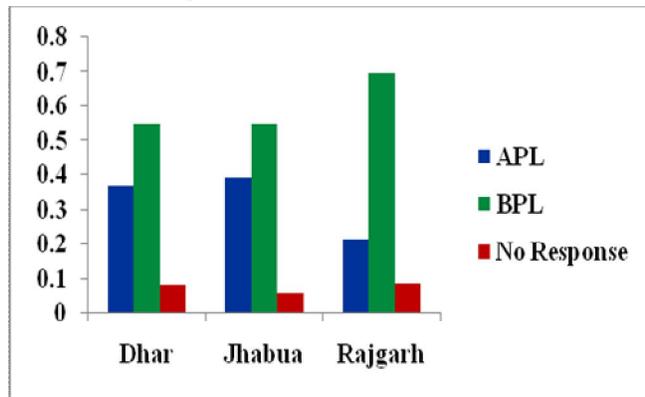
2.6.2. Household Level Data

The sample profile of respondents in the households provides a vital clue to indicators used for measuring the impact as well as implementation of NREGS in the areas covered under the appraisal. In this section we provide the economic, social, religious, educational background of the households that we had surveyed. The background information about the gender distribution, age profile and the income levels at the household level are provided.

2.6.2.1. Economic Status

The status of economic well-being of the beneficiaries is reflected by their standard of living i.e., whether they belong to below poverty line (BPL) or above poverty line (APL). The analysis in Figure 2.4 reveals that at the HH level, about 60 percent of the respondents lie in BPL category and about 33 percent of the respondents lie in APL category.

Figure2.4: Economic Status



Sample size=4714 (Dhar=1811, Jhabua-1363, Rajgarh-1540)

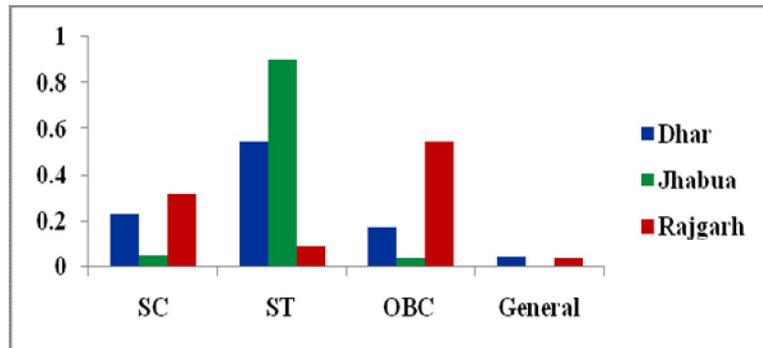
2.6.2.2.Social Category

According to the data at an aggregate level (all the three districts together) about 71 percent of the respondents are from SC and ST background. However there is significant variation across the three districts. The data indicate that the percentage of SC, ST and OBC households in Dhar district are about 23, 54 and 18 percent

respectively. However, the percentage of ST population in the sampled data was high in Jhabua district. The percentage of SC, ST and OBC households in Jhabua district are about 5, 91 and 4 percent respectively. The percentage of OBC population in the sampled data was high in Rajgarh district.

Figure 2.5: District-wise distribution of Respondents (%age)

The percentage of SC, ST and OBC households in Rajgarh district are about 32, 9 and 55 percent respectively. The social category-wise distribution of respondents in three districts is provided in Figure 2.5.

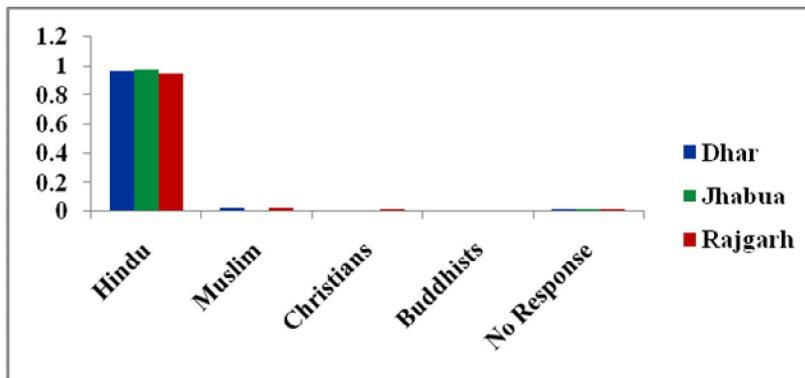


Sample size=4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

2.6.2.3. Religion

The religious backgrounds of the respondents are given in Figure 2.6.

Figure 2.6: District-wise distribution of Respondents at HH (in percentage)



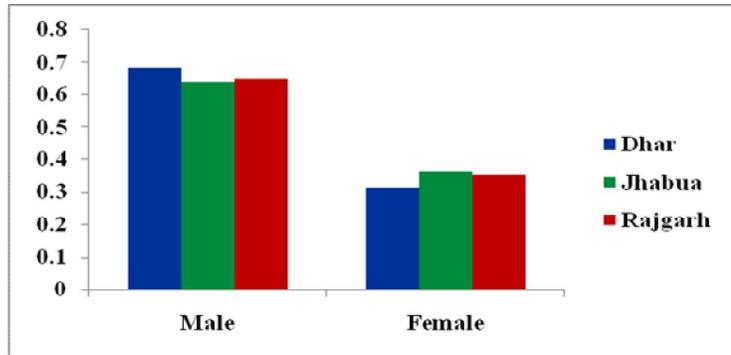
Sample size=4714 (Dhar=1811, Jhabua-1363, Rajgarh-1540)

The data indicates that most of the respondents are Hindu in their religion. However, the presence of other religions such as Muslim, Christianity and Buddhism exists among the respondents.

2.6.2.4. Gender Distribution

The gender distribution of household level respondents at the district level is given in Figure 2.7. About 66 percent of the respondents are male members and rest 34 percent are female members. There is not much variation in the gender distribution across the three districts.

Figure 2.7: Gender Distribution at Household Level

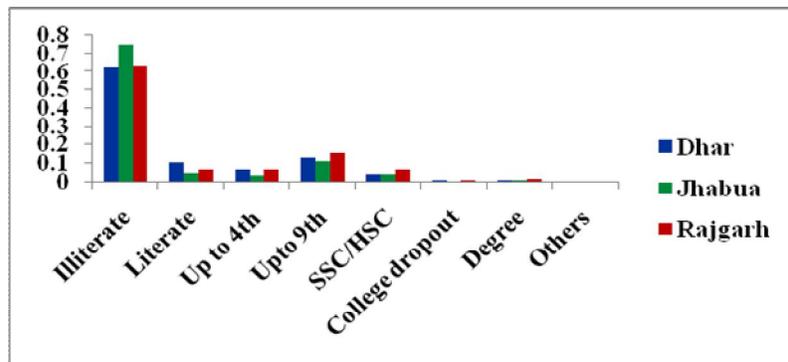


Sample size=4714 (Dhar=1811, Jhabua-1363, Rajgarh-1540)

2.6.2.5. Literacy Level

The literacy level at the household level is alarmingly low. About 67 percent of the respondents reported to be illiterates. The district-wise literacy level of the respondents is given in Figure 2.8.

Figure 2.8: Literacy Level – District-wise Distribution of respondents



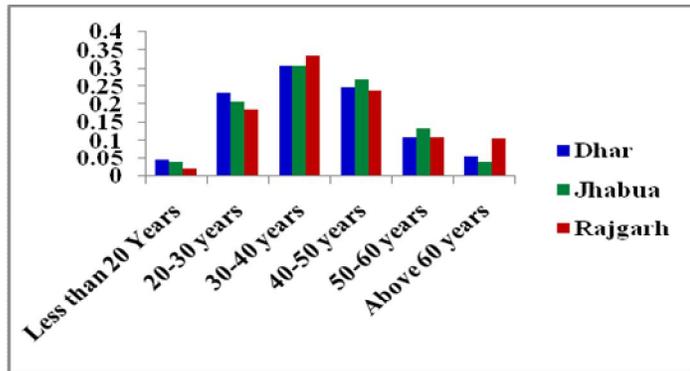
Sample size=4714 (Dhar=1811, Jhabua-1363, Rajgarh-1540)

2.6.2.6. Age Profile

The age profile of respondents at the house hold level across the districts of Dhar, Jhabua and Rajgarh are given in Figure 2.9.

Figure 2.9: Age profile of respondents at household level

The analysis reveals that most of the respondents (about 80 percent) belong to the age group of 20 to 50 years. At an aggregate level about 18 percent of the respondents are above the age level of 50 years.



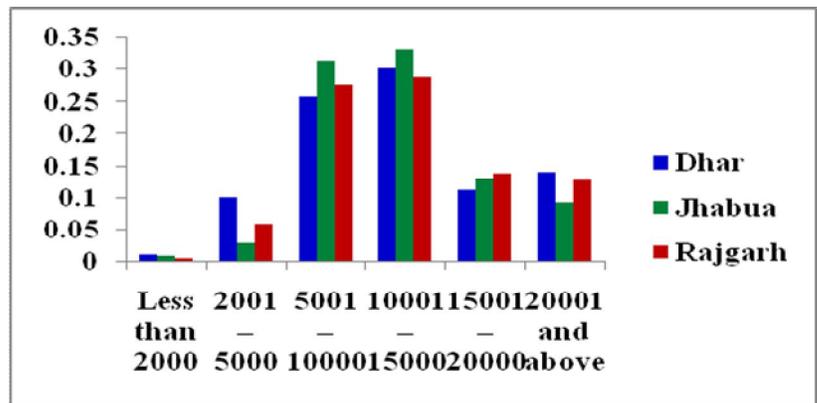
Sample size=4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

2.6.2.7. Household Income Level

Figure 2.10 presents the data regarding annual family income of respondents. It shows that the about 72.7 percent respondents fall below the annual income level of Rs. 15000.

The District-wise distribution of household income is given in Figure 2.10. The data show that there is not much variation across the three districts in terms of annual income.

Figure 2.10: District-wise distribution of household income



Sample size=4714 (Dhar=1811, Jhabua-1363, Rajgarh-1540)

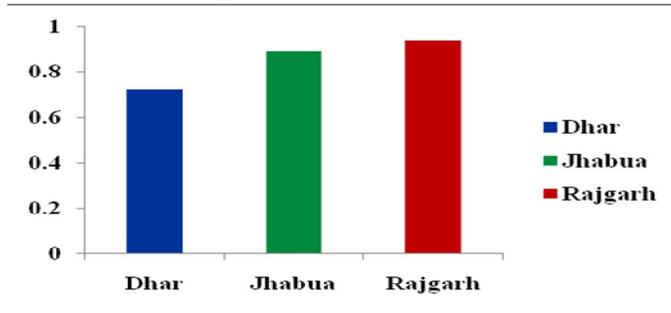
In order to get an idea of the extent of vulnerability of the people in the sampled villages, questions were asked regarding their land assets, possession of household assets, structure of dwelling units, access to electricity and animal wealth. Given the fact that the present scheme of identifying BPL households relies on most of these indicators, these are a good proxy for the level of deprivation of these households. However, in this study, we do not undertake any exercise of quantifying the extent of BPL households in the selected villages.

2.6.2.8.Land Assets

The district-wise break up of land assets owned by the surveyed households is provided in Figure 2.11.

The data indicate that about 85 percent of the respondents reported to have their own land where as rest 15 percent respondents have no land assets of their own. The district-wise details are provided in Figure 2.11.

Figure 2.11: Land Assets



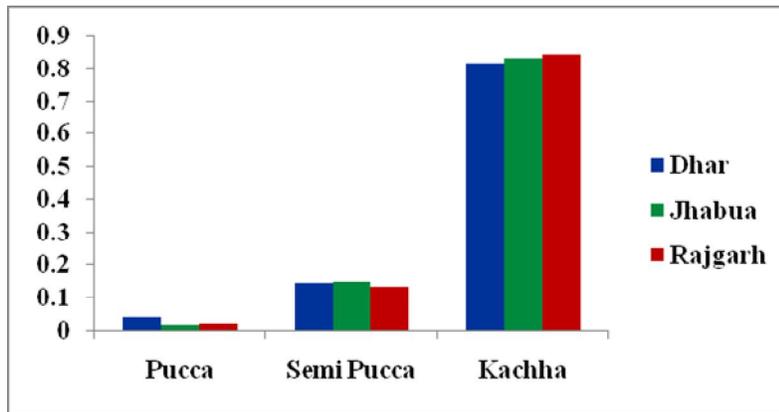
Sample size=4037 (Dhar=1419, Jhabua-1308, Rajgarh-1310)

2.6.2.9.Dwelling Structures

To know their dwelling structures we inquired whether they are living in kuchha houses, semi pucca houses or in pucca houses.

Figure 2.12: Dwelling Structure

As expected, most of the respondent households (almost 83% of the surveyed households) were living in kuchha houses. The district-wise breaks up of responses are given in Figure 2.12.

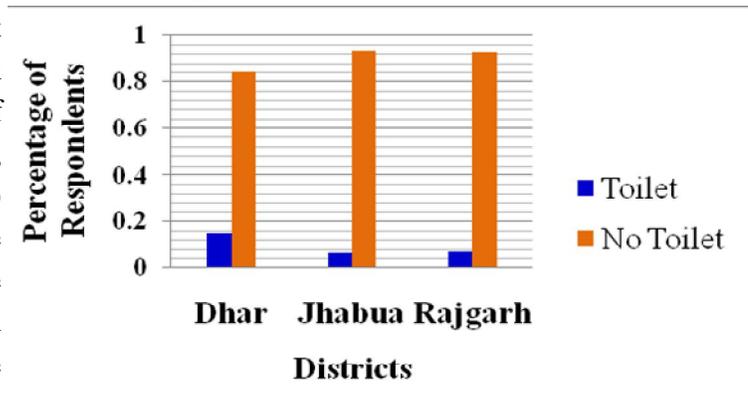


Sample size=4714 (Dhar=1811, Jhabua-1363, Rajgarh-1540)

2.6.2.10.Toilets

Out of these households most of them do not have any toilet in their houses. Majority of respondents (about 84 percent, 93 percent, 93 percent) mentioned that they do not have toilets in their houses in the district of Dhar, Jhabua and Rajgarh respectively (see Figure 2.13).

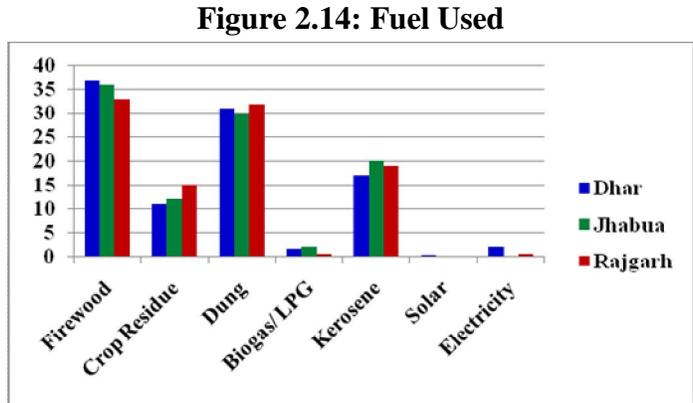
Figure 2.13: Toilet in the House



2.6.2.11.Type of fuel used in home for cooking purpose

The district-wise break up of fuels used in home is given below. As per the data, the most widely used fuel is firewood, followed by dung and kerosene. Though electricity penetration is there, the use of electricity for cooking purpose is very low in the surveyed villages. The reasons may be due to quality of electricity, load shedding and unfamiliarity with electricity.

Majority of the respondents across all the districts rely on firewood for cooking purpose. Also reliance on forest is there for their cattle. It indicates they depend heavily on forest resources for their livelihood. About 30 percent of the respondents reported dung as a fuel for cooking purpose across the three districts.

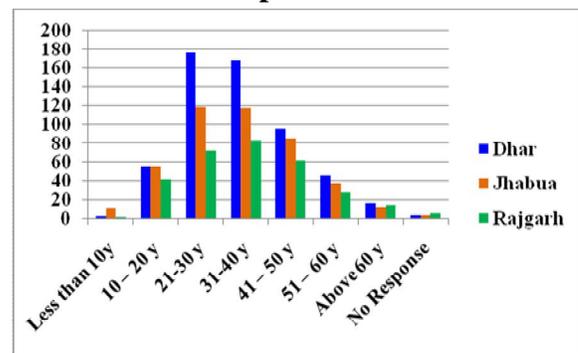


2.6.3. Work-site Level Data

The sample profile of respondents in the work sites provides a vital clue to indicators used for measuring the impact as well as implementation of MGNREGS in the areas covered under quick appraisal.

Figure 2.15 shows the distribution of respondents according to their age. The analysis reveals that most of the respondents belong to the age group of 18-40 years (70.8 and 65.4 percent, respectively). This is the most productive age as far as labor work is concerned. At aggregate level, 19.5 percent of the total respondents belong to the age group of 41-50 years, while only 12.4 percent of respondents are above 50 years of age.

Figure 2.15: Age-wise Distribution of Respondents



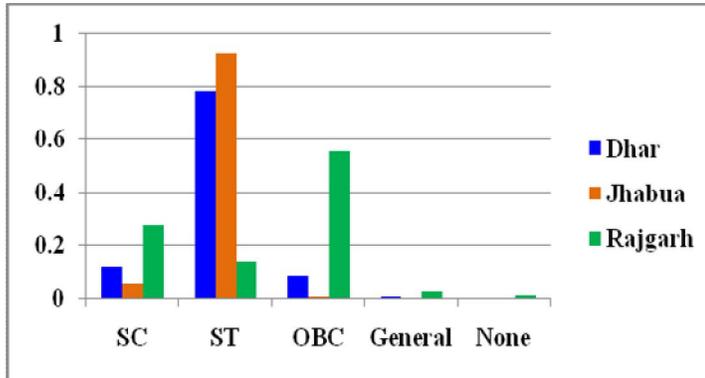
Sample size=1304 (Dhar=561, Jhabua-440, Rajgarh-303)

2.6.3.1.Social Category

The social category wise composition of respondents at an aggregate level shows that most of the respondents (about 68 percent) belong to category of Scheduled Tribe

(ST). The composition of the category of Scheduled Castes (SC) and Other Backward Castes (OBC) are 14 percent and 17 percent respectively. However, at the district level most of the respondents in Dhar and Jhabua districts are from the category of ST (78 percent and 92 percent respectively) while most of the respondents in Rajgarh are in the category of OBC (about 56 percent).

Figure 2.16: Social Category - District-wise Distribution of respondents

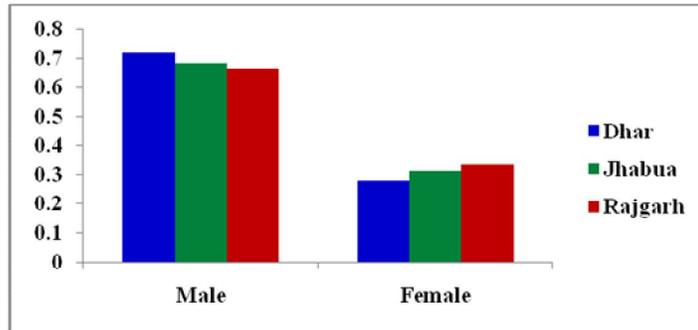


Sample size=1304 (Dhar=561, Jhabua-440, Rajgarh-303)

Hence, the analysis reveals that major sections of the surveyed sample, are from the category of ST and OBC, are being benefited most, which is the ultimate goal of the NREG Scheme. The district-wise distributions of respondents are given in Figure 2.16.

2.6.3.2. Gender

Figure 2.17 given below reveals the gender-wise distribution of respondents. Out of 1304 respondents surveyed in the work-site, majority of them are male (70 percent), while about 30 percent are females.



Sample size=1304 (Dhar=561, Jhabua-440, Rajgarh-303)

Figure 2.17: Gender-wise Distribution of Respondents at Worksite level

2.6.3.3. Literacy Level

The literacy level of respondents, as reflected data, highlights that about 74 percent of the workers from the sampled worksites are illiterates (sample size-1304: Dhar-561, Jhabua-440 and Rajgarh-303). About 4.8 percent of the workers are reported to be literate, 4.8 percent having educational qualification up to Std IV and 11 percent of the workers reported to have the educational qualification from Std V to Std. IX. It was also found that some people having the educational qualification of degree/ diploma are working in the worksites.

Chapter III

Entitlement under MGNREGA

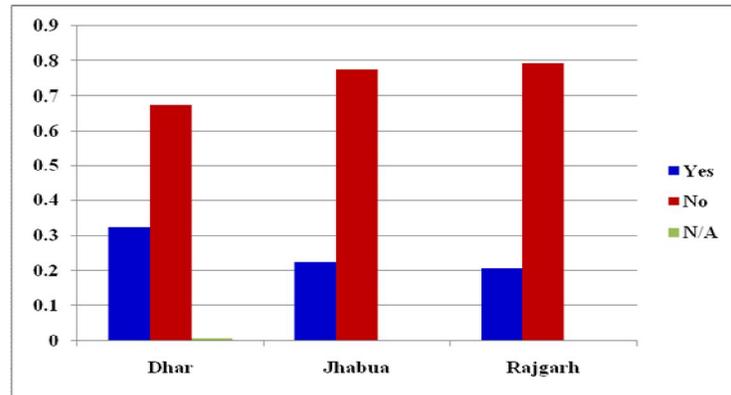
The MGNREG Act was supposed to bring about a radical change in the state of affairs of rural India. Under MGNREGA, the rural laborers have a legal entitlement not only to work on demand, but also to stipulated wages. To safeguard the interests of the rural poor, the MGNREGA guarantees the right to have job cards where the details about the employment and wage are supposed to be entered so that the laborers are enabled to verify the records on their own. Similarly, muster rolls are supposed to be kept on the worksite, and displayed at the Panchayat office. In fact, today they are supposed to be posted on the website. Social audits are to be conducted regularly by the gram sabha. As a further safeguard, mandatory payment of MGNREGA wages through banks and post offices was introduced in 2008. The act guarantees hundred days of employment per household who is willing to do manual work in a year, unemployment benefits, timely wage payment, work site facilities, and saving accounts in post office/banks. There is a need to find out to what extent the scheme has been successfully implemented so that the rural poor are enabled to get the benefit of the Act. In the present chapter we explored whether and how far the entitlement to the scheme has been fulfilled in Dhar, Jhabua, and Rajgarh districts of Madhya Pradesh.

3.1. Entitlement to Job Cards

As per the MGNREG Act, job card is the main document for the rural poor to get the benefits from the MGNREG schemes. The main purpose of the job card is to enable MGNREGA laborers to 'verify' their own employment and wage details. It is a legal document, which helps to ensure transparency and protect workers against fraud. As per the provisions of MGNREGA, it is mandatory for the job card holders to possess the job cards with them. It is so because many important information such as employment demanded, employment provided, amount of wages paid are entered in the job cards. Hence, it is required that the card be with the household to prevent entry of false information and leakages in the wage payment. But it was found that most of the respondents in the worksites do not have job cards with them. For example, 854 workers (about 74 percent) expressed that they do not have their job cards with them. The non-availability of job cards varies across districts.

Figure 3.1: Possession of Job Card

For instance, it was found to be 67 percent in Dhar whereas the corresponding figures for Jhabua and Rajgarh were found to be 78 and 79 percent, respectively. The district wise details are given in Figure 3.1.



It is observed that workers have to submit their job cards to get the job. The case was severe in the district of Jhabua where about 65 percent of the workers said this followed by Rajgarh (about 56 percent) and Dhar (about 55 percent). In fact there are some persons in the village who collect the job cards regularly from the households. About 24 percent of the workers surveyed responded that their job cards are collected regularly.

It was found that the workers are mostly unaware about the usefulness of job cards. They are not aware that many important information such as attendance, wage payment are entered in the job card.

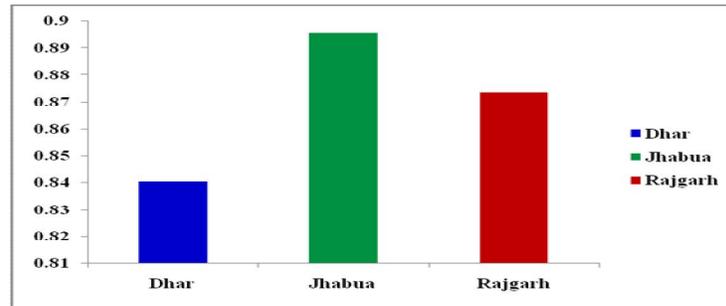
3.2. Application for Employment

As the job cards are not available with the respondents, it would be interesting to know how they register their demand for work. The MGNREG act provides that the rural job cardholders may register their demand for unskilled manual work to the local Gram Panchayat. An individual may apply for job under MGNREGS in written or in oral. It is entered in the Job card under the column “employment demanded”. This column gives detail information such as employment demanded from a particular date to some other date with total number of days.

Most of the respondents register for work in the Gram Panchayat. As per the Act, applications should be given in writing and should include the registration number of the job card, the date from which employment is required, and the number of days of employment required.

Figure 3.2: Application of Employment (Oral)

It was found that most of the respondents register their work orally (about 84 – 90 percent). The district-wise break up of responses is given in Figure 3.2.



Sample size=3242 (Dhar-1355, Jhabua-834, Rajgarh-1053)

3.2.1. Receipts of Application for Work

As job cardholders demand for their work orally at the Gram Panchayat (GP), we wanted to know how the Gram Panchayat acknowledges it. As per the Act, the GP has to acknowledge it by issuing a dated receipt for the application for work to the applicant. Surprisingly, 92 percent of the respondents said that there is no issuance of receipts for the application of work under MGNREGS.

The non availability of job cards with the MGNREGA workers, their oral demand for the work, not recording it in their job cards and non-issuance of receipt for the work demanded make the Sarpach/Sachiv less responsible for the effective implementation of the scheme because there is no evidence for the demand for work. In this situation, the actual supply of labour would be less than what the job cardholders are willing to supply. In order to make the scheme function better, the households need to be aware about the MGNREG act and their entitlements.

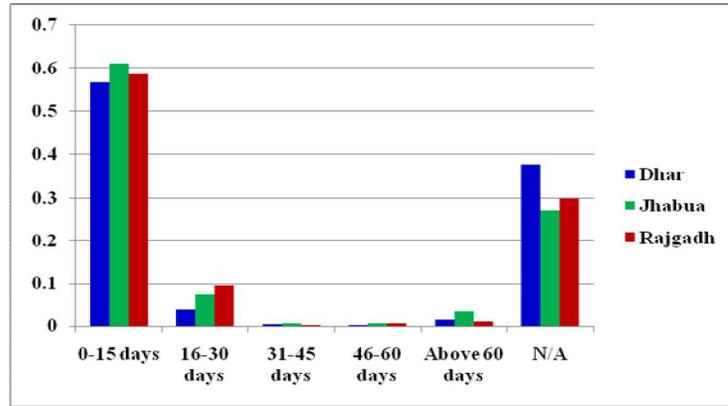
3.3. Entitlement to Work

As per the MGNREGA, each rural household (job cardholder) is entitled to get 100 days of employment in a year. The household has to demand work and it is the responsibility of the Government to provide employment within 15 days. There should be no delay in allotting employment, as this will create the liability of giving on unemployment allowance. Hence, the scheme is primarily demand driven. As a result, the effectiveness of the scheme also depends on householders demand for work.

As far as the number of days elapsed after the work has been sought is concerned, it is within 15 days for most of the respondents.

Figure 3.3: Time Elapsed between Work sought and Work Allotted

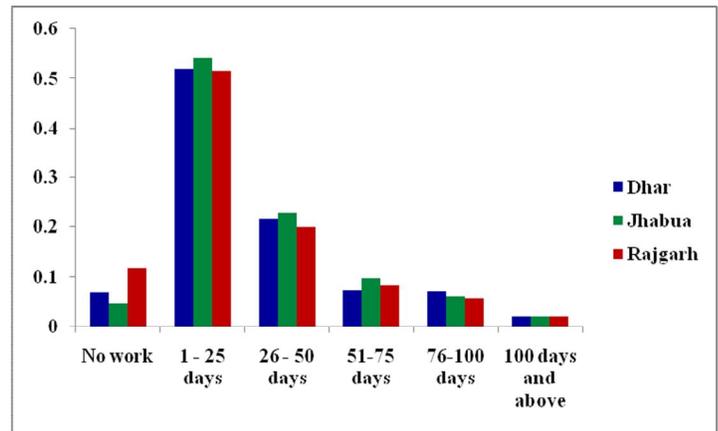
Around 59 percent of the respondents said that they receive the job under MGNREGS within 15 days of the requirement for work, about 6 percent within 30 days and rest beyond 30 days after revealing their demand.



However, the cases of non-employment allowance (unemployment benefit) were not observed in all the visited Gram Panchayats. Most of the respondents have worked in the scheme.

Out of those who have got jobs, majority of them have got jobs for less than 50 days. The district wise average days of employment is given in Figure No. 3.4. It was found that the percentage of respondents who have got 100 days or above of employment is about 3 percent. However, there is a gradual increase in the percentage of HHs getting 100 days of work and above.

Figure 3.4: Wage-employment Days



Sample size= 4072 (Dhar-1543, Jhabua-1217, Rajgarh-1312)

This distribution of households as per the person days wise is also corroborated by the secondary data. It was found that the households who have worked between 1 and 30 days ranged from 48 percent to 58 percent in the studied districts (See Table 3.1).

Table No 3.1: Person day-wise distribution of work done by Households in 2009-10 (in percentage)

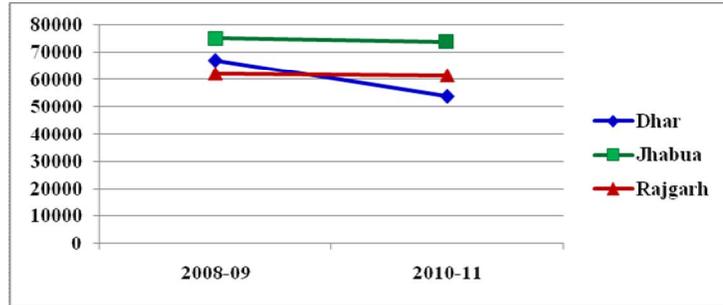
| Districts | 1-30 days | 31-60 days | 61-99 days | 100 days and Above |
|-----------|-----------|------------|------------|--------------------|
| Dhar | 46.70 | 26.29 | 20.57 | 6.44 |
| Jhabua | 52.08 | 26.00 | 14.72 | 7.21 |
| Rajgarh | 57.70 | 25.53 | 13.77 | 3.00 |

Source: Compiled from <http://nrega.nic.in>

However, the percentage of households worked between 1 and 30 days is in a decline trend over the years. To understand the pattern of change in the number of HHs who have employed for 30 days or less no of days, we captured the data from the official site in 2008-09 and in 2010-2011.

Figure 3.5 indicates that there is a gradual decrease in the number of HHs who were employed for 30 days or less. Further the percentage decrease in HHs employed for 30 days or less are different across the districts.

Figure 3.5: HHs employed for 30 days and less



Source: Compiled from <http://nrega.nic.in>

Table 3.2: HHs employed for 30 days and less

| 30 days or < 30 days employed | 2008-09 | 2010-11 | Percentage decrease |
|-------------------------------|---------|---------|---------------------|
| Dhar | 67153 | 54162 | 19.35 |
| Jhabua | 75007 | 73765 | 1.66 |
| Rajgarh | 62271 | 61588 | 1.1 |

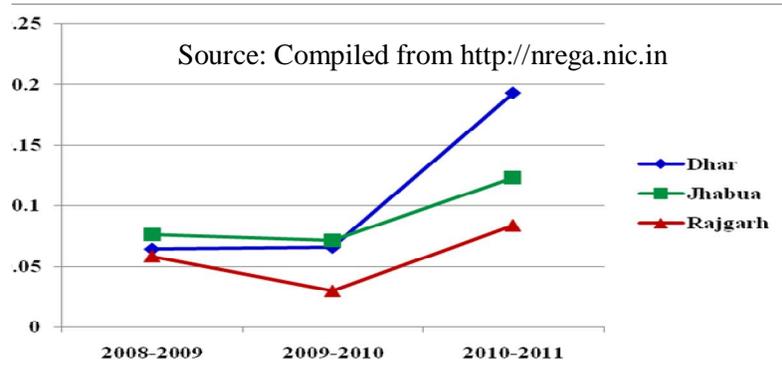
Source: <http://nrega.nic.in>

Moreover, the average number persondays to rural household has increased from 42.6, 38.3, and 34.2 in 2009-10 to 50.40, 42.14, and 51.04 in 2011-12 in Dhar, Jhabua, and Rajgarh district, respectively. Although the performance of three districts in terms of the creation of persondays has improved from 2009-10 to 2011-12, the improvement in Jhabu has been relatively slower.

We explored the pattern on the number of households that have worked 100 days and above over the years. Though the percentage of households getting 100 days of work and above is not encouraging, there is a positive development in these numbers.

Figure 3.6: Percentage of HHs receives 100 days of work and above

The graph in Figure 3.6 depicts the percentage of households who have received 100 days of work or above across the districts.



One of the important goals of the NAREGA is to provide “strong social safety net for the vulnerable groups by providing a fallback employment source, when other employment alternatives are scarce or inadequate”⁷. In this context, one study has examined whether the employment guarantee scheme serves as a social safety net by providing a source of employment when other alternatives are limited in Birbhum district of West Bengal during February 2006 to July 2009 using Survey method⁸. The study has found the scheme has not been very successful in generating number of employment days, as it provided only 20 percent of the legally mandated minimum days. However, in case of Madhya Pradesh the scenario is much better.

One of the factors for low employment days could be the lack of awareness among the rural poor about the scheme, because low levels of awareness play a major role in the lack of public pressure to make MGNREGA work. In contrast to the earlier employment schemes, MGNREGA is a right-based program. The best guarantee of the realization of these rights lies in organized demand on the part of well-informed workers. To know the awareness of households about the MGNREGA, we asked the following questions. Number of days of employment per household per year; Maximum number of adult members of the household permitted to work; Unemployment allowance per day per worker; Stipulated wages per day per worker; Procedures of payment; Distance between house and workplace; Any compensation to move to the workplace; Quota for women; Quota for members of the BPL families; Others if any.

⁷ MoRD (2008), "The National Rural Employment Guarantee Act 2005(NREGA): Operational Guidelines 2008" 3rd Edition, Ministry of Rural development (MRD), Department of Rural Development, Government of India, New Delhi.

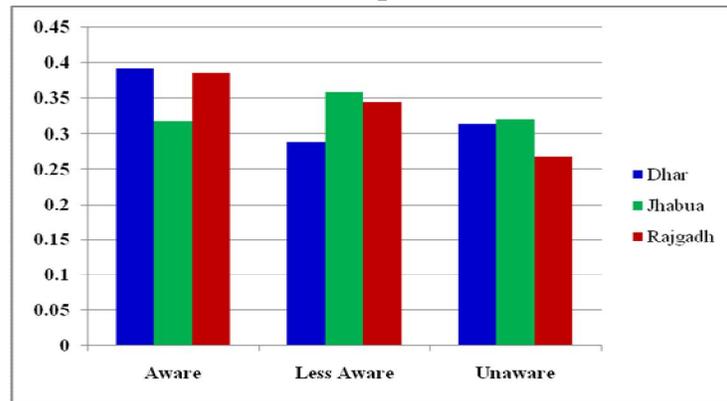
⁸ Dey, S. and Bedi, A. (2010), “The National Rural Employment Guarantee Scheme in Birbhum” *Economic and Political Weekly*, Vol. XLV, No.41, pp.19-25.

3.4. Level of Awareness

We categorized the responses into three categories based on the response of the households. We categorize the level of awareness as “unaware” when all the answers given by the respondent was found to be wrong, we categorized “less aware” in case of number of correct responses are less than 4 and “aware” in case of number of answers are more than 4.

Figure 3.7: Level of Awareness about MGNREGS by the Respondents

The district-wise break up of awareness levels are given in Figure 3.7. The data indicates that about 30 percent of the respondents still unaware of the MGNREGS.

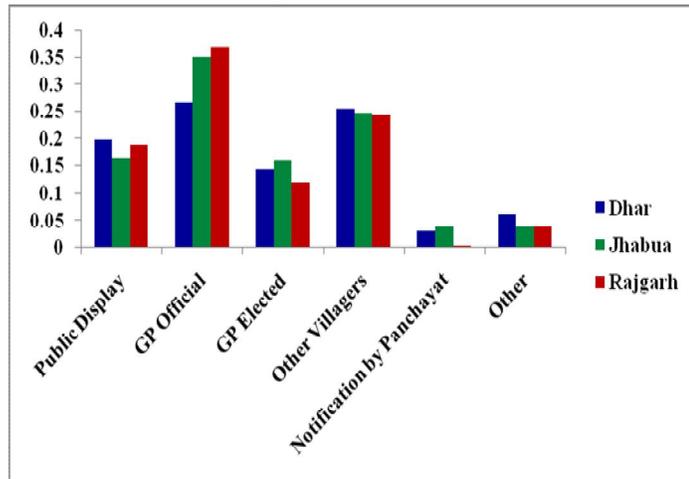


Sample size 4579 (Dhar-1762, Jhabua-1338, Rajgarh-1479)

Under the MGNREGS, communication is an integral part of the implementation process.

Successful communication of MGNREGS requires the active involvement of the personnel at every stage. In the surveyed GPs (see Figure 3.8), the GP officials have played the major role where they seem to have made a huge impact in terms of making people aware of the work under MGNREGS. Also people come to know about the work from other villagers.

Figure 3.8: Involvement of various Channels in Disseminating MGNREGS Information



Sample size=4566 (Dhar-1586, Jhabua-1466, Rajgarh-1514)

However, though respondents could not articulate the details of the scheme, they reported that they heard about the scheme and could recognize the scheme. The reasons for not able to articulate the details of the scheme may be manifold. Given

their education level, and the number of programs that are operating in the village level, probably it is difficult for them to remember the details of the program. Other reasons may be the absence of awareness initiatives, and/ or infrequent implementation of MGNREG schemes in the village level. The implementation of MGNREGS involves considerable awareness generation among the rural people.

The level of awareness brings huge success to the scheme. Khera⁹ argues how Jagrut Adivasi Dalit Sangathan (JADS) in Pati block, Badwani district of Madhya Pradesh has made the scheme a success by making its members aware of their entitlements in the MNREGS. The author argues that JADS workers are aware of their rights under the NREGA such as 100 days of work, wage payment, process of applying work, and wage payment within 15 days of work. For example, it was found that all the sample workers knew that they are entitled to 100 days of work, 85 percent were aware of the wage rate, and 95 percent knew that wages were supposed to be paid within 15 days. The author also found that the number of days of work obtained in the past 12 months was 85 days. It was also found that women are aware of their right to have children facilities at the work sites.

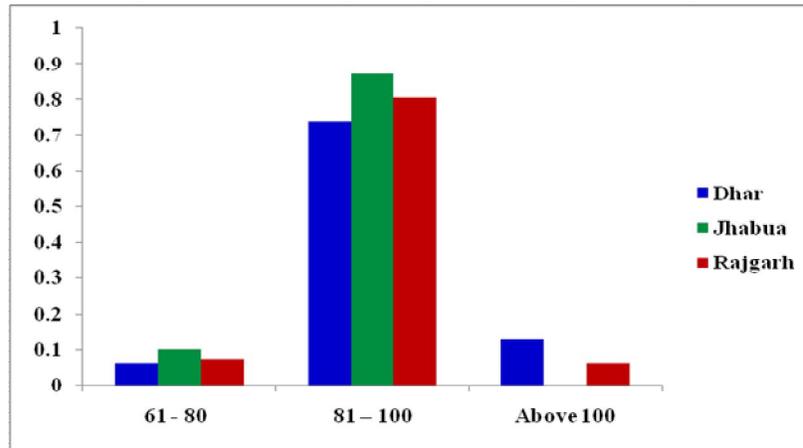
Therefore, it is important that the rural households should be made aware of the scheme. Once they are well informed about the scheme, they will demand work. As they demand work, they would be issued receipts for the same. As a result, it would not only increase the number of days of employment but also discourage them to search for jobs elsewhere.

3.5. Entitlement to Wage

As per the act the daily wages payable to the workers is Rupees 100 per day subject to the fulfillment of task criteria. The data indicates that majority of the respondents (about 81 percent) earn Rupees 80 – 100 per day under NREGS. The wage rates of different districts are given in Figure 3.9.

⁹ Khera, R(2008), “Empowerment Guarantee Act” *Economic and Political Weekly*, Vol. 43, No.35, pp.8-10.

Figure 3.9: Average wage rate (in percentage)



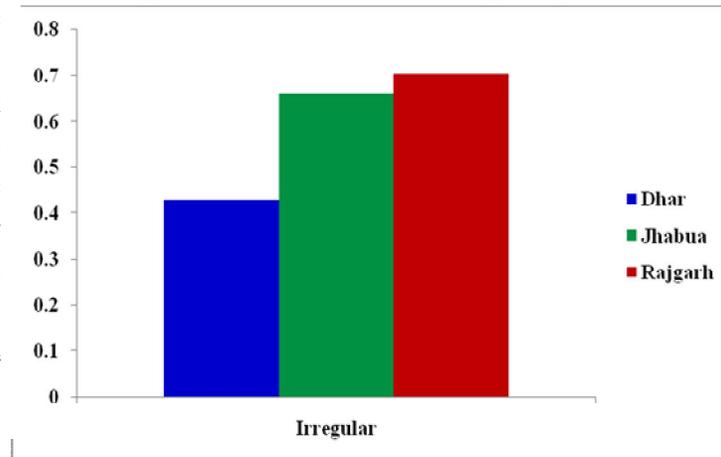
Sample size=1216 (Dhar-501, Jhabua-426, Rajgarh-289)

3.6. Interval of wage Payment

As per the MGNREGA, the wages should be paid weekly basis on a pre specified day of the week in each Gram Panchayat. Details of wages paid through banks/post offices should be made public. It was found, at a gross level, that about 57 percent of the respondents reported that they do not get their wages in regular interval.

Figure 3.10: Interval of Wage Payment

At the district level, the percentage of respondents reporting wage payments in irregular intervals were 43 percent in Dhar whereas the corresponding figures for Jhabua and Rajgarh were 66 and 70 percent, respectively. The district wise data are given in Figure 3.10.



Sample size=1348 (Dhar-602, Jhabua-443, Rajgarh-303)

Apart from violating the law, delay in wage payment may cause great hardship to MGNREGA labourers. When wage payments are delayed, they are forced to resort to low-paid or exploitative employment, and even distress migration¹⁰. The transition to

¹⁰ Khera, Reetika (2010) “Wages of delay”, *Frontline*, 27(10), 8-21 May, 2010.

bank payments has been associated with the growing problem of delays in wage payments, which is threatening to undermine the entire program. Urgent action is required to address this problem and streamline the process of payments through banks/ post offices.

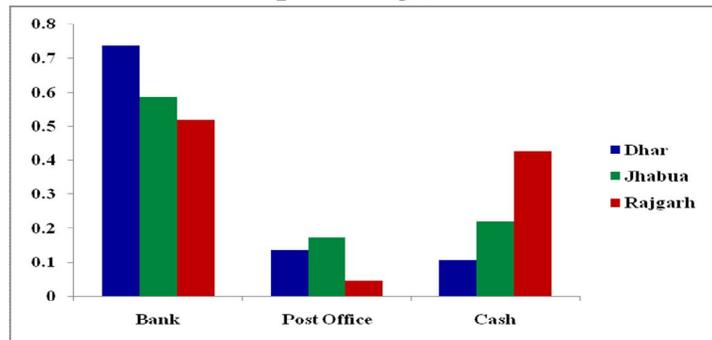
We tried to see whether mobile banking has any influence in timely wage payments. We visited 11 GPs during the period from June-July, 2012. The findings of the study are provided in Appendix II.

3.7. Mode of wage Payment

As per the MGNREGA the wage payments should be made through banks/ post offices. The majority of respondents (about 62 percent) get their payments through banks. About 12 percent of the responses got their payments through post office.

However the data indicated that about 24 percent of the respondents get their wage payments in cash. There is significant variation among the districts regarding the wage payments. Payment of wages through bank was high in Dhar district whereas the cases of wage payments in cash are found to be high in Rajgarh district. For details see Figure 3.11.

Figure 3.11: Mode of Wage Payment (in percentage)



Sample size=4744 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

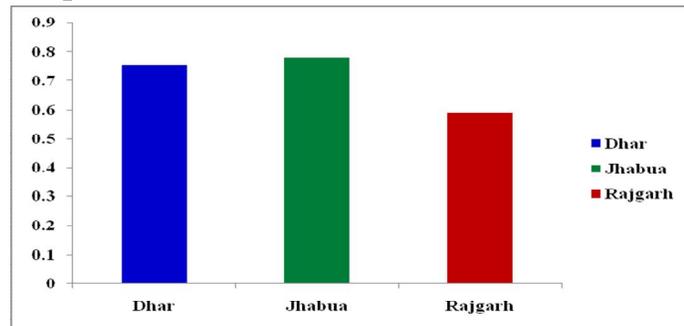
One possible answer is the respondents have limited access to banks/post offices which are far away from their home. Someone can withdraw the cash on the respondents' behalf and distribute it to them. It was found that at the aggregate level about 49 percent of the respondents believe that the bank is more than 5 km away from their house. Further it was reported that banks allot a single day of the week for the villagers of a particular village. Given the number of villagers, it is difficult for the banks to manage their demand. So it is the distance of banks/post office and limited days for withdrawal might have led to so-called wage payment in cash.

3.8. Entitlement to Work within 5 km radius

According to the MGNREGA provisions, work should ordinarily be provided within 5 km radius of the village, or else extra wages of 10 percent are payable to the beneficiaries.

Out of a total of 3380 respondents, a majority (about 71 percent) reported that usually the work is provided within 5 kms from the house. The Figure 3.12 indicates the district-wise percentage of respondents who have reported that the distance between their house and workplace is within 5 kms.

Figure 3.12: Distance between house and workplace is 5 Kms



Sample size (Dhar-1143, Jhabua-1166, Rajgarh-1071)

According to the MGNREGA provisions, if the work is not provided within 5 km radius of the village, extra wages of 10 percent are payable to the beneficiaries. To capture the instances of extra wages paid in lieu of distance of work place from the house, we enquired whether there is any compensation to move to work place. None of the respondents out of 3211 reported to have received any extra wages to commute to the worksite.

3.9. Entitlement to Worksite Facility

MGNREGA provides facilities for safe drinking water, shade for children, periods of rest and the availability of First aid box at the work site (Section 27, Schedule II of the MGNREGA). Table 3.2 depicts that a major section of the workers (79 percent) say the facility of drinking water is available at the worksites. About 66 percent of the job card holders say that there are no sheds available at the worksite. About 94 percent of workers were reported that there is no availability of First Aid box in the worksite. However, a majority of the respondents (about 88 percent) reported the period of rest is about 1 hour.

Table 3.3: District-wise Distribution of Worksite Facilities

| Facilities | Response | Dhar | Jhabua | Rajgarh |
|-----------------------|------------------|------|--------|---------|
| Drinking Water | Yes | 423 | 406 | 196 |
| | No | 136 | 34 | 107 |
| | No Answer | 2 | - | - |
| Shed | Yes | 226 | 127 | 80 |
| | No | 321 | 313 | 223 |
| | No Answer | 14 | - | - |
| First-Aid Box | Yes | 54 | 18 | 6 |
| | No | 505 | 422 | 297 |
| | No Answer | 2 | - | - |
| Crèches | Yes | 22 | 3 | 7 |
| | No | 536 | 437 | 296 |
| | No Answer | 3 | - | - |
| Period of Rest | About 1 Hour | 481 | 431 | 235 |
| | More than 1 Hour | 73 | 6 | 66 |
| | No Answer | 7 | 3 | 2 |

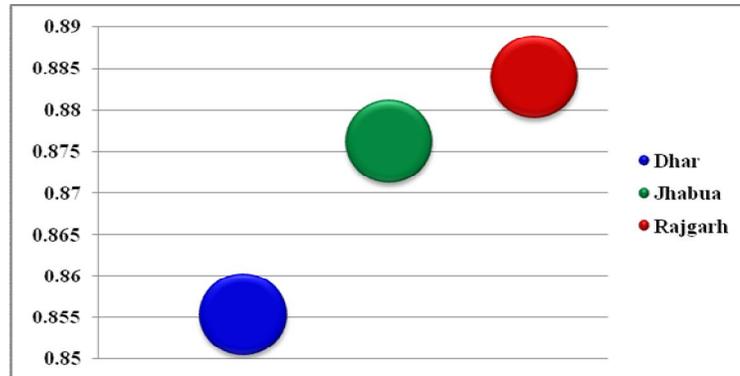
Section 28 of schedule II of the Act provides for crèche facility at the worksite for five or more children below 6 years of age accompanying working women. According to the Act, a woman worker should be deputed to look after young children, in the event where at least five children below the age of six years are present at the worksite. Almost 97 percent of the workers reported the absence of any crèches near the work area. A critical issue is raised in this regard. One of the interpretations of the Act is women workers are not entitled to childcare facilities at the worksite unless at least five children are present. However, many women are highly unlikely to bring their children to the worksite, unless childcare facility is provided there at the first place. One of the ways to address this problem is to prescribe that a crèche has to be provided if at least five children are present at the worksite or if at least five workers demand childcare facilities. Also along with the provisions of the Act, guidelines are required to ensure that shade, food and other basic amenities are available for the kids in the crèches.

3.10. Complains Regarding Worksite Condition

The maintenance of worksite is also a crucial task under MGNREGS implementation. It is required to take proper measurements of the work on worksites, maintaining transparency provisions at the worksite and ensuring the worksite facilities are provided.

Figure 3.13: No Complaints about Worksite Condition

A total of 1174 respondents answered the question out of which about 87 percent indicated that there are no complaints regarding the conditions at the worksite. The district-wise break up is given in Figure 3.13.



3.11. Summary and Conclusions

As per the MGNREG Act, there are many entitlements in the scheme. These are: right to have job cards, hundred days of employment per household in a year, unemployment benefits, timely wage payment, work site facility. In this context, this chapter examines whether and how far the respondents have availed these benefits using a survey method.

It was found that most of the respondents in the worksites do not have job cards with them because they submitted their job cards before the Sarpanch/Sachiv to get jobs. It was also found that most of the respondents register their employment demand orally, which is neither recorded in the job card nor acknowledged by issuing a dated receipt. It could be due to the lack of awareness of the scheme by the respondents as well as the Sarpanchs or to avoid the risk of paying unemployment benefits by the Sarpanch/Sachivs.

As per the MGNREGA, it is the responsibility of the Government to provide employment within 15 days after the demand for employment is given. It was found that most of the respondents get work within 15 days. Unemployment allowance was not observed in all the visited Gram Panchayats. It was found that most of the respondents have worked in the scheme and majority of them have got jobs for less than 50 days. A number of factors such as non-availability land in the village, non-availability of labour are responsible for the low average days of employment. The non-availability of workers could be due to lack of awareness of such a scheme as the data indicates that about 30 percent of the respondents are still unaware of MGNREGS. The GP officials can play a major role in enhancing the awareness level of the rural poor, as the data indicate that they have made a huge impact in terms of

making people aware of the work under MGNREGS. Also people come to know about the work from other villagers.

The data indicates that majority of the respondents earn Rupees 80 – 100 per day under MGNREGS. The majority of respondents get their payments through banks and post offices. However the data indicated the existence of wage payments in cash. The reasons for cash payment could be due to the banks/post offices being far away from their home. It was also found that about 49 percent of the respondents believe that the bank is more than 5 km away from their house. So it is the distance of banks/post offices and limited days for withdrawal might have led to so-called wage payment in cash.

As per the MGNREGA, the wages should be paid weekly basis on a pre specified day of the week in each Gram Panchayat. It was found, at a gross level, that about 57 percent of the respondents reported that they do not get their wages in regular interval of time. According the MGNREGA provisions, work should ordinarily be provided within 5 km radius of the village or else extra wages of 10 percent are payable to the beneficiaries. A majority of the respondents reported that usually the work is provided within 5 kms from their house.

As per the guidelines of NREG Act, Medical Aid, drinking water, shade and crèche are to be provided. The data indicates that there are different degrees of achievement in providing these facilities in the worksites. Respondents also reported that they get adequate rest periods during the work.

It is important that the rural households should be made aware of the scheme. Once they are well informed about the scheme, they will demand work. As they demand work, they would ask for receipts for the same. As a result, it would not only increase the number of days of employment but also discourage them to search for jobs elsewhere. It would also ensure the entitlement of timely wage payment, work site facility, and saving accounts in post office/banks.

Chapter IV

Participation, Grievance Redressal, and Transparency under MGNREGA

One of the important features of MGNREGA is that it gives central role to the ‘Social Audits’. A social audit is a process in which the potential beneficiaries and other stakeholders of an activity/ project are involved at every stage: from the planning to the implementation, monitoring, and evaluation¹¹. Hence, it promotes transparency and participation in decision-making and grievance redressal.

In the context of MGNREGA, the social audit should include public vigilance and verification of things such as registration of families, distribution of job cards, receipt of work applications and issue of dated receipts, preparation of project and selection of sites, allotment of work to applicants, execution of works, maintenance of muster rolls, payment of wages, evaluation of work, payment of unemployment allowance. Social audit helps to detect gaps and leakages. It identifies strengths and weaknesses. It empowers the workers to put forward their rights and entitlements in an effective manner. It also ensures greater accountability of officials and elected representatives of Gram Panchayats. Therefore, it could become an effective mechanism to eliminate corruption and improve transparency in the implementation of the scheme.

Apart from all these, there will be a compulsory review of all aspects of the social audit in the Gram Sabha meetings to be held at least once in every six months. Therefore, these meetings are very important from the participation, transparency, and grievance redressal point of view. Therefore, the major objective of this chapter is to cover the issues related to participation, transparency, and grievance redressal under MGNREGA.

4.1. Frequencies and Publicity of Gram Sabha Meetings

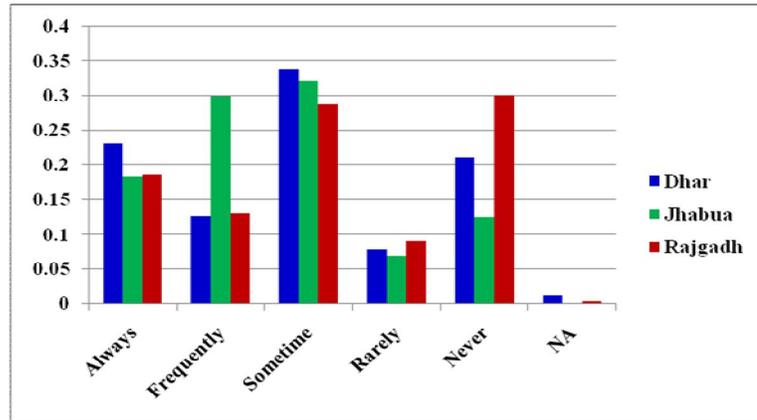
Given the importance of the Social Audit Forum Meetings, it is required that the meetings of the Gram Sabha are convened regularly and are well publicized beforehand so as to ensure maximum participation by the villagers. In order to know whether meetings are organized in the Gram Panchayats, the household respondents were asked about this. The official data indicates that on an average about 2 Gram

¹¹ MRD(2008), "The National Rural Employment Guarantee Act 2005(NREGA): Operational Guidelines 2008" 3rd Edition, Ministry of Rural development (MRD), Department of Rural Development, Government of India, New Delhi, pp. 61.

Sabhas are held in a GP. Also the number of Gram Sabhas are constant over the years (from 2008 – 2009 to 2010- 2011). However, in case of the district of Rajgarh there is a decrease in the number of Gram Sabhas in the year 2010 – 2011. A majority of the respondents reported that meetings are organized by the GP regularly.

Figure 4.1: Publicity of Meetings

It was also found that meetings are publicized in all the districts (See Figure 4.1). About 4447 respondents participated and about 29 percent of the respondents reported that the meetings are rarely/never adequately publicized.



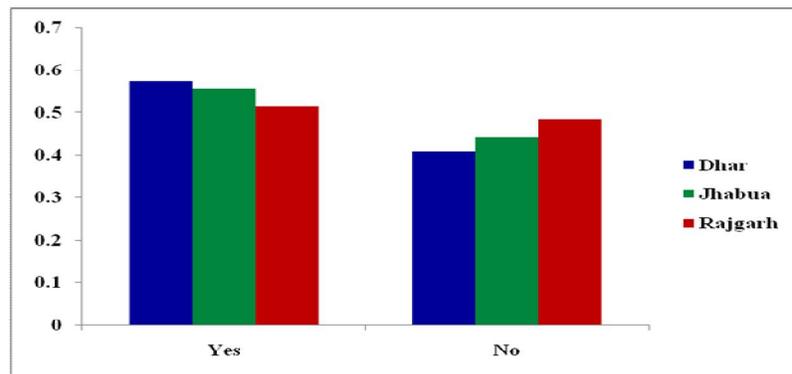
Sample size=4447

4.2. Notification of Gram Sabha Meetings

To know whether the meetings are notified in advance in the villages, we took the survey. Out of 1712 respondents, majority agree that it is notified in advance in the village.

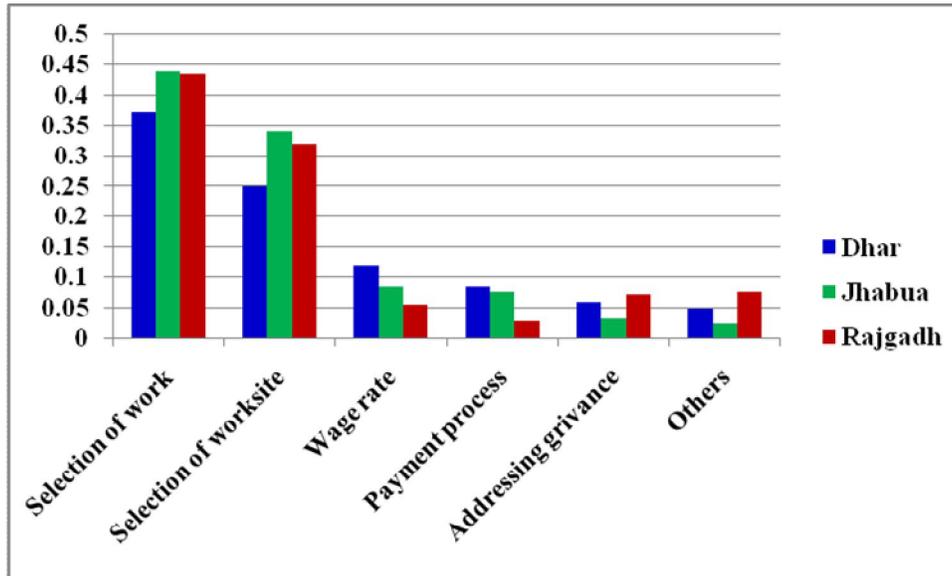
Figure 4.2: Advanced Notification of Meetings

About 55 percent of the respondents reported that the meetings are notified in advance in the village. The district-wise break-up is given in Figure 4.2



Sample size=4686 (Dhar-1712, Jhabua-1553, Rajgarh-1421)

We also wanted to know the topics that are usually discussed in the Gram Sabha meetings. It was found that 62, 81, and 75 percent of the respondents, in Dhar, Jhabua, and Rajgarh, respectively, believed that selection of work and work sites are discussed in the Gram Sabha meetings. The details are given in Figure 4.3.

Figure 4.3: Topic of Discussion in Meeting

4.3. Importance of Various Works

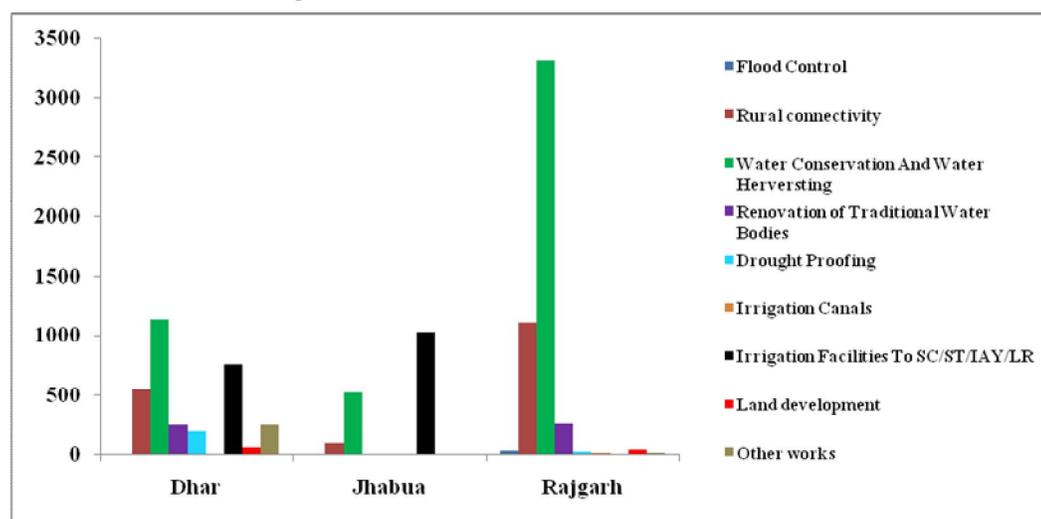
As the meetings are organized regularly with enough publicity and advance notification, we wanted to know whether households are able to rank their local needs at village level in terms of their importance. It would help us to understand the perceived usefulness of certain goods and services from the community point of view. Out of 6847 responses, about 40 percent respondents believed that water conservation; about 20 percent believed rural connectivity and about 14 percent believed minor irrigation as the most needed work for their village. In other words, the top three important preferred activities are water conservation, rural connectivity, and minor irrigation. The district wise responses are given in Table 4.1.

As shown in the graph, majority of the assets (created in 2009-2010) are related to water supply followed by rural connectivity. The overall selection of assets under MGNREGA appears to match with the needs of the villagers.

Table 4.1: Importance of various activity by the respondents

| Work believed to be important by the villagers | Dhar | Jhabua | Rajgarh |
|--|------|--------|---------|
| Water conservation | 0.39 | 0.45 | 0.36 |
| Rural connectivity | 0.19 | 0.16 | 0.24 |
| Minor irrigation | 0.17 | 0.14 | 0.1 |
| Land development | 0.07 | 0.09 | 0.07 |
| Horticulture | 0.05 | 0.05 | 0.03 |
| Flood protection | 0.02 | 0.03 | 0.01 |
| Draught proofing | 0.01 | 0.01 | 0.02 |
| Others | 0.09 | 0.06 | 0.17 |
| N/A | 0 | 0 | 0 |

Sample size: 6847 preferences (Dhar-2828, Jhabua-2000, Rajgarh-2019)

Figure 4.4: Assets Created in 2009-2010

Source: Compiled from <http://nrega.nic.in>

4.4. Participation in Gram Sabha Meetings

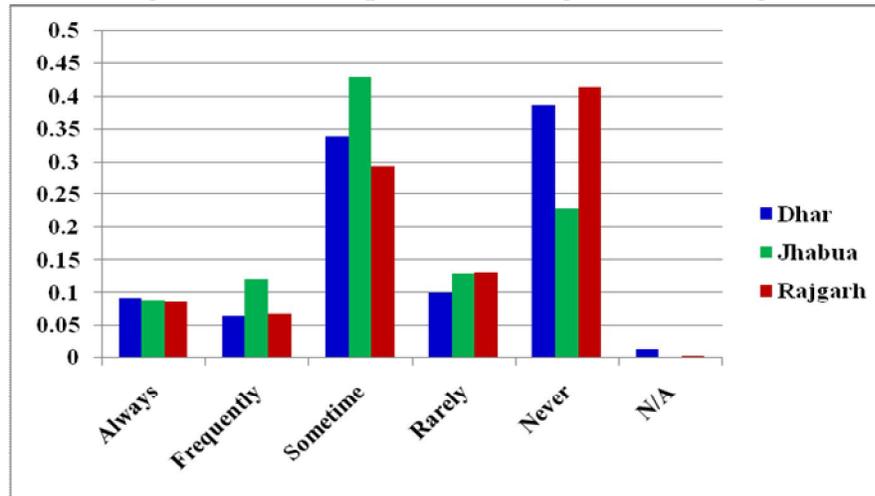
When people are able to rank the importance of various work and they have the power to create those assets (decentralization of power), it would maximize welfare at the village level. It would be interesting to find out if the respondents participate and have a say in deciding the nature and location of proposed work? A majority of the respondents (about 71 percent) reported that they do not have any say in the selection of the nature and location of the work (See Table 4.2).

Table 4.2: Power of Villagers in decision regarding Planning of Work

| | Dhar | Jhabua | Rajgarh |
|-------------|------|--------|---------|
| Yes | 532 | 318 | 378 |
| No | 1040 | 972 | 1063 |
| Do not Know | 5 | 0 | 0 |

To know the degree of participation of the respondents, we captured it in a scale ranging from always participate to never participate. The data indicated that about 47 percent of the respondents either rarely or never participated in the discussions. The district-wise break up of participation level is given in Figure 4.5.

Figure 4.5: Participation of Villagers in Meetings



To understand their level of awareness from the Gram Sabha meeting, we asked the respondents whether there is any list of sanctioned work for the year available in the GP. About 76 percent respondents reported “NO”; however, about 21.66 percent of the respondents agreed that there is a list of sanctioned works for the year.

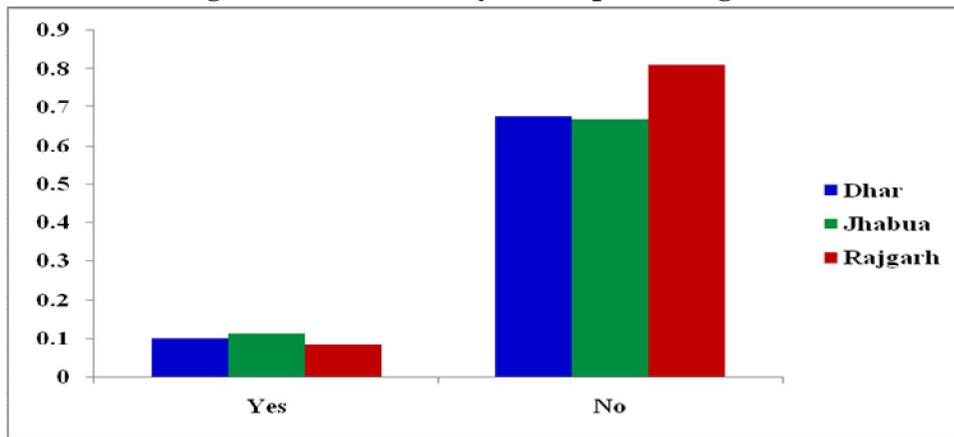
The success of Gram Sabha depends on the active participation of the villagers. Effective participation of Gram Sabha in the planning, demand mobilization, vigilance, social auditing and implementation are some of the key indicators of good practices. But it is not happening, as majority of the respondents believe that they do not participate and are unaware about the sanctioned work. Therefore, it is necessary that the potential beneficiaries of the scheme need to be informed about their rights so that they participate in the Gram Sabha effectively.

4.5. Grievance Redressal Mechanism

According to the provisions of the MGNREGS, grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process. As per the guidelines, the CEO, Janpad is the grievance redressal officer at the block level. The person registering the grievance is to be given a receipt with number and date so that he/she can follow up the status of disposal of his/her grievance. Once a grievance is

disposed of, the date and nature of disposal is to be communicated to the petitioner. The Gram Sabha and the Social Audit Forum are required to provide a forum for public hearings so that grievances may be quickly redressed. To understand grievance redressal mechanism we enquired whether complaint registers are available at the Gram Panchayat office. About 72 percent households indicated that there is no complaint register available at the Gram Panchayats. Surprisingly, about 18 percent of the households are unaware of the complaint register. The district-wise break up is given in Figure 4.6.

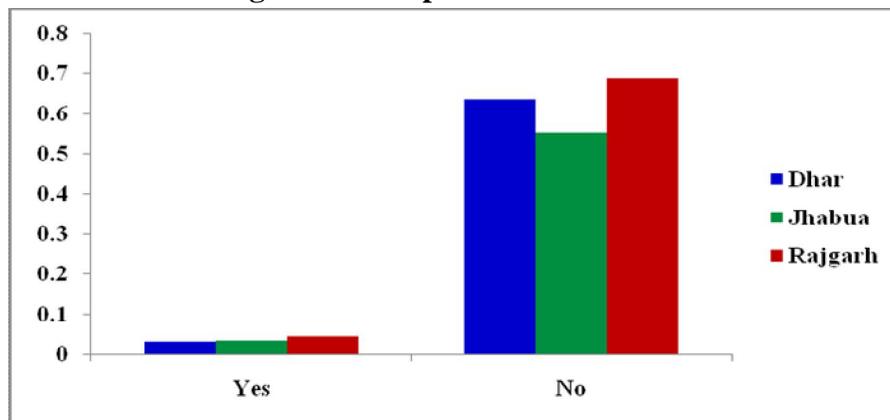
Figure 4.6: Availability of complaint Register



Sample size=4474 (Dhar-1682, Jhabua-1286, Rajgarh-1506)

The grievances are supposed to be disposed off within a reasonable time limit. However, about 63 percent reported that it is not disposed off in a reasonable time limit. Only 4 percent of the respondents reported that grievance is addressed within a reasonable time limit. The district wise data are given in Figure 4.7.

Figure 4.7: Disposal of Grievances



Sample size=4202 (Dhar-1640, Jhabua-1187, Rajgarh-1375)

The following official data corroborates the findings. The following table indicates the number of complaints received and number of complaints disposed from 2008 – 2009 till 2010-2011. The official data indicates the scope for improving the grievance redressal mechanisms in the studied districts.

Table 4.3: No of Complaints Received and Disposed

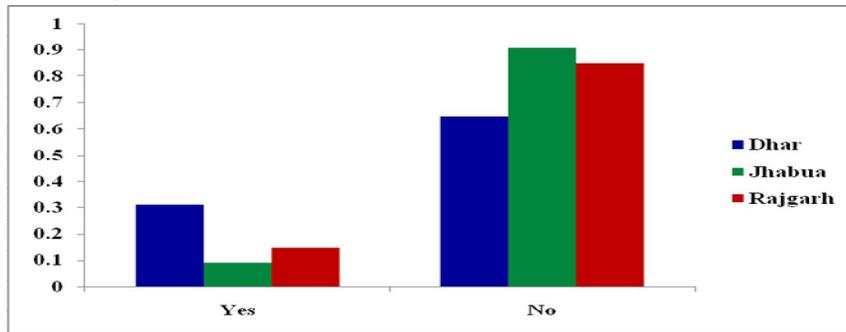
| Districts | No of Complaints Received | | | No of Complaints Disposed | | |
|-----------|---------------------------|-----------|-----------|---------------------------|-----------|-----------|
| | 2008-2009 | 2009-2010 | 2010-2011 | 2008-2009 | 2009-2010 | 2010-2011 |
| Dhar | 309 | 486 | 635 | 155 | 239 | 362 |
| Jhabua | 0 | 96 | 92 | 0 | 84 | 78 |
| Rajgarh | 336 | 366 | 376 | 289 | 312 | 176 |

Source: Compiled from <http://nrega.nic.in>

4.6. Availability of Muster Rolls at the Work Sites

The MGNREGA guidelines clears the point that the numbered muster rolls should be issued for each work by the Program Officer as this acts as a check on false muster rolls. The maintenance of authentic updated muster rolls in the worksite is a must. To know the availability of muster roll we checked for the muster rolls in the worksite. Most of the cases we do not find any muster roll. We interviewed 1163 workers at the worksites to know about the Muster Rolls. Majority agreed that there is no availability of muster roll in the worksite. However there is variation across the districts. The non availability of muster roll is highest in Jhabua (about 91 percent) compared to Dhar (65 percent). The cases of non-availability of muster rolls were about 85 percent in the district of Rajgarh (See figure 4.8).

Figure 4.8: Availability of Muster Rolls at Worksite

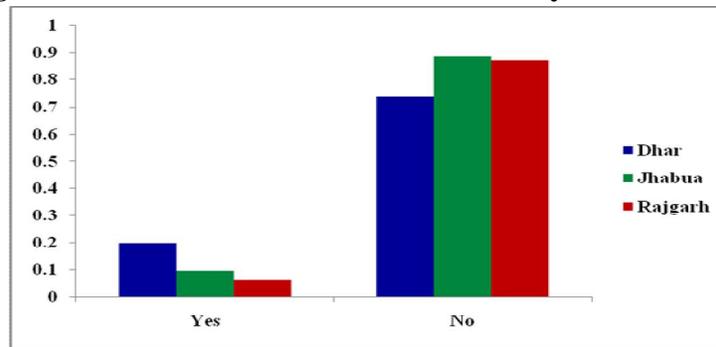


Sample size 1163 (Dhar-487, Jhabua-387, Rajgarh-289)

4.7. Mechanism to check availability of Muster Roll

To know about any mechanism that checks for the availability of Muster Rolls in the worksites, we asked the respondents whether there is any executive agency that checks the muster roll. The responses were varied across the districts. Overall about 82 percent respondents agreed that no executive agency checks the availability of muster roll in their village. The district-wise responses are given below. In the district of Dhar about 74 percent of the respondents agreed that no executive agency checks the muster roll where as the figures for Jhabua and Rajgarh are 89 and 87 percent respectively. The district wise details are given in Figure 4.9.

Figure 4.9: Mechanism to Check availability of Muster Roll

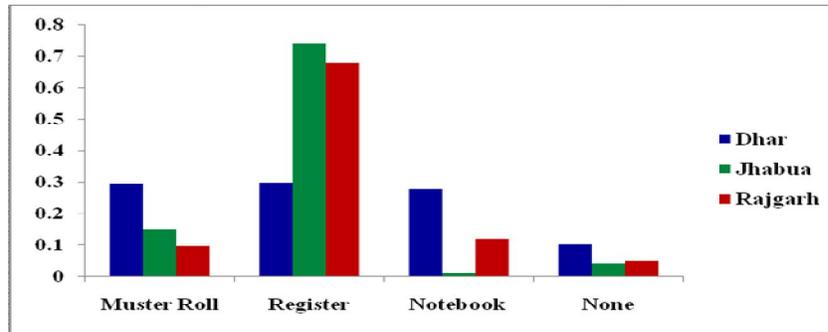


Sample size= 1130 (Dhar-458, Jhabua-391, Rajgarh-281)

4.8. Attendance in Workplace

As the muster rolls are not available at the work sites, it would be interesting to know how the attendance of the workers is taken. In order know the answer for this question, the respondents were asked whether attendance is taken on Muster Roll or in a register. Only 507 respondents answer this question. Based on these data it is observed that attendance is taken on Register, notebooks and through other mechanisms. While interviewing the Sachivs, it was observed that they prefer to take the attendance in a notebook to keep the Muster Roll error free. In some cases the Sachivs agree that they have to write the names of influential persons though they never turn up for work. There are some instances in which attendance is not taken. There is variation across the districts (see Figure 4.10).

Figure 4.10: Attendance in Workplace



About 30 percent of the respondents in the district of Dhar responded that attendance is taken in the muster roll. The corresponding figures for the districts of Jhabua and Rajgarh are 15 and 10 percent respectively. Muster rolls contain important information such as name of the workers, his/her job card number, number of days worked and number of days absent, workers signature or thumb impression, wages paid, and so on. Hence, it ensures transparency and accountability. But in the absence of muster rolls at work sites, transparency and accountability remains far-fetched.

4.9. Summary and Conclusions

As per the MGNREGA, Gram Sabha meetings should be held at least once in every six months to review all aspects of the social audit. Therefore, Gram Sabha meetings are very important. In order to ensure maximum attendance and greater participation, the meetings have to be held regularly with enough publicity and advance notification. It was found that meetings are held regularly with publicity and advance notification. It was also found that respondents are well aware of the usefulness of certain activity. For example, most of the respondents believe that water conservation, rural connectivity, and minor irrigation are the top three important preferred activities. But somehow the respondents do not participate and, as a result, do not decide the nature and location of proposed work. They are also unaware about the sanctioned work.

According to the provisions of the MGNREGS, grievance redressal mechanisms have to be put in place for ensuring a responsive implementation process. It was found that in most of the cases there is no complaint registers available at the Gram Panchyats. Most of the respondents believe that the grievances are not disposed off within a reasonable time limit.

So far as transparency and accountability are concerned, muster roll plays very important role. For instance, it contains important information such as name of the

workers, his/her job card number, days worked and days absent, workers signature or thumb impression, wages paid, and so on. However, muster rolls are not found in many work sites. Even, there is no mechanism to check the availability of muster rolls at the work place. Register and notebooks are used to take attendance of the workers at the work sites.

Therefore, it is important that villagers should be made aware of their role in Gram Sabha, which, in turn, will increase their participation in Gram Sabha to decide the nature and location of proposed work. As Panchayats are the implementing agencies of MNREGS, they should not be involved for receiving complaints. A separate committee should be made at village level to make sure that the Grievance redressal system works effectively. The role of such committee should be to maintain the complaint register and to ensure that complaints are disposed within reasonable time limit. In order to make it more comprehensive, a block level official should be made a part of this village level committee. The villagers should also be informed about the mechanism of the functioning of the Grievance redressal system. The village level committee should also make sure that muster rolls are available and updated at the work sites.

Chapter V

Impact of MGNREGS

The objective of NAREGA is to increase livelihood security in rural areas by providing 100 days of guaranteed employment. Through the process of providing employment on works that address causes of chronic poverty such as drought, deforestation soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. It is also expected to empower the poor through the right based law¹². In other words, the scheme is expected to transform the rural economy. It is in this context, the major goal of this chapter is to explore the impact of the scheme on individual as well as on community level.

5.1. Impact on Employment

The rationale of the Act was to augment employment of rural people who are willing to work. At the macro-level, full employment ensures financial and macroeconomic stability; ensures social and political stability by reducing social tensions, crime and conflicts and promotes economic and social multiplier effects¹³. In the rural context, a large proportion of rural population is dependent on the wages which they earn through unskilled manual labor in agriculture and otherwise. The implementation of MGNREG scheme has gradually increased the employment demanded by the households (HHs) across three districts. To know the number of households demanded employment, we captured the data from 2008-09 till 2010-11. The data indicates that there is a significant increase in the number of households that demanded employment in the year 2010-11 compared to the year 2008-2009.

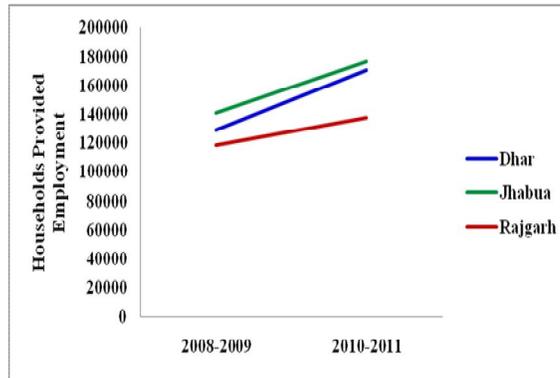
Table 5.1: No of households demanded employment

| Year | Dhar | Jhabua | Rajgarh | Madhya Pradesh |
|---------------------|--------|--------|---------|----------------|
| 2008-2009 | 130185 | 138804 | 119113 | 4104756 |
| 2010-2011 | 171510 | 177684 | 139373 | 4062352 |
| Percentage Increase | 31.74 | 28.01 | 17.01 | -0.01 |

Source: Compiled from <http://nrega.nic.in>

¹² MoRD (2008), "The National Rural Employment Guarantee Act 2005(NREGA): Operational Guidelines 2008" 3rd Edition, Ministry of Rural development (MRD), Department of Rural Development, Government of India, New Delhi.

¹³ Fullwiler, Scott T. (2005) "Macro-economic stabilization through an employer at last resort", Working paper No. 44. Center for Full Employment and Price stability, USA: University of Missouri Kansas.

Figure 5.1: Employment Provided to Households

At an aggregate level there is an increase of about 25 percent in the number of households who were provided employment in the year 2010-11 compared to the year 2008-09 in the three studied districts. Apart from employment the notified wage rate has increased from Rs 65 in 2006-07 to Rs 122 in 2010-2011.

| Year | Dhar | Jhabua | Rajgarh |
|-----------|--------|--------|---------|
| 2008-2009 | 128883 | 86781 | 118579 |
| 2010-2011 | 170966 | 105954 | 137608 |

Source: Compiled from <http://nrega.nic.in>

5.1.1. Impact on Livelihood Security of SCs and STs

The data illustrates a number of interesting points that are also corroborated in other studies. First, MGNREGS is reaching the poorest of the poor, and is of particular significance for marginalized communities such as the SCs and STs. These make up 82 percent of MGNREGA workers in this sample. The significance of this can be seen from the stand point of their poor economic conditions and livelihood insecurity that compel them to look for even hard manual works under the MGNREGS. The data regarding annual family income of respondents shows that the about 72.7 percent respondents fall below the annual income level of Rs. 15000. The scheme is successful in providing employment opportunities to the uneducated workforce as the works under the scheme require unskilled and manual labor.

Over the years the cumulative person-days generated for Scheduled Caste members is also increasing in these districts. The official data indicates that at a gross level the participation of scheduled caste members in the studied districts has increased by 27.76 percent in the year 2010-2011 compared to the numbers in the year 2008-09. This is greater than the cumulative person-days generated for members in the scheduled caste category at the state-level which stands at 8.80 percent during the same period. The district wise data are provided below.

Table 5.2: Increase in cumulative person-days generated for SC members

| Schedule Caste | Dhar | Jhabua | Rajgarh | Madhya Pradesh |
|---------------------|-------------|---------|----------|----------------|
| 2008-09 | 2664784 | 1865498 | 950543 | 35006505 |
| 2010-11 | 3933755 | 1943531 | 1124769 | 38087121 |
| Percentage increase | 0.476200322 | 0.04183 | 0.183291 | 0.088001 |

Source: Compiled from <http://nrega.nic.in>

The cumulative person-days generated for Scheduled Tribe members are shows an increasing trend in the studied districts. The data indicates that at a gross level the participation of scheduled tribe members in the studied districts has increased by 106.72 percent in the year 2010-2011 compared to the numbers in the year 2008-09. This is greater than the cumulative person-days generated for members in the scheduled caste category at the state-level which stands at 29.61 percent during the same period. The district wise data are provided below.

Table 5.3: Percentage increase in cumulative person-days generated for ST members

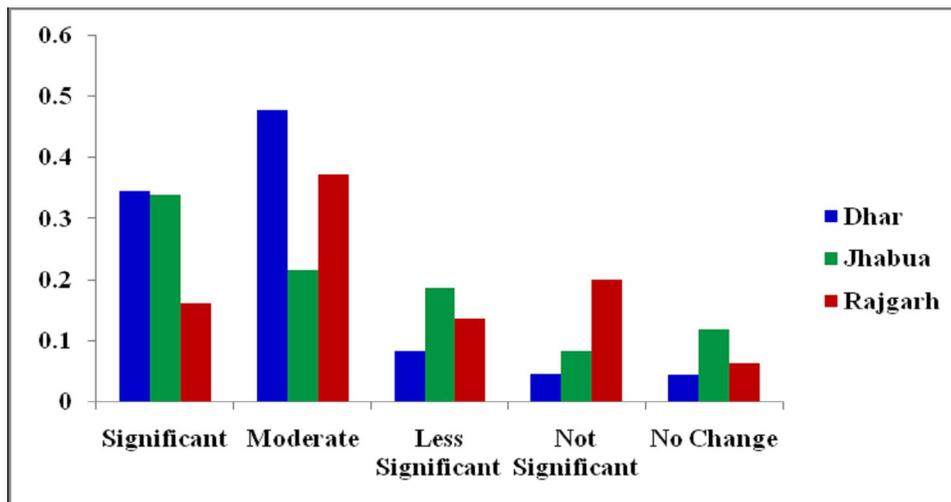
| Schedule Tribe | Dhar | Jhabua | Rajgarh | Madhya Pradesh |
|---------------------|-------------|----------|----------|----------------|
| 2008-09 | 1311863 | 3015018 | 183436 | 40077703 |
| 2010-11 | 3658942 | 5465403 | 199244 | 51944999 |
| Percentage increase | 1.789118986 | 0.812726 | 0.086177 | 0.296107 |

Source: Compiled from <http://nrega.nic.in>

5.2. Impact on Household Income

Hundred days of employment at the statutory wage rate is not the end of poverty by any means, but for people who live on the brink of starvation, it makes a big difference. About 65 percent of the respondents indicated that MGNREGA has improved their household income and employment. About 27 percent of the respondents reported the impact to be significant whereas about 37 percent of the respondents reported the impact to be moderate. The following figure (Figure 5.2) depicts the impact of MGNREGS on household income in three districts.

Figure 5.2: Impact on Household Income



Sample size 4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

MGNREGS has provided employment and as a consequence the scheme was successful in raising the wage rates in the countryside. About 96 percent of the GP officials reported that there is an increase in agricultural wages of the villagers.

5.3. Impact on Asset Creation

The work provided under the right to employment helps in earning wages and in creating durable productive assets. Hirway, Saluja, and Yadav¹⁴ argued that the role of any employment guarantee program is much more than guaranteeing work to the poor, because guarantee alone will have limited impact on employment generation in the economy. They further argued that the guarantee can be treated as an end itself only under the assumption that the development process of the developing economies will generate adequate employment opportunities in the medium term to absorb the surplus manpower, including additions to the labor force. Thus, in addition to the immediate impact in terms of poverty reduction, a well-designed employment guarantee program can lead the economy towards labor intensive growth path through the creation of assets.

Table 5.4: Types of Work under MGNREGS

| Type of Work | Nature of Work |
|--|---|
| Water conservation and harvesting | Digging new tanks/ ponds, small check dams, etc. |
| Draught proofing and plantation | Afforestation, tree plantation, etc. |
| Flood control and protection | Drainage in water logged areas, construction and repair of embankment, etc. |
| Land development | Plantation, land leveling, etc. |
| Micro irrigation Works | Minor irrigation canals, etc. |
| Renovation of Traditional Water Bodies | Desilting tanks/ponds, Desilting of old canals, desilting of traditional open wells, etc. |
| Provision of irrigation facility land owned by | Scheduled caste and schedule tribes, beneficiaries of land reform, etc. |
| Rural connectivity | Construction of roads, etc. |
| Any other activity approved by ministry of rural development | Other works, etc. |

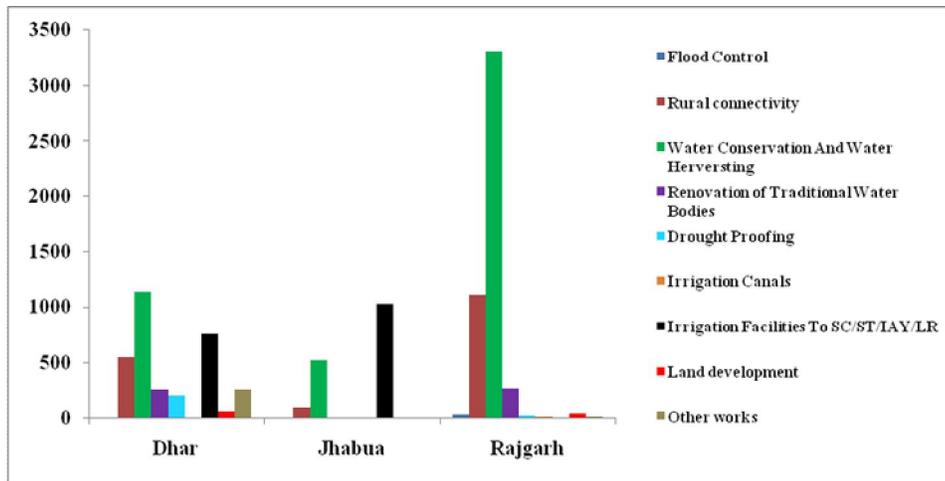
Source: Compiled from <http://nrega.nic.in>

¹⁴ Hirway, Indira, Saluja, m. R., Yadav, Bhupesh (2010) “*Employment guarantee programme and pro-poor growth: The study of a village in Gujarat*”, Academic Foundation: New Delhi.

MGNREGA has the potential to transform the face of the rural economy. The availability of such a large amount of resources presents a massive opportunity for the creation of productive assets such as water conservation and similar structures. The works being undertaken are consistent with the eight specific types of works listed in the MGNREGA. The nature of physical assets created is described below (Table 5.4).

Most of the assets generated under MGNREGA are related to natural resource management. As shown in the graph (Figure 5.3), majority of the assets (created in 2009-2010) are related to water supply followed by rural connectivity. The overall selection of assets under MGNREGA appears to match with its objective of promoting better management of natural resources and rural connectivity.

Figure 5.3: Assets created in the Year 2009-2010



Source: Compiled from <http://nrega.nic.in>

5.3.1. Involvement of Line Department

The Gram Panchayat is the single most important agency for executing work and thereby creating assets. It has mandatory responsibility for execution of work. There can be many other implementing agencies to create assets. Line Department is one among them, which includes Forest, PWD, Agriculture, Fisheries, Water Resources and so on. If a line department is chosen for a work, as per the Act, minimum 50 percent of the work (in terms of cost) must be executed by the Gram Panchayats. The role of the line department is to provide support in the form of measurement and supervision of the work. Works will be done by job card holders. Contractors cannot be used in the execution of work.

To understand the execution of the work we asked the question which agency executed the work? About 90 percent of the respondents (sarpanch and Sachiv)

reported that Gram Panchayat executes the work. The district-wise break up is given in Table 5.5.

Table 5.5: Involvement of Line Department

| Particulars | Dhar | Jhabua | Rajgarh |
|-----------------|------|--------|---------|
| Line Department | 19 | 60 | 6 |
| Gram Panchayat | 380 | 328 | 290 |

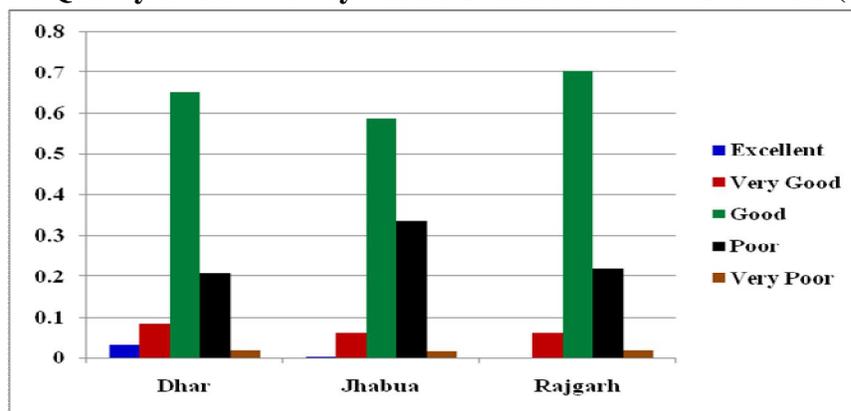
It is also support by the MIS data. So although the Act allows the line department to execute the work and create assets, in the studied blocks of Rajgarh, Jhabua, and Dhar districts, funds are spent through Gram Panchayats. We also wanted to know whether the line departments use contractors to get the work done. Almost 89 percent out of 336 Sarpanch/ Sachivs reported that work is not done through contractors.

5.4. Impact on Community Assets and its Quality

The productive value of MGNREGA works has been criticized as a futile attempt ‘to play with mud, to create a road that goes from nowhere to nowhere, to dig ditches that will be washed away in the next monsoon¹⁵.

However, our data do not substantiate the above observations. Almost all the workers reported that community assets created under the scheme are required. To know the quality of community assets created under the scheme, we asked the respondents at the worksite to rate the quality of assets created under MGNREGS on five point scale: excellent, very good, good, poor, and very poor. About 64 percent of the workers at an aggregate level rated the quality of work as good and above.

Figure 5.4: Quality of Community Assets Created under MGNREGS (Worksite)



Sample size (Dhar-474, Jhabua-383, Rajgarh-282)

¹⁵ Ghose, Sagarika (2008) “The idiocy of urban thinking”, *Hindustan Times*, 14 February.

To know the possibility of creating/ recreating community assets without MGNREGA, we surveyed the respondents at the worksites. Out of 1161 usable responses, most of the respondents (about 88 percent) reported that without MGNREGS it would be difficult to create community assets. It indicates that MGNREGS has helped in creating the assets which otherwise would have been very difficult to create at the village level. To know the perceived durability of these community assets, we asked the workers “Do you think that the community assets created under the scheme are durable”? Majority of the respondents reported that community assets created under MGNREGS are durable.

It is commonly argued that ownership and use of assets created under any employment guarantee program is important from equity considerations. It frequently happens that the benefits of the assets occur only to those with assets (for example farmers with land) and the asset-less do not gain anything except the wages. This tends to increase asset inequalities in the region¹⁶. In the present study, we captured the preference of workers regarding the creation of community assets vs. assets being created in individual lands. However, only about 52 percent of the respondents reported that community assets should be given preference. This may be due to the fact that, in the studied districts majority of the respondents reported to have land assets (about 85 percent of the respondents reported to have their own land assets of their own).

In order to understand the importance of assets created in individual lands we asked the workers “Do you think that the assets in individual lands created under the scheme are required”? About 58 percent of the workers agreed that assets in individual land are required. To know the possibility of creating/ recreating assets in individual lands without MGNREGA, we surveyed the workers. Out of 1414 usable responses, most of the workers reported that without MGNREGS it would be difficult to create assets in individual lands. It indicates that MGNREGS has helped in creating the assets which otherwise would have been very difficult for individuals to create. Because there is a need to develop assets in individual land, we found the assets created in the individual land very useful to the rural poor.

¹⁶ Hirway, Indira, Saluja, m. R., Yadav, Bhupesh (2010) “*Employment guarantee programme and pro-poor growth: The study of a village in Gujarat*”, Academic Foundation: New Delhi.

Under the MGNREGS, 27 wells were dug in the Phadiya and Gopalpura villages of Rajgarh block in the district of Rajgarh. Apart from direct wages, these wells increased the agricultural productivity of these 27 households. These wells helped in the irrigation of 41 hectares of land which yielded 394 quintals of wheat, 98 quintals of dal and rupees 5 lakh worth of Dhaniya.

Going by the national level government data, the MGNREGA has started to make an impact both in its short-term and long term objectives. While creating daily wage employment is the short term objective, the long term objective is to create productive assets. There are visible impacts in terms of tangible structures like wells, and roads. These works in fact constitute the majority of the works being undertaken in the study and their impact has been apparent during the survey. However, with no funds being assigned for maintenance of the assets created it was largely felt by our sample of respondents that the asset would become obsolete in the coming years.

Saktali Gram Panchayat of Dhar block in the district of Dhar initiated tree plantations under the MGNREGS. However, after the tree plantation project is over, gradually the trees withered away without proper monitoring of the trees.

5.5. Monitoring of Assets

A majority of GP officials (almost 67 percent of a total of 320 GP officials) reported that sub-engineers monitor the assets during its creation. The assets under creation are also monitored by Gram Panchayat members. In addition, in case of the assets created in individual lands, the land owners also monitors the quality of assets created under MGNREGS. Also since the asset is owned by the individual they take care of the asset once it is created. In case of assets created in community land, monitoring happens primarily during the time when assets are created. However, once the assets are created, virtually no body monitors the created assets particularly in community lands. It came across everywhere that once the work is completed, the community does not take the responsibility of its maintenance. Probably once the community owns the work structures, the wear and tear will be much less, the quality of the work will be better and hence the benefits will be more. There is a major need to create awareness among the villagers to own the works undertaken in MGNREGA scheme for the sustainability of the works. There are some innovative practices initiated in Dhar district to create ownership of the assets through convergence.

Under the MGNREG scheme about 63 Nistar Talabs (comprising about 164.101 hectares of water area) were given on lease for fisheries in Jharan GP of Gandhwani block in the district of Dhar. The fishery department provided the fish seeds, lease amount, and the nets. Through this intervention, an amount of rupees 81,563 was collected as lease amount, 443 persons got employment and get an additional income

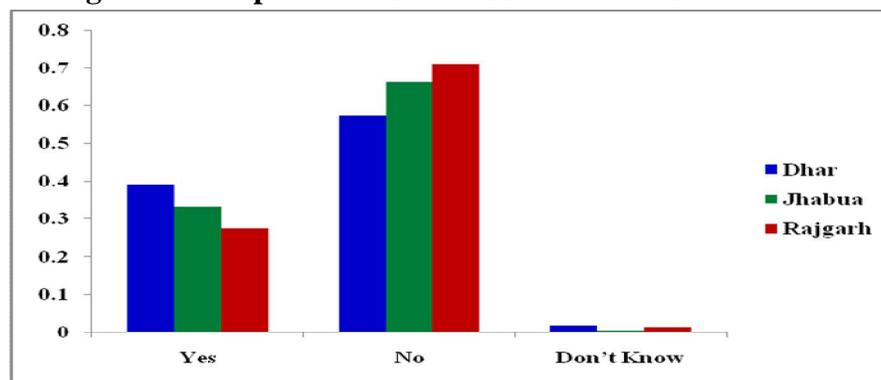
5.6. Impact on Water Conservation

Agricultural sector in India suffers from low productivity in most parts of the country; it is highly unstable as it is subjected to fluctuations in rainfall (majority of cropped area in India is rain fed, without security of water supply); and majority of poor (working poor and un/under-employed) are located in this sector¹⁷. An employment guarantee program can be planned in a way that it reduces water insecurity and promotes agricultural growth. Madhya Pradesh being centrally located, suffers from limited rainfall, and is therefore marked as a draught-prone area. Therefore water conservation comes out as the preferred work.

Water conservation is done by undertaking the works such as irrigation schemes, water harvesting structures, and wells. The rationale is that these activities will impact the water conservation and thus will help in the stabilization of agriculture, encourage multiple cropping and enhance its productivity. The scheme will, thus, create an enabling environment for the growth of the agricultural sector which are predominated by the poor including working poor, unemployed and under-employed.

Since most of the activities carried out under the scheme are related to water conservation, it is expected that the scheme would have positive impact on the conservation and development of water resources of the State. About 27-39 percent workers perceived a positive impact of MGNREGA in improving water conservation. There is significant variation across the districts. In Dhar about 39 percent of the respondents believe that MGNREGS has a positive effect on water conservation, where as in case of Jhabua and Rajgarh the percentage of respondents believing positive effect on water conservation was 33 percent and 27 percent respectively (See Figure 5.5).

¹⁷ Bhalla Sheila (2007) "Inclusive growth? Focus on employment", *Social Scientist*, 35(7-8) July-August, 24-43.

Figure 5.5: Impact of MGNREGS on Water Conservation

Sample size = 4173 (Dhar-1656, Jhabua-1328, Rajgarh-1189)

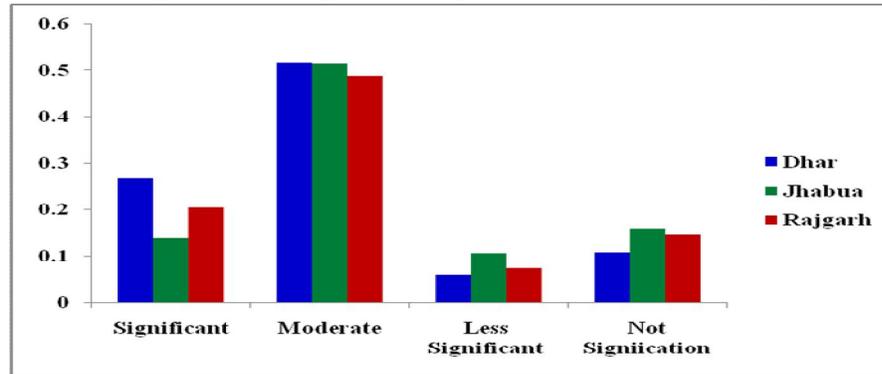
5.7. Impact on Agriculture

The majority of the poor and the marginalized are located in agriculture and allied activities, which suffer from low productivity as well as uncertainty arising from fluctuating production and incomes. Ghose¹⁸ argued that the list of works, permitted to be carried out under MGNREGS, reflects recognition of the need to ensure that MGNREGS contributes to growth of agricultural production through enhancement of land productivity. He further argued that if the works actually carried out have followed the specified norms, food production should increase in the longer run.

A good measure of a program development impact on the sustainability and livelihood opportunities of the rural population in an agriculture dominated region would be to see if the program has increased the agricultural productivity, helped diversify the crop mix in their production basket and changed the cropping patterns. We captured the perception of the beneficiaries in a four point scale ranging from significant to not significant. The responses in this regard are encouraging. There is noticeable perception of improvement in agricultural productivity among the beneficiaries. In the district of Dhar about 78 percent of the respondents agreed that there is moderate to significant increase in agricultural productivity due to MGNREGS. In Jhabua and Rajgarh the figures are 65 percent and 69 percent respectively. The district-wise break up is given in Figure 5.6.

¹⁸ Ghose, Ajit K. (2012) "Addressing the employment challenge: India's MGNREGA", Employment Working Paper No. 105, Economic and Labour Market Analysis Department, International Labour Organization.

Figure 5.6: Impact on Agricultural Productivity



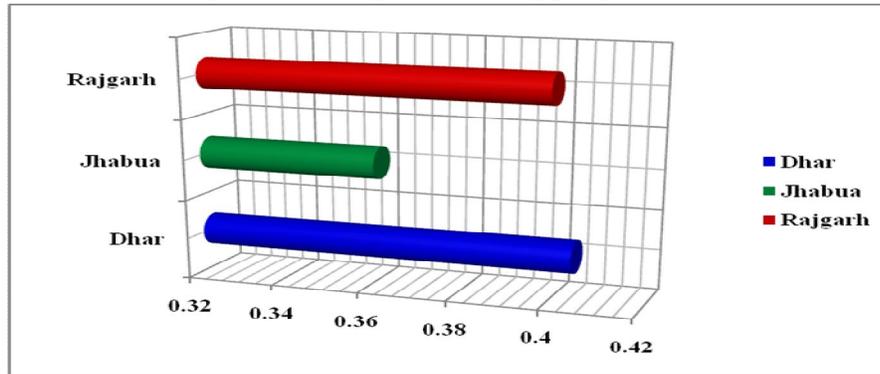
Sample size = 3708 (Dhar-1394, Jhabua-1230, Rajgarh-1084)

Khet talab was constructed in the land of shri Rajaram (Son of shri Nanda) of Bagditurg gram panchayat in the Dhar block of Dhar district at an investment of Rs 31600. The Khet talab has improved the irrigation in his land and as a result the agriculture production has increased by about 10 quintal which has taken care of the annual food requirement of his family.

5.8. Impact on Change in Cropping Pattern

The rise in water conservation activities under the MGNREGS is expected to have some impact on the cropping pattern through a shift from low value traditional crops to high value crops. As irrigation facilities increase due to water related works, the possibility of growing short duration high value crops increases. To know whether there has been any change in the cropping pattern of farming in the sample blocks, the responses of the workers were recorded. About 39 percent of the households reported that there is a change in cropping patterns since the implementation of MGNREGS. The district wise break up of cropping patterns is given below. Data from the district of Dhar indicates that about 40 percent of the respondents agreed that there is a change in cropping patterns after the implementation of MGNREGS. The corresponding figures for Jhabua and Rajgarh are 36 and 40 percent respectively. The district wise data are given in Figure 5.7.

Figure 5.7: Impact on Cropping Pattern



Sample size=4391 (Dhar-1623, Jhabua-1310, Rajgarh-1458)

Jubansingh (son of Kansingh) lives in Kalmani gram panchayat in the Dahi block of Dhar district. He has 2 hectares of land and he used to cultivate only one crop in rainy season every year. Because of the construction of well (kapildhara) his income has increased and he has cultivated about 6 quintal of cotton, 10 quintal of wheat.

Dablasingh Sekdiya lives in Kalmani gram panchayat in the Dahi block of Dhar district. He has 5 acres of land and the only source of water for agriculture was rain water. Because of water scarcity he used to have only one crop every year. He used to work in his land in rainy seasons and migrate outside in other seasons. In September, 2007 with an investment of Rs 48822, a well (kapil dhara) was dug in his land. Because of this intervention he got rid of water scarcity and could irrigate all the 5 acres of land. He is now cultivating three types of crops and his migration has stopped. Because of this asset his annual income increased from 10000 to 50000 rupees and now his children are going to their schools regularly.



GP:Kalmani, Block: Dahi

5.9. Impact on Access to Health Services

Absence of adequate infrastructure is one of the major causes of low level of development in rural areas. Construction of basic infrastructure facilities under an MGNREGS can be a good way to develop rural areas. The development of infrastructure such as roads might increase people's access to the external environment and thus is likely to play a crucial role in reduction of poverty and access to livelihood options.

Fair weather roads connecting those hinterland areas left out of larger rural network programmes like *Pradhan Mantri Grameen Sadak Yojana* (PMGSY) has been particularly beneficial for linking scattered tribal hamlets. The basic earth work done under MGNREGA is also being used in many places to provide the base for firmer lasting roads through convergence with PMGSY. Roads internal to the village are also being taken up. This provides a critical link with markets, schools, and health services¹⁹.

The pictures below indicate the impact before and after the construction of the bridge. The effective implementation of MGNREGA has the potential to provide maximum benefit to the rural poor.

Before the Bridge was constructed



Bangpura village in the Zirapur block of Rajgarh district is located in the bank of river Chhapi. It used to be cut off from rest of the block in the rainy season. Villagers used to cross the river by boat for day to day activity; even children used to cross the river to attend the schools.

After the Bridge was constructed

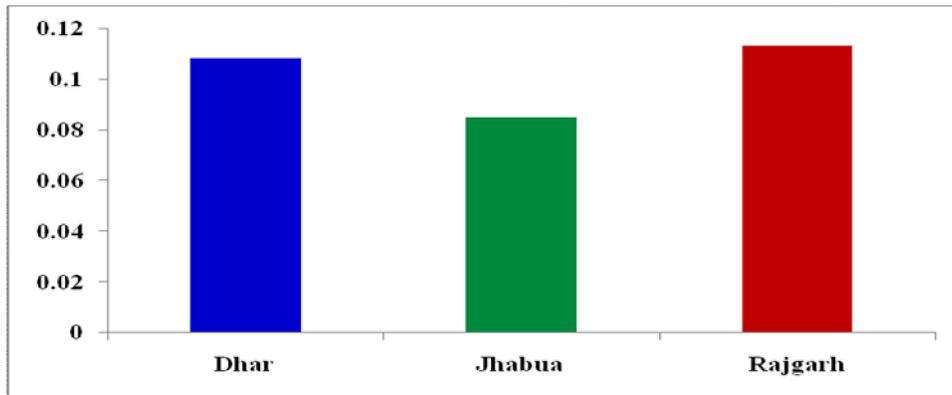


The bridge was created with the help of MGNREGA and as a result about 100 villages are now connected to rest of the villages in rainy season. This helps the villagers in accessing the Hospitals, sending their children to schools and to do their day to day activity.

¹⁹ UNDP, India (2010). Rights-based Legal Guarantee as Development Policy: The Mahatma Gandhi National Rural Employment Guarantee Act, Discussion Paper: UNDP, India.

It is believed that increase in income, coupled with the enhanced connectivity due to roads constructed through various schemes including MGNREGS might improve the access to health service centers. To know the role of MGNREGS in the improvement in access to health service centers, we asked the respondents the following question. Is the MGNREGA activity is partially or fully responsible for the improvement in access to health service centers. About 10 percent of the respondents feel that there is a positive contribution of MGNREGS in the improvement in access to health service centers in last two years. The district wise distribution of respondents is given in Figure 5.8.

Figure 5.8: MGNREGA activity that is partially or fully responsible



Sample size 4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

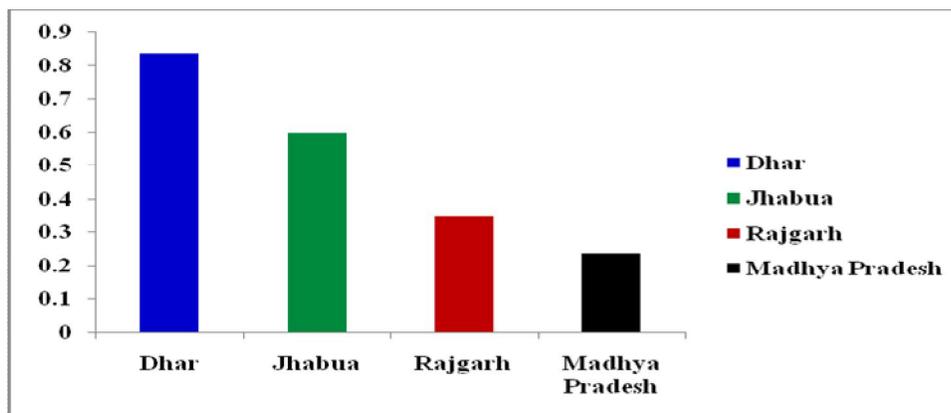
Sunarkhedi is located at about 9 km from the Dhar block in Dhar district. People in this village were suffering due to inadequate access to health services, inadequate transportation services due to poor connectivity. The problem was sorted out to a large extent by the construction of a gravel road (under MGNREGS) from Nepavali to Umariyabada. Due to this road, the distances between the villages were reduced and also it reduced the maternal mortality cases.

In rainy season, the connectivity across the villages (Panjra panjri, Mitthanpur, Laxmanpur, Dand) of Biora Block in Rajgarh district used to get cut-off from others. It was difficult for the local villagers to take the patients to the nearby hospital at Narsingharh. With an investment of Rupees 23 lakhs under the MGNREGS the roads from Lakhanvas to Badli; from Badli to Manatlai; from Manatlai to Mitthanpur, and from Mitthanpur to Chira were constructed. These assets helped about 3000 villagers and now four wheelers can ply to the villages even in rainy seasons.

5.10. Impact on Women Empowerment

Women's involvement in this scheme is much greater than that was mandated by the 30 percent reservation of employment in all the district of Madhya Pradesh. However, over the years the cumulative person-days generated for women members are increasing in the studied districts. The data indicates that at a gross level the women participation in the studied districts has increased by 61.17 percent in the year 2010-2011 as compared to the numbers in the year 2008-09. This is greater than the cumulative person-days generated for women members at the state-level, which stands at 23.67 percent during the same period. The district wise data are provided below (See Figure 5.9 and Table 5.6).

Figure 5.9: Percentage increase in cumulative person-days generated for Women members



Source: Compiled from <http://nrega.nic.in>

Table 5.6: Cumulative person-days generated for women members

| Year | Dhar | Jhabua | Rajgarh | Total |
|---------------------|---------|---------|---------|----------|
| 2008-2009 | 2461970 | 2424427 | 1987774 | 60166432 |
| 2010-2011 | 4519227 | 3877211 | 2682679 | 74410584 |
| Percentage increase | 83.56 | 59.92 | 34.95 | 23.67 |

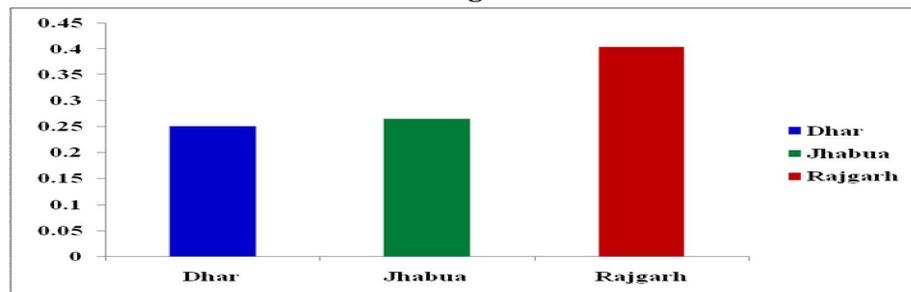
Source: Compiled from <http://nrega.nic.in>

The MGNREGS has been so successful in attracting women workers because there is hardly any gender gap in the wages paid, unlike other forms of work in rural areas. In fact, women members reported that (about 79 percent of 1602 women members) there is no wage differential between men and women workers. This compares very favorably even with other form of public works, as well as in private works, where the gender gap remains huge.

The Act stipulates that work be provided locally, within 5 km of the residence. This greatly facilitates women's participation in MGNREGA work. In all the districts that we covered the work is provided within 5 km of the residence. This greatly facilitates women's participation in MGNREGA work. Since they continue to bear the main responsibility for household work, travelling any distance for paid work is difficult for them. Also since work is provided in the village, women work in groups and that facilitates their participation. The implementation of MGNREGA is of special significance for women in Madhya Pradesh, because women have very limited opportunities for remunerated employment.

The MGNREG scheme could largely reduce the social stigma of confining the women members to household chores which are unpaid services. Their involvement in MGNREGS works is expected to improve their socioeconomic status in the family as well as in the society leading eventually to their empowerment. About 30 percent of the households out of 4714 responded that there is an increase in the decision-making power of women in the households after the implementation of MGNREGS. The district-wise break up of responses is given below (See Figure 5.10).

Figure 5.10: Increase in decision making Power of Women due to MGNREGA



Sample size (Dhar-1811, Jhabua-1363, Rajgarh-1540)

Story of Kalabai (wife of shri Dashrath)

After the death of her husband Shri Dashrath, Kalabai (gram panchayat: Tilgara in the badnawar block of Dhar district) was passing through a tough time to manage her family. Due to no irrigation facility, agriculture in her 4 acres of land was not an option for her. The only option she could think of was working as a laborer. Apart from low wages (for being a woman), getting regular work was also difficult for her. There was neither any source of water nor adequate resources to construct the same for doing agriculture in her land. By the contribution of MGNREGS, in the month of May 2007 a well (of about 40 ft deep) was dug in her land. Because of the well, she sowed cotton, wheat, and tomato in her land. According to Kalabai this intervention helped her to be self reliant and it enhanced her self-esteem.

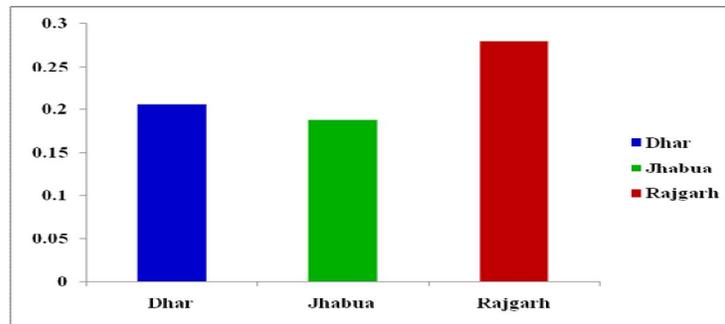
Similar findings have been there in other studies. For example, Pankaj and Tankha²⁰ examined the empowerment effects of the MGNREGS on rural women in Bihar, Jharkhand, Rajasthan, and Himachal Pradesh using a field survey. They found that, at the individual level, the paid work under the MGNREGS has not only increased their income but also increased the consumption choices and reduced economic dependence.

5.11. Impact on Individual Dignity

There is a continuing debate on right-to-income approach vis-a-vis right to work approach²¹. Hirway, Saluja and Yadav²² explained that employment has many advantages, which cash in hand does not have. Further they argued that poor need work to lead a life of dignity and not just for cash (even if it is a right). MGNREGA is also seen by many as an opportunity for dignified employment. The work conditions tend to be better than in the private sector, in terms of hours of work (all the respondents reported that they get more than 1 hour of rest). Majority also reported to have no complaints of ‘harassment’ at the worksite (about 97 percent).

In this study we tried to capture whether the self-respect of the rural poor has increased after the implementation of MGNREGS in the village. Almost 22 percent households perceive that their status has increased in the village after the implementation of MGNREGS. The district wise data is given below (See Figure 5.11).

Figure 5.11: Increase in Individual Status due to MGNREGA



Sample size (Dhar-1721, Jhabua-1315, Rajgarh-1471)

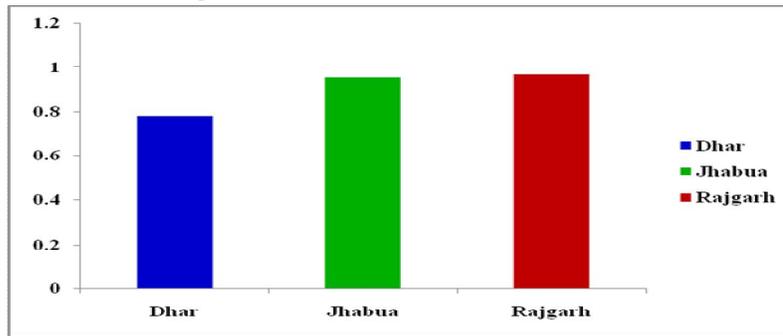
²⁰ Pankaj, A. and R.Tankha (2010) “Empowerment effects of the NREGS on women workers: A study in four states”, *Economic and Political Weekly*, Vol. 45(30).

²¹ Debroy, Bibek (2004) “The Rs. 208,000 Crore Puzzle”, *Indian Express*, 13 October.

²² Hirway Indira, Saluja, M. R., and Yadav, Bhupesh (2010) “*Employment guarantee programme and pro-poor growth: The study of a village in Gujarat*”, Academic Foundation: New Delhi.

The improvement of work conditions partly reflects the gradual exit of private contractors. Under MGNREGA, contractors are banned and GPs are the main implementing agencies. A majority (about 89 percent of the households reported that the work is never/rarely get done by the contractors (Figure 5.12).

Figure 5.12: No use of Contractors

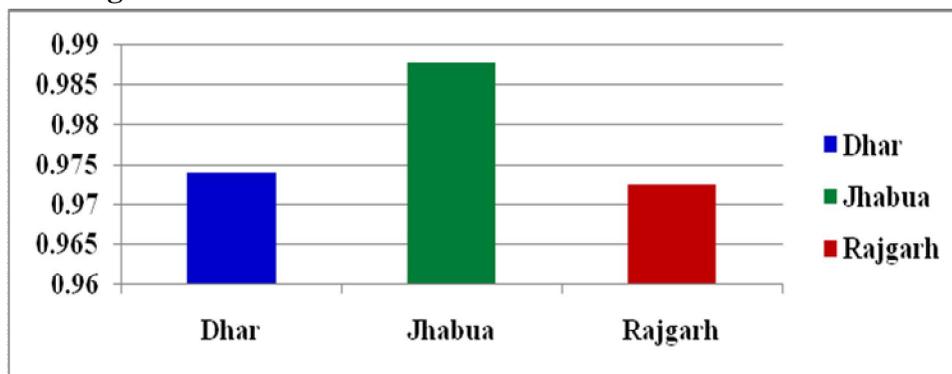


Sample size (Dhar-1712, Jhabua-1355, Rajgarh-1501)

The transition to right-based framework appears to be leading to a major decline in the exploitation of labor on public works. As Figure 5.13 indicates, there were few complaints of harassment at MGNREGA worksites. The data indicated that about 98 percent of 1200 respondents reported having no cases of harassment of labor at the worksites.

This is in sharp contrast to the situation that used to prevail before MGNREGA, when rural public works were under the control of highly exploitative contractors²³.

Figure 5.13: No cases of harassment of labor at the worksite



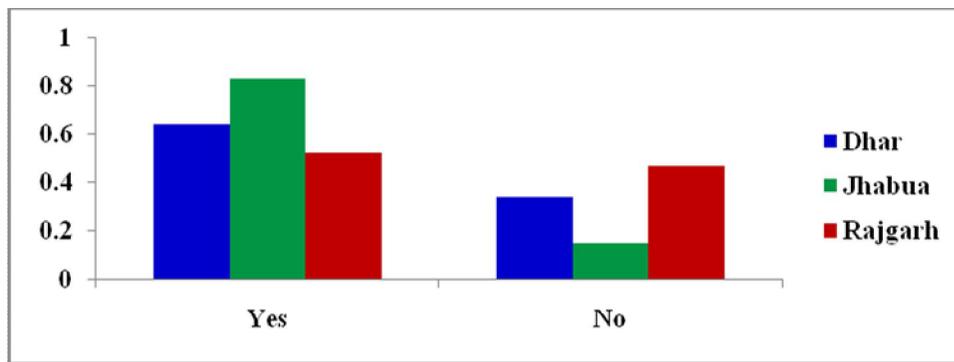
²³ Dreze, Jean (2007) "Dismantling the contractor raj", The Hindu, 20 November.

5.12. Impact on Migration

Distress migration has enormous personal and social costs. The costs of migration include transport costs, uncertain earnings, health hazards, breakdown of social lives of the migrants, and higher costs of living in urban areas combined with poor living conditions. A well-designed employment guarantee programme, with a guarantee of local employment, can reduce distress migration considerably. The MGNREGA is a unique opportunity to protect people from these hardships. Guarantee of work at the stipulated wages at home is likely to give the poor a stable life, along with improving their access to human development opportunities. Alternatively it can raise the wages in their jobs in the destinations. Reduction in distress migration will improve access of the poor to local health and educational opportunities particularly children and to developmental opportunities. Alternatively, the guarantee is likely to improve the working and living conditions of migrant workers in the place of migration, as the employers will now have to pay higher wages and provide better conditions of work to attract them.

To know whether the respondents had migrated last year or not we asked: “Did you migrate outside the village in last one year for work?” The data indicates that about 66 percent of the respondents migrated outside the village for work last year (Figure 5.14)

Figure 5.14: Migration outside the Village in Last One Year

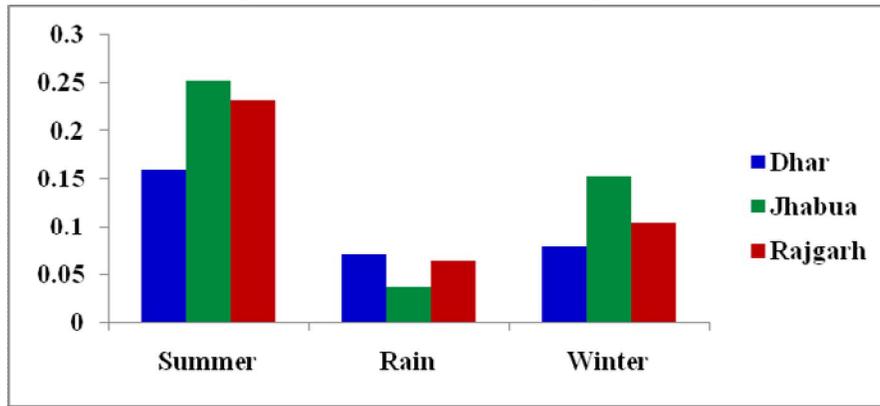


Sample size 4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

5.13. Season-wise Migration

Migration seems to be higher in summer seasons compared to the migration in other seasons. The season-wise migration of respondents is given in Figure 5.15.

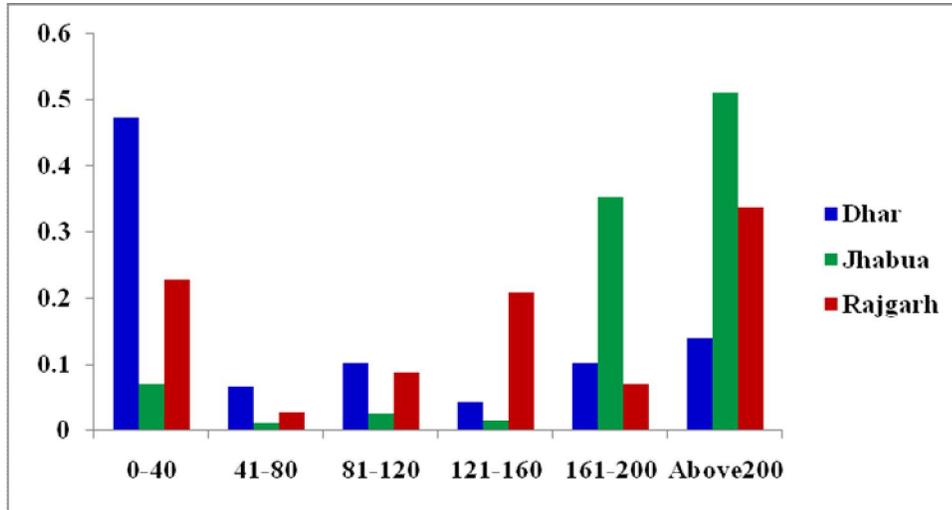
Figure 5.15: Season-wise Migration



Sample size: 4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

To know the distance the respondents migrate to get work, we asked the question ‘How far do you have to go from your home/ village to get work?’ to the respondents. The responses were divided across different districts. For example majority of the respondents migrate within 40 km for their job in Dhar district (47 percent) where as in Jhabua majority of the respondents (51 percent) travel about 200 km for getting a job. The district wise break-up of the figures is given in Figure 5.16.

Figure 5.16: Distant travelled by Migrants



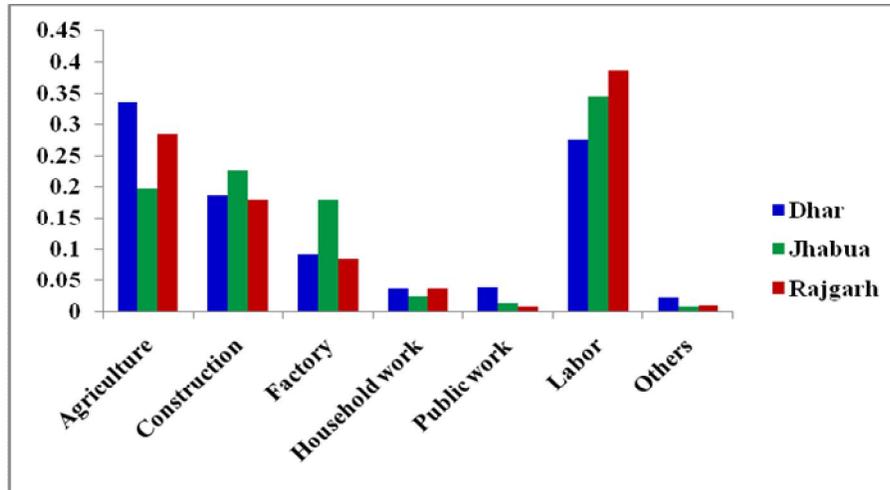
Sample size: 2859 (Dhar-1174, Jhabua-905, Rajgarh-780)

5.14. Type of Work done as a Migrant Employee

It is necessary to know the type of work migrant workers do to understand the nature of migration. It was found that 33 percent of the respondents reported that they do the work of a laborer when they migrate. About 28 percent of them work as an agricultural laborer. The district-wise break-up of the respondents is given in Figure

5.17. From the graph it is evident that agriculture, construction, labors are the three main types of work the respondents do when they migrate.

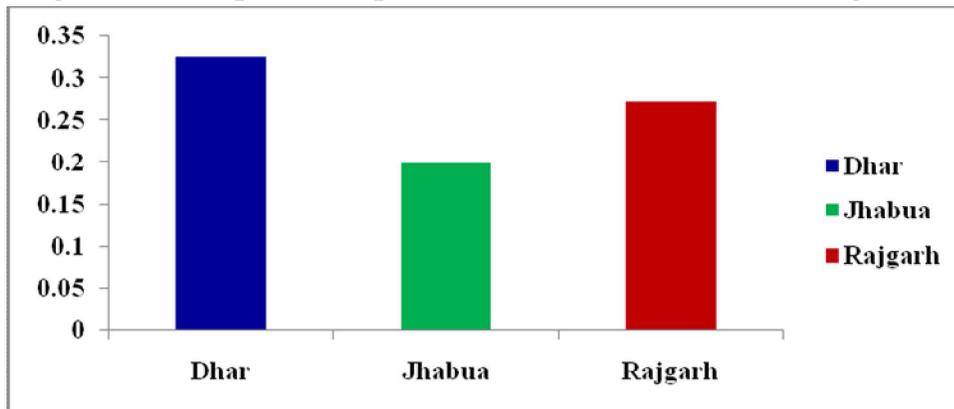
Figure 5.17: Type of Work done as a Migrant Employee



Sample size 4714 (Dhar-1811, Jhabua-1363, Rajgarh-1540)

In order to understand the impact of NREGS on migration, we asked the respondents whether the scheme has reduced migration. About 30 percent of the respondents think that the implementation of the MGNREG scheme has reduced the migration of workers to search for employment elsewhere. This is highest in the case of Dhar (33 percent) followed by Rajgarh (27 percent) and Jhabua (20 percent) districts respectively. Respondents’ assessment of the effectiveness of the implementation of MGNREG scheme in reducing the migration of workers from their villages to elsewhere is given in Figure 5.18.

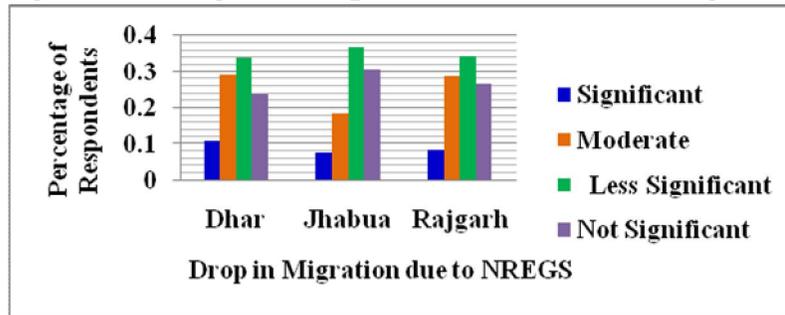
Figure 5.18: Impact of Implementation of MGNREGS on Migration



Sample size (Dhar-1811, Jhabua-1363, Rajgarh-1540)

To know the degree of impact, we asked the respondents to assess the reduction in migration due to the implementation of MGNREG scheme. About 34 percent of the respondents mentioned the reduction in migration due to the implementation of MGNREGS as moderate/ significant. The district wise distributions of responses are given in Figure 5.19.

Figure 5.19: Degree of Impact of MGNREGS on Migration



5.15. Causes of Migration

As it was found that 66 percent of the respondents migrated outside the village, it would be interesting to know the causes of migration. It is to be noted that broadly migration is of two types: (1) Voluntary Migration and (2) Involuntary Migration or Distress Migration. Voluntary migration need not be a cause of concern. It happens at the choice of the worker. It encourages mobility of workers. It also allocates the scarce resource labor efficiently. By doing so it minimizes the difference in wage rates across sectors and regions. It also causes economic growth and development. There are various models that explain how migration causes economic growth^{24,25}. So voluntary migration should be promoted. On the contrary, if workers are forced to go to other distant places in search of work (which may be called as distress migration) is a matter of concern. It has more costs than benefits for the workers. It is in this context, the role of public programmes such as MNREGS is very important. The MNREGS has the full potential to stop distress migration as it gives employment within 15 days of demand.

In order to find out whether migration is distress in nature we develop an econometrics model.

²⁴ Lewis, W. A. (1954), "Economic Development with Unlimited Supplies of Labour" *The Manchester School of Economic and Social Studies*, 22, pp.139-191.

²⁵ Harris, J., and Todaro, M (1970), "Migration, Unemployment, and Development: A Two-Sector Analysis" *American Economic Review*, 40, pp.126-142.

It is assumed that a worker (Job card holder) is forced to migrate for work in the following situations:

A worker is willing to provide manual labor for certain number of days in his nearby village but gets an opportunity to work less than that. In this situation, he would be forced to migrate. Therefore, it is expected that an increase in the availability of workdays (DAYS) lead to a decrease in distress migration and a decrease in the availability of workdays increases distress migration.

A worker belongs to a household. As per the NREGS, each household is entitled to have 100 days of workdays in a year. If a household has more number of adult members, it may force some of its members to migrate to search for work. Therefore, an increase in adult members in household (ADULTS) may lead to an increase in distress migration and a decrease in adult members in households may result in decrease in distress migration.

An increase in the level of awareness (AWARE) among the HHs about the scheme is expected to decrease the instances of migration. It is so because a rise in the level of awareness may lead to an increase in demand for work, which, in turn, would increase the number of days of employment and may reduce migration.

Ceteris paribus, migration is also caused by attractive wage rate (WAGE) in the urban areas. An increase in wage rate in urban areas increases the opportunity cost of working in MGNREG scheme. Hence, it may encourage workers to migrate to urban areas to earn higher level of income.

On the basis on the above discussion, we have specified our model as follow:

$$\text{Migration} = \alpha + \beta_1 * \text{No of Days worked last year} + \beta_2 * \text{No of Adults in Household} + \beta_3 * \text{Wage Rate} + \beta_4 * \text{Awareness} + U_i \text{ ----- (eqn.1)}$$

Where, α = intercept,

β_1 = coefficients of no of days worked last year

β_2 = coefficient of no of adults in household

β_3 = coefficient of the wage rate

β_4 = coefficient of the level of awareness

U_i = random disturbance term

As we are studying the decision to migrate of respondents (MGNREGS workers), the respondent is either a migrant or not. Hence, the migration is a *yes* or *no* decision.

Therefore, the dependent variable can take only two values. If migration happens, it takes the value of 1 and if migration does not happen, it takes the value of 0. This information is collected from the respondents across three districts using Survey method. The question was whether they have migrated in the last year.

We have collected variables such as the number of days worked last year, number of adults in household appears in job cards, and wage rate that is earned in the place of migration are collected using survey method. The level of awareness about the scheme is also collected from the respondents. We have used a dummy variable to capture the effect of awareness on migration. If the respondent is aware of the scheme, the variable takes the value of 1 and if the respondent is less aware or unaware about the scheme, it takes the value of 0. The data was pruned and cleaned. After cleaning, we have 1220 usable observations for Dhar, 955 for Jhabua, and 1052 observations for Rajgarh.

As the first step in our econometric analysis, we test whether the explanatory variables are significant. So we studied the impact of each of four explanatory variables (one at a time) on migration using logistic regression. Table 5.7 presents the estimated coefficients of each variable with their respective t-statistics. Coefficients of DAYS and AWARENESS are found to be significant for Dhar and Rajgarh districts, whereas DAYS and ADULTS are found to be significant variables for Jhabua district.

Table 5.7: Output from the Bivariate Logistic Regression

| Variable | Dhar | Jhabua | Rajgarh |
|-----------|------------------------|---------------------|-----------------------|
| DAYS | -0.0052*** (-2.729) | 0.0144*** (3.46) | -0.0058*** (-2.68) |
| ADULTS | -0.0448 (-1.276) | 0.148** (2.38) | -0.0584 (-1.22) |
| WAGE RATE | 0.0052 (1.564) | -0.0028 (-0.60) | 0.0011 (0.449) |
| AWARENESS | -0.3918*** (-3.205) | 0.0510 (0.263) | -0.4738*** (-3.72) |

Note: 1. Values in parentheses are t-ratios.

2. *** and ** refer to 1 and 5 percent level of significance, respectively.

Table 5.8: Output from the Logistic Regression using only Significant Variables

| Variable | Dhar (n=1220) | Jhabua (n=955) | Rajgarh (n=1052) |
|-----------------|-----------------------|---------------------|------------------------|
| CONSTANT | 0.9654 (9.92) | 0.8853 (3.77) | 0.4741 (4.78) |
| DAYS | -0.0044** (-2.31) | 0.0142*** (3.44) | -0.0055** (-2.53) |
| ADULTS | --- | 0.1464** (2.328) | --- |
| WAGE RATE | --- | --- | --- |
| AWARENESS | -0.3538*** (-2.86) | --- | -0.4612*** (-3.613) |
| R-Squared | 0.0100 | 0.0250 | 0.0140 |
| Goodness of fit | 0.66 | 0.84 | 0.56 |

Note: 1. Values in parentheses are t-ratios.

2. *** and ** refer to 1 and 5 percent level of significance, respectively.

The next step is to estimate the migration model using Logistic regression taking into account all significant variables to avoid specification bias. The results are provided in Table 5.8. The estimated coefficients of all considered explanatory variables have expected sign for all districts except DAYS for Jhabua. The coefficient of DAYS has positive effect on the probability of migration in Jhabua. Further, as expected, all variables are found to be significant.

This implies that an increase in number of days of job (person days) results in a decrease in probability of migration in Dhar and Rajgarh. It was also found that an increase in level of awareness results in a decrease in probability of migration in the districts just mentioned. Hence, there is some instance of distress migration in Dhar and Rajgarh districts.

In Jhabua, an increase in number of days of job and an increase in number of adults result in an increase in probability of migration. Given the fact that 51 percent travel more than 200 kms to get a job, an increase in number of workdays might help them to save a part of income, which they spent later for migrating elsewhere or for buying basic necessities when they search jobs elsewhere. Similarly, a household with more adult members result in an increase in probability of migration. If they have strong preference to migrate in spite of the availability of work, it need not be called as distress migration.

The marginal effect of a unit change in explanatory variable on the probability of migration is given in the following table (Table 5.9).

Table 5.9: Marginal Effect of Explanatory variables on the probability of Migration

| Variable | Dhar | Jhabua | Rajgarh |
|---|---------|--------|---------|
| DAYS | -0.0010 | 0.0017 | -0.0014 |
| ADULTS | ---- | 0.018 | ---- |
| Factor for the calculation of marginal effect | 0.2227 | 0.1224 | 0.2487 |

The marginal effect of a unit change in explanatory variable is calculated by multiplying the factor with the coefficient of the respective variable. For example, the marginal effect of DAYS on the probability of migration in Dhar district is given by $0.2227 \times (-0.0044) = -0.001$. In the same way, the marginal effect of DAYS on the probability of migration in Rajgarh district is -0.001 . This implies that an increase in one-person days of employment led, on average, to a decrease in probability of migration of about 0.10 and 0.14 percent in Dhar and Rajgarh districts, respectively. On the contrary, an increase in one-person days of employment led to an increase in probability of migration of about 0.17 percent in Jhabua District.

5.16. School Enrolment Rate

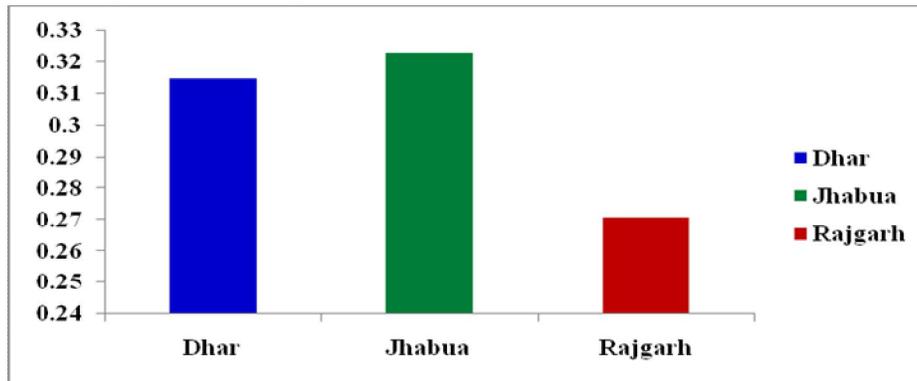
In low-income situations it is often imperative for the members of the family to participate in income generating activities, especially women and children²⁶. The increased income and availability of work could ensure that children are not required to work for their household's economic well-being. Lanjouw and Ravallion²⁷ looked specifically at anti-poverty and school participation programs in India and concluded that expansion of these schemes would benefit the poor in a significant way. Since MGNREGS provides income generation possibility for the households, there is a

²⁶ Brown, Lynn R., Yisehac Yohannes and Patrick Webb (1994) "Rural Labor-Intensive Public Works: Impacts of Participation on Preschooler Nutrition: Evidence from Niger", *American Journal of Agricultural Economics*, 76(5), Proceedings Issue December, 1213-1218.

²⁷ Lanjouw, Peter and Ravallion, Martin (1998 "Benefit incidence and the timing of program capture", Policy Research Working Paper No: 1956, The World Bank Development Research Group.

possibility of its impact on child education. Though there is some evidence from Rajasthan that there is an increase in school enrolment and retention of children, there still a lack of evidence on the impact of MGNREGS on school enrolment and dropout. We surveyed the households and enquired whether they have noticed any change in the enrolment of children in school in last three years. About 61 percent of respondents (out of a total of 4572 respondents) view that there is an increase in student enrolment in last three years. About 30 percent of the 2622 respondents opined that MGNREGS activity is partially or fully responsible for such change. The district-wise break up of responses is given below.

Figure 5.20: Impact of MGNREGA on School Enrolment

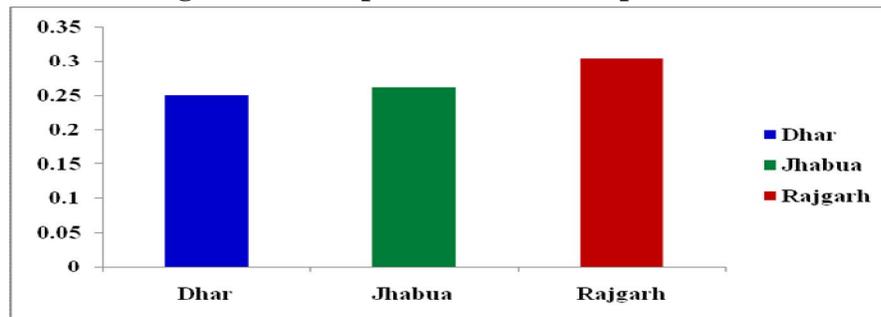


Sample size 2622 (Dhar-883, Jhabua-783, Rajgarh-956)

5.17. School Dropout Rate

To know whether MGNREGS activity is partially or fully responsible for bringing down the dropout rates among children, we asked the following question. Is there any MGNREGS activity that is partially or fully responsible for such change? About 27 percent of the respondents agreed that MGNREGS played an important role in bringing down the school-dropout rate. The district-wise break up is given below.

Figure 5.21: Impact on School Dropout Rate



Sample size 4187 (Dhar-1440, Jhabua-1266, Rajgarh-1481)

The data from secondary sources (Zila Shiksha Kendra, Sarva Shiksha Abhiyan of respective Districts) corroborates the findings that there is an increase in school enrolment rate and school dropout rates in the studied districts. The details are provided in Table 5.10.

Table 5.10: Enrolment Rate and Dropout Rate for Children of 6-11 Age Group

| | | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|-----------|-----------------|---------|---------|---------|---------|
| Rajgarh | Enrollment Rate | 99.51 | 99.62 | 99.48 | 99.81 |
| | Dropout Rate | 21.74 | NA | 2.69 | 1.98 |
| Jhabua | Enrollment Rate | 84.73 | 72.02 | 96.72 | 96.17 |
| | Dropout Rate | 34.13 | NA | 12.34 | 16.10 |
| Alirajpur | Enrollment Rate | NA | 72.02 | 99.91 | 96.9 |
| | Dropout Rate | NA | 9.29 | 8.72 | 3.34 |

Note: NA refers to data not available. Alirajpur is taken as two studied blocks namely, Jobat and Alirajpur are part of Alirajpur Districts

Source: Zila Shiksha Kendra, Sarva Shiksha Abhiyan of respective Districts

There was some difficulty in compiling and producing the data for school enrollment and dropout rates for the studied districts. Firstly, we could get the data prior to 2008-09 only for one district Rajgarh. Secondly, we found enrollment data in absolute figure and dropout rate for both 6-11 and 11-14 age groups together for Dhar district. Therefore, we decided to present the data on school enrollment and dropout rates for all districts except Dhar in tabular form (See Table No: 5.5). It is clear from the table that there is an improvement in school enrollment and dropout rates from 2008-10 to 2010-12 in Rajgarh, Jhabua, and Alirajpur districts. In Dhar district, the dropout rate (primary and upper primary taken together) declined from 10.76 in 2008-09 to 9.96 in 2009-10, 9.31 in 2010-11, and 8.5 in 2011-12, respectively.

Generally in the rainy season middle-school students of Semla and Surajpura villages in Balheda gram panchayat of Zirapur block in Rajgarh district do not go to their schools due to no connectivity to the school. In the year 2010 with an investment of about 10 lakh rupees a road from Balheda to Semla was constructed in two parts under the MGNREGA scheme. This road solved the communication problem faced by about 700 villagers in these two villages. After the completion of the road, now four wheelers are plying through the villages even in rainy seasons. According to Gayatri a student of standard seven of village Surajpura, because of the road they are able to attend the schools on time. According to Hemlata (a standard eight student) last year she could not attend the school for a month due to rain; but this year she attended the school without a single day of leave.

5.18. Summary and Conclusions

It was found that the MGNREG scheme has increased the number of households provided employment across three districts. For example, there is an increase of about 25 percent in the number of households who were provided employment in the year 2010-11 compared to the year 2008-09. About 65 percent of the respondents indicated that MGNREGA has improved their household income.

A well-designed employment guarantee program can create many durable assets in the economy. It was found that most of the assets generated under MGNREGA are related to natural resource management and majority of the assets (created in 2009-2010) are related to water supply followed by rural connectivity. The overall selection of assets under MGNREGA appears to match with its objective of promoting better management of natural resources and rural connectivity.

It has been criticized that the community assets created under the NREGS is not of good quality. But we find that about 64 percent of the workers at an aggregate level rated the quality of community assets as good and durable. Most of the respondents (about 88 percent) also reported that without MGNREGS it would be difficult to create community assets. Similarly, majority of the respondents agreed that assets in individual land are required and it would not be possible to create these assets without MNREGS. This implies that MGNREGS has helped in creating the assets which otherwise would have been very difficult for community/individuals to create. It is important that these assets need to be maintained to make it more durable.

It is important that the community and individual assets need to be monitored after they have been created. It was found that GP officials and sub-engineers monitor community assets during its creation. However, once the assets are created, virtually no body monitors the created assets particularly in community lands. On the contrary, assets created in individual lands are taken care by the owners. It is obvious primarily due to ill-defined property right. Nobody takes care of the assets created in community land because nobody owns them. Therefore, proper mechanism should be devised to make the community to own the assets to make it long lasting.

Since most of the activities carried out under the MNREGS scheme are related to water conservation, it is expected that the scheme would have positive impact on water conservation. About 27-39 percent workers perceived a positive impact of MGNREGA in improving water conservation.

The list of works carried out under MGNREGS should ensure that the scheme contributes to the growth of agricultural production through enhancement of land productivity. The respondents believe that there is noticeable improvement in agricultural productivity among the beneficiaries. In the district of Dhar about 78 percent of the respondents agreed that there is moderate to significant increase in agricultural productivity due to MGNREGS. In Jhabua and Rajgarh the figures are 65 percent and 69 percent, respectively.

The rise in water conservation activities under the MGNREGS is expected to have some impact on the cropping pattern through a shift from low value traditional crops to high value crops. It was found that about 39 percent of the households reported that there is a change in cropping patterns since the implementation of MGNREGS.

It is believed that increase in income, coupled with the enhanced connectivity due to roads constructed through various schemes including MGNREGS might improve the access to health service centers. It was found that it has some impact in access to health service centers. For example, about 10 percent of the respondents feel that there is a positive contribution of MGNREGS in the improvement in access to health service centers in last two years.

Women's involvement in the scheme is commendable. For example, at a gross level the women participation in the studied districts has increased by 61.17 percent in the year 2010-2011 as compared to the numbers in the year 2008-09. It might have improved their socioeconomic status in the family as well as in the society leading eventually to their empowerment. About 30 percent of the households responded that there is an increase in the decision-making power of women in the households after the implementation of MGNREGS.

It seems that the self-respect of the rural poor has increased after the implementation of MGNREGS in the village. Almost 22 percent households perceive that their status has increased in the village after the implementation of MGNREGS. It was also found that about 98 percent of respondents reported having no cases of harassment of labor at the worksites. This is in sharp contrast to the situation that used to prevail before MGNREGA, when rural public works were under the control of highly exploitative contractors.

The MGNREGA has potential to stop distress migration. It was found that about 66 percent of the respondents migrated outside the village for work last year. Migration seems to be higher in summer seasons compared to the migration in other seasons. It

was found that most of the migrants work as construction worker, agricultural labour, and labour when they migrate. It was also found that about 30 percent of the respondents think that the implementation of the MGNREG scheme has reduced the migration of workers to search for employment elsewhere.

Chapter VI

Conclusions and Recommendations

MGNREGA is widely regarded as landmark legislation in providing guaranteed employment to rural poor. With guaranteed employment in the rural areas, backed up by mandatory entitlements and elaborate accountability and transparency safeguards, MGNREGS is seen to hold tremendous promise and potential for providing livelihood security to the rural poor and to create durable assets in rural areas. However, it has been noticed that there is wide disparities across districts and within districts. This raises the need for understanding the issues and challenges of management of MGNREGS for improving the effectiveness of its implementation. It is in this context, major objectives of the present study are

1. To assess the effectiveness of the implementation of MGNREGS and identify if possible, the issues that hinder the effectiveness of the implementation schemes to ensure sustainable impact on people's livelihood and the overall development of rural economy;
2. To study the impact of assets created and employment generated through the Act on economic and social aspects of peoples' livelihood. The study proposes to assess both the short term and long term impact of the assets on livelihood of the people in three district of Madhya Pradesh namely, Dhar, Jhabua and Rajgarh.

The results are mixed. The achievements and recommendations are given below:

6.1. Achievements

MGNREGS is an impressively ambitious program for providing wage employment to the rural poor. As per the MGNREGA, it is the responsibility of the Government to provide employment within 15 days after the demand for employment is given. It was found that 59 percent of the respondents get work within 15 days. Unemployment allowance was not observed in all the visited Gram Panchayats.

The average number of persondays has increased over time. For example, the average number persondays to rural household has increased from 42.6, 38.3, and 34.2 in 2009-10 to 50.40, 42.14, and 51.04 in 2011-12 in Dhar, Jhabua, and Rajgarh districts, respectively.

It is quite heartening to see that most workers were earning the wages as per the target set by the MGNREG scheme. Most of the respondents receive the wage payment

through banks and post office. For instance, the data indicates that 81 percent of the respondents earn Rupees 80 – 100 per day under MGNREGS during 2009-10. About 62 percent and 12 percent of the respondents get their payments through banks and post office respectively. Separating the implementing agencies from the payment agencies is a welcome move and it might have helped curbing corruption to some extent.

According to the MGNREGA provisions, work should ordinarily be provided within 5 km radius of the village or else extra wages of 10 percent are payable to the beneficiaries. Around 71 percent of the respondents reported that usually the work is provided within 5 kms from the house. In other words, most of the respondents reported that they got the job near to their homes. This not only encourages the women employees earn for their family but also to work outside their homes.

As per the Act, the workers are entitled to have some facilities at the work sites. Around 79 percent and 88 percent of the respondents reported that drinking water and rest about 1 hour, respectively, are available at the work sites. It was found that Gram Sabha meetings are held regularly with enough publicity and advance notification.

The objective of the Act is to increase the livelihood security in rural areas by providing guaranteed wage employment to every household if its members are willing to do unskilled manual work. It was found that the number of households who worked in the scheme has increased over time. For example, there is an increase of about 24(20) percent in the number of households who were provided employment in the year 2010-11(2011-12) compared to the year 2008-09. It was also found that the scheme has improved the income of the participating households. For example, about 65 percent of the respondents indicated that MGNREGA has improved their household income. All this indicate that MGNREGS has some immediate effect on the rural households whose members are willing to supply unskilled manual labour as per the scheme.

Apart from having short-term effects on employment and income, the MGNREGS has some long-term effects on the creation of national assets in rural areas. For example, most of the assets generated under MGNREGA are related to natural resource management and majority of the assets (created in 2009-2010) are related to water supply followed by rural connectivity. And about 64 percent of the workers at an aggregate level rated the quality of community assets as good and durable. About 88 percent of the respondents reported that without MGNREGS it would be difficult to create community assets. About 27-39 percent workers perceived a positive impact of MGNREGA in improving water conservation. It was also found that majority of

the respondent (78 percent in Dhar, 65 percent in Jhabua, and 69 percent in Rajgarh) agreed that there is moderate to significant increase in agricultural productivity due to MGNREGS. About 39 percent of the households reported that there is a change in cropping patterns since the implementation of MGNREGS.

Generally, it is argued that MGNREGS should encourage women participation because there is no gender gap in the wages paid and employment is provided within 5 km radius. It was found that women participation in the studied districts has increased by 61.17 percent in the year 2010-2011 as compared to the numbers in the year 2008-09. About 30 percent of the households responded that there is an increase in the decision-making power of women in the households after the implementation of MGNREGS. About 79 percent women (out of 1602 women respondents) reported that there is no differential wage payment between men and women workers. This perception of equality provides a sense of empowerment among the women members.

The transition to a rights-based framework appears to be leading (slowly but surely) to a major decline in the exploitation of labor on public works. About 97 percent of the respondents reported to have no complaints of harassment at the work sites. This in sharp contrast to the situation used to prevail before MGNREGA, when rural public works were under the control of highly exploitative contractors²⁸. Further, almost about 22 percent households perceive that their status has increased in the village after the implementation of MGNREGS.

It was also found that about 30 percent of the respondents think that the implementation of the MGNREG scheme has reduced the migration of workers to search for employment elsewhere.

6.2. Recommendations

6.2.1. Design and Maintenance of Job Cards

The main purpose of job card is to enable the rural poor to verify their own employment and wage details. As per the Act, job card is the main document for the rural poor that enable them to get the benefits from the MGNREG schemes. The owner is expected to keep the card with him/her. However, about 74 percent of the respondents expressed that they do not have their job cards with them. The job cards of most of the workers remain in the custody of either *Sarpanch* or a person identified by the *Sarpanch*. This is quite contrary to the guidelines of the scheme. Therefore, the following may be considered:

²⁸ Dreze, Jean (2011) "Employment Guarantee and the Right to Work", in Khera, Reetika (ed.), *The Battle for employment Guarantee*, Oxford University Press, New Delhi.

- If at all some job cards are to be maintained by somebody else other than the cardholder on account of the low literacy level of the villagers, the responsibility of maintaining the job cards should be assigned to a village level committee, which is independent of the implementing agency. The implementing agency should be restrained from collecting the job cards directly or indirectly from the villagers.
- There is a need to change the design of the job card. In its current form, the job card does not provide any information about the scheme. The newer version should contain the details about the scheme along with the important (toll-free) contact numbers to be called in case of any grievances.

6.2.2. Awareness and Training

The success of the MGNREGS depends on the necessary awareness of the people about its various provisions like minimum number of days of employment, wage rate, unemployment allowance, procedures of wage payment, distance between house and workplace, any compensation to move to the workplace etc that a household should get. It was found that 30 percent of the respondents are found to be unaware of even one of the above-mentioned entitlement. About 84 to 90 percent of the respondents register their employment demand orally which is neither recorded in the job card nor acknowledged by issuing a dated receipt.

It is also observed that most of the Sarpanchs are not aware of the procedures and processes of the MGNREGS. About 82 percent of the sarpanchs of the studied districts were having the educational qualification of secondary education and below. At the household level, about 67 percent of the respondents reported to be illiterates. At the worksite level, about 74 percent of the respondents were illiterates. Given the literacy rate and their poor financial conditions, villagers are vulnerable to harassment, cheating and marginalization and thus ineffective implementation of MGNREGA. Increasing the literacy level is required to strengthen the effectiveness of MGNREGS. Therefore, the following need to be considered:

- More efforts are required to the traditional means of awareness generation, such as drumming around the village, wall paintings/ writings, distribution of literature pertaining to MGNREGA, radio and so on. Camps can also be held for intensive awareness generation along with other activities such as process of application for work and issue of receipt of applications.

- When the Sarpanchs are not aware of the scheme, then it may be difficult for them to raise the awareness level of their villagers. Training of members at the Gram Panchayat level will help in awareness generation.

6.2.3. Wage Payments

As per the MGNREGA, the wages should be paid on a weekly basis on a pre-specified day of the week in each Gram Panchayat. It was found, at a gross level, that about 57 percent of the respondents reported that they do not get their wages in regular interval of time. At an aggregate level the data indicates that about 45 percent of the gram panchayats neither have a bank nor a post office. Also about 49 percent of the respondents believe that the banks are more than 5 km away from their houses. Under this situation, the banking system is not beyond manipulation from other parties having their vested interest in it²⁹. For example, most of the respondents get their wages by thumb impression. In some cases they put their thumb impression on the withdrawal slips and they depend on the Sachiv to get the money. It was found that there exist wage payments in cash. Therefore, the following may be considered:

- To facilitate effectiveness of wage payments banks and post offices should be brought under the Act's transparency provisions and money should be withdrawn by or at least in the presence of the MGNREGA workers.
- The use of banking correspondent model for wage payments might help in disbursing wages through bank accounts as well as in reducing the delay in wage payments. In each Gram panchayat, Banks can place a Customer Service Provider (CSP) who is provided with a smart card reader networked to the bank server. Each job card holder can be given a bank account after biometric authentication by the bank. All disbursements will be credited electronically to the accounts of the beneficiaries and through proper mechanisms these CSPs can provide money to the villagers. Suitable provisions may be made to record the details of the transaction.

6.2.4. Social Audit

About 71 percent of respondents reported that they do not have any say in the selection of the nature and location of proposed work. Further, the data indicated that

²⁹ For details please see Siddhartha and Vanaik, A. (2011) "Himachal Pradesh: assessment and Outlook", in Khera, Reetika (ed.), The Battle for Employment Guarantee, Oxford university Press, New Delhi.

about 47 percent of the respondents either rarely or never participate in the discussions. Therefore, the following may be considered:

- Social audits should be done by independent agencies. This practice will not only enhance the credibility of the audits but also may encourage the villagers raise their voice without fear and consequently their participation in the discussion process.
- It is also important that villagers should be made aware of their role in Gram Sabha, which, in turn, will increase their participation in Gram Sabha to decide the nature and location of proposed work.

6.2.5. Grievance Redressal System

It was found that around 72 percent households indicated there is no complaint registers available at the Gram Panchyats. It was also found that 63 percent of the respondents believe that the grievances are not disposed off within a reasonable time limit. Therefore, the following need to be considered:

- As Panchayats are the implementing agencies of MGNREGS, they should not be involved for receiving complaints. A separate committee should be made at village level to make sure that the Grievance redressal system works effectively. The role of such committee should be to maintain the complaint register and to ensure that complaints are disposed within reasonable time limit. In order to make it more comprehensive, a block level official should be made a part of this village level committee.
- The villagers should also be informed about the mechanism of the functioning of the Grievance redressal system. Villagers need to be informed to whom to contact in case of any grievances not being handled by the concerned authorities.
- Helplines should be opened up and the villagers need to be appraised about the utility of these help lines. As mentioned earlier, important phone numbers should be printed in the Job cards in local languages.

6.2.6. Transparency

A wide range of transparency safeguards have been built into the Act. For example, muster rolls are supposed to be kept at the worksite, displayed at the Panchayat office,

and should be accessible to the workers. Employment and wage details also have to be entered on the job card of the workers to enable them to verify the records for themselves. However, majority of the respondents (91 percent in Jhabua, 85 percent in Rajgarh, and 65 percent in Dhar) agreed that there is no availability of muster rolls in the work sites. Even, there is no mechanism to check the availability of muster rolls. In other words, the transparency safeguards are often neglected. According to Khera and Muthiah³⁰ (2011) this is bound to happen as they are supposed to be monitored by the same machinery which gets the benefit due to the leakages. Therefore, the following may be considered:

- A system can be visualized whereby muster rolls are directly updated online. In order to do this, the GP official should carry something similar to a credit card swap machine or a point of sale terminal (POS) to the field. The machine should be connected to the centralized server. When a worker works, he/she has to authenticate his finger impression on the POS, which immediately verifies the Job card number with the Central Registry. This will ensure transparency. In fact, the paper muster roll can be a print out of the online muster roll. The village level committee should also make sure that muster rolls are available and updated at the work sites.

6.2.7. Maintenance of Assets

It was found that GP officials and sub-engineers monitor community assets during its creation. However, once the assets are created, virtually no body monitors the created assets particularly in community lands. It came across everywhere that once the work is completed, the community does not take the responsibility of its maintenance.

- There is a need to create awareness among the villagers to own the assets created through MGNREG scheme on community land for their sustainability. Probably once the community owns the work structures, the wear and tear will be much less, the quality of the work will be better and hence the benefits will be more. The study highlights the innovative practices initiated in some districts to create ownership of the assets through convergence.
- Lack of proper maintenance of roads and other public infrastructure is a serious problem not only in Madhya Pradesh but also in all the states of

³⁰ Khera, Reetika and Muthiah, K. (2011) "Tamil Nadu: Slow and Steady...", in Khera, Reetika (ed.), *The Battle for Employment guarantee*, Oxford University Press, New Delhi.

India. Inclusion of maintenance of public infrastructure will help in employment generation as well as in the maintenance of these infrastructures, critical for the development of rural areas. There are examples of successful inclusion of road maintenance in the employment programs in other countries such as Bangladesh and Indonesia.

6.2.8. Migration

It was found that about 66 percent of the respondents migrated outside the village for work last year. Migration seems to be higher in summer seasons compared to the migration in other seasons. It was found that most of the migrants work as construction worker, agricultural labour, and labour when they migrate. Our Logit model reveals that there is some instance of distress migration in Dhar and Rajgarh.

- More efforts are required to the traditional means of awareness generation, such as drumming around the village, wall paintings/ writings, distribution of literature pertaining to MGNREGA, radio and so on to stop only distress migration.

6.2.9. Expansion of Services

There are several critical services such as the maintenance of public hygiene; care of the old and disabled; and water supply which are important for the women, children and the disabled poor in rural areas. MGNREG scheme can try to include these services by providing employment benefits to the rural poor. Several countries such as Argentina (Jefes de Hogar) Indonesia (Padata Karya) and South Africa (Expanded Public Works Program) have successfully included these types of services as part of employment guarantee.

6.2.10. Highlighting Green Jobs

Typically, MGNREGA works have ranged from digging ponds, irrigations and land development. It is also creating green Jobs through afforestation, tree plantation (*nandan phalodyan*) which may aid in arresting climate change. Evidence of the environment services of the rural poor rendered under this Act in terms of ecological-contextual needs should be quantified and highlighted.

APPENDIX I
List of GPs in each selected Blocks
Dhar

| Blocks | | | | | |
|---------------|-------------|-----------------|------------------|-----------------|----------------|
| Dhar | Dahi | Nisarpur | Sardarpur | Badnawar | Nalchha |
| GP | GP | GP | GP | GP | GP |
| Pachalana | Kawda | Badgaon | Gumanpura | Sanoli | Nalchha |
| Jetpura | Karajvani | Bhesalay | Machhaliya | Palwada | Kuwarsi |
| Umariya bada | Kalmani | Susari | Labariya | Jalodkheta | Chandankhedi |
| Bagditurg | Rebarda | Deshwalya | Bharawda | Ritoda | Kathodiya |
| Pipalda | Atarsuma | Nawadpura | Molana | Paykunda | Karamtalai |
| Dharawara | Dhengcha | Pipliya | Baslai | Hanumantya | Bakankheda |
| Anarad | Bodgoan | Konda | Khutpala | Diwanya | Sodpur |
| Badchhapara | Devdha | | Utawa | Siloda Bujurg | Jharibaroda |
| Gunawad | Gangpur | | Bhopawar | Reshamgara | Naibaroda |
| Lohari bujurg | Digavi | | Bodli | Bhesola | Talwada |
| Sunarkhedi | Panhal | | Padampura | Multhan | Ratwa |
| Saktali | | | Shyampura | Dharsikheda | Palasmal |
| | | | Barmandal | Kanvan | Sagadi |
| | | | Chhadawad | Manglya | Bhiltalwara |
| | | | Amjhar | Sandla | |
| | | | Batiyabardi | Tilgara | |
| | | | Khamaliya | Bakhatpura | |
| | | | Sajod | Gajnod | |
| | | | Tirla | Kankaraj | |

Jhabua

| Blocks | | | | | |
|------------------|------------------|---------------|-----------------|---------------------|----------------|
| Alirajpur | Meghnagar | Jhabua | Jobat | Petlawad | Ranapur |
| GPs | GPs | GPs | GPs | GPs | GPs |
| Morasa | Ochaka | Dhekalbadi | Undari | Ganga Khedi | Ban |
| Khar Kuwa | Itawa | Full Dhawadi | Khattali Chhoti | Kesarpura (Ramgarh) | Retalunja |
| Band | Hatyadeli | Dhabarbadi | Indwan | Temaria | Uberao |
| Haraswat | Talawali | Talawali | Kila Jobat | Kardawad | Anandharbad |
| Bada Undwa | Chhota Naharpura | Bhagor | Jamni | Hamirgarh | Bhoorimati |
| Fata | Kachaldara | Charolipada | Dehdala | Naharpura | Dholyabad |
| Chichlana | Satsera | Negadiya | Khutaja | Bachhikheda | Bhoot Barda |
| Roddha | Dhadaniya | Bheem Faliya | Kanwada | Runji | Kanjawani |
| Aali | Khachhartodi | Dungra Lalu | | Mohankot | Mordundiya |
| Ambua | Umradara | Gundipada | | Panchpipla | |
| | Gujarpada | Footiya | | Alasya Khedi | |
| | | Kundla | | Mandan | |
| | | | | Moibageli | |
| | | | | Mahudipada Kalan | |
| | | | | Bedada | |

Rajgarh

| Blocks | | | |
|----------------|--------------------|----------------|---------------------|
| Biora | Narsinggarh | Rajgarh | Zirapur |
| GPs | GPs | GPs | GPs |
| Salariyakhedi | Amlar | Bananiya | Surajpura |
| Barkhedi – 1 | Muwaliya Khedar | BAWDIPURA | Lasudliya |
| Bhura | Udpuriya | Murariya | Sirpoi |
| Khuri | Nahli | Selapani | Agriya |
| Punarkhedi | Khanpura | Phundiya | Kharpa |
| Todi | Tajipura | Kalikheda | Balaheda |
| Banskho | Umriya | Dehrinath | Amlabeh |
| Gindormina | Vijaygarh | Motipura | Banskhedi |
| Talawli | Ramgarh | Kharna | Jharniya |
| Kadiyahat | Dhabla | Kanwarpura | Chokhanda |
| BARKHEDI-2 | Gagar | Kali Talai | Lasudliya Kheraj |
| Umred | Lasudliya Pata | BADLAVDA | Naiheda |
| Ralayti | Borkhedi | Jhanjhadpur | Khokariya |
| Barkheda | Gadiya | Hataikheda | Bangpura |
| Muwaliya Dangi | Mundla Barol | Devjhiri | |
| Panali | Kankariyamina | | |
| Balchidi | Chenpura Kalan | | |
| | Buchakhedi | | |
| | Mundla Barol | | |
| | Khajuriya | | |

Appendix – II

Mobile banking initiatives

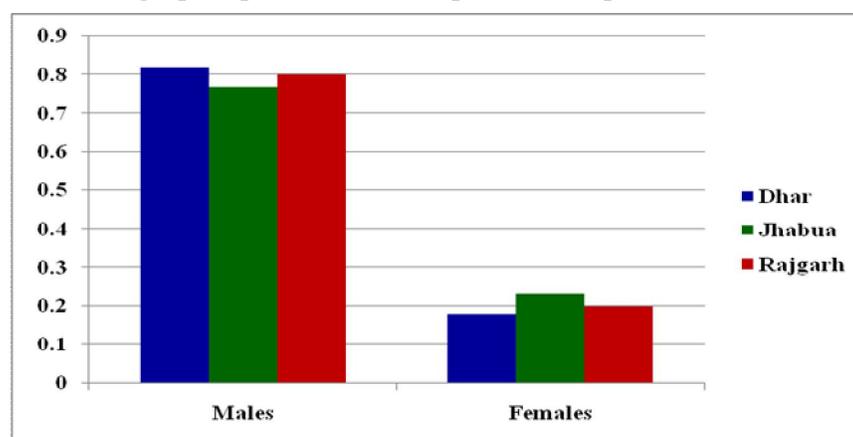
We visited the following GPs during the period from June-July, 2012. We covered the following GPs in respective blocks. The purpose of the study was to see the issue of timely wage payments. The GPs that we have visited were suggested by respective district officials. Out of the GPs that we visited, some had initiated mobile banking facilities, some follow the traditional payments through banks and there were some instances where wages were withdrawn by the GP officials and paid by cash to the rural poor. We captured data from HHs and from the Sarpanchs and Sachivs.

List of GPs that were covered in this study

| Districts | Dhar | Jhabua | Rajgarh |
|-----------------|----------|--------------|------------------|
| Blocks | Dahi | Jhabua | Zirapur |
| Gram Panchayats | Atarsuma | Bheem Faliya | Balaheda |
| | Devdha | Dhabarbadi | Bangpura |
| | Dhengcha | Dhekalbadi | Naiheda |
| | Panhal | | Kharpa Sirpoi |

Most of the respondents are males and the percentage of female respondents in the study was about 21 percent. Most of the respondents are from ST background in this study.

The demographic profile of the respondents is provided below.



Sample size 223 (Dhar-78, Jhabua-65, Rajgarh-80)

The percentage of illiterates among a total of 219 respondents were about 72 percent and in most of the cases, the respondents apply for the job orally. We tried to capture the time taken to get the wages and the possible reasons for the delay by interviewing the villagers, Sarpanchs, Sachivs and the Bank staffs wherever possible.

We visited two GPs (Panhal and Narjhali in the Dahi Block of Dhar District) where wages were paid through mobile banking. During the interview most of the respondents reported their satisfaction in mobile banking.

According to them payment of wages through mobile banking helps them in following way

1. Saves their day from waiting in a bank to get the wages
2. Saves money otherwise used for transportation
3. Very convenient to them

The process in which the Mobile banking functions is as follows. A list of all the workers whose wages are due along with the wage amount were sent to the bank and a day was fixed for the wage payment. The date of wage payment was announced in the concerned GP where payment is due to be made. The Block officials arrange the vehicle (As reported by the Block officials) for the banking staff to visit the Gram panchayats. Once the banking officials arrive at the Gram Panchayat, the name of the villagers and the wages due to them were read out in the public. The withdrawal form was filled in by the Sachiv or the mate and the thumb impression/ signature is taken on the withdrawal form. The withdrawal form is kept by the bank officials and the amount was paid to the workers. We observed the payment system in two GPs namely Panhal and Narjhali and the payment process was less time consuming and very effective.

Village workers assemble at a fixed location in the Panhal GP for their wage payments

Photo 1



Photo 2



Wage payment process is in progress in the Panhal GP

Photo 1



Photo 2



People assembled at the GP office for wage payment (GP: Narjhali)



The process of wage payment is in Progress (GP: Narjhali)



Observations

However, according to the villagers the payment through mobile banking is not done in regular intervals. About 48 percent out of 144 respondents reported that they get their wages in irregular intervals. We visited 12 GPs to have an understanding of the functioning of wage payments through mobile banking. However, the practice of mobile banking is still uncommon in most of the banks. We talked to villagers, sachivs and bank employees to find out the cause of irregular wage payments. The following issues emerged during the discussion.

1. The evaluation does not happen in time. For example, it was reported that there are 87 GPs in the Zirapur block and only 4 sub-engineers are there. Given the size of the area a sub-engineer has to cover, the evaluation is bound to be delayed.
2. Once the evaluation is done, the GP prepares the list which takes time given the fact that the muster rolls are not always maintained.
3. The GP officials send the cheque to the bank and the Bank takes time in crediting the amount to individuals account.
4. Given the fact that the numbers of banks are less and the available manpower in these existing banks are less, the banks usually assign a single day per week to a GP.
5. Even in the case of mobile banking, the payment does not happen in regular intervals. During the interview the concerns shared by the bank employees were inadequate manpower.

To ensure the wage payment through mobile banking is effective, the frequency of wage payments through mobile banking should be increased. Thus the cooperation of banking system is required. Even though the mobile banking is preferred by the villagers and being an effective way to disburse the wages it cannot be successful without the help of other agencies such as the banking sector.

Appendix – III

Individual assets and Employment Trends

To assess the impact of assets created in Individual land through MGNREGS on subsequent employment of the household, we took the data from the secondary sources. We took the data of the visited Blocks in the three districts that are available in the NREGA website. We got data from all the Blocks except Alirajpur, Jobat and Zirapur. We found out the assets created in individual land from 2008 till 2011. Total of 761 data points were collated for further analysis. All these 761 data points indicate the HHs, in which assets are created in their private land. We captured data about the number of family members in each HH and the number of days they got employment starting from 2008 till 2011. Once we calculated the number of days the HHs got employment, we calculated the average numbers of days the HHs are employed in a Block over these four years. The following calculations are based on the assumption that the number of days the HHs got the job is equal to the number of days they seek the work. We classified the data on the basis of number of adult members in each HH. Then we tried to explore the trend in employment at an aggregate level over the years. We classified the data into 4 categories.

1. Members in the household 2
2. Members in the household 3
3. Members in the household 4
4. Members in the household 5 and above

In all the cases we captured the number of days worked by each household from 2008 till 2011. We also found out the year in which the asset was created in an Individual's land. That helped us to plot the graph and analyze the impact of the asset created in individual land on their subsequent demand for employment.

We took only those HHs, where there was an asset created in their land through MGNREGS. We calculated the average number of days the HHs got employment in a Block by following formulae:

$$\frac{\text{Average number of days employed in a particular year in a Block}}{\text{Block}} = \frac{\text{Total number of days employed}}{\text{Total number of Blocks from which Data were collected}}$$

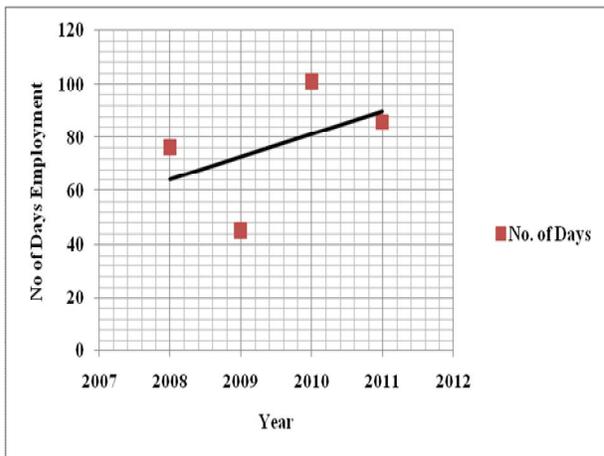
Based on the above formula we calculated the number of days employment received in following categories

1. Members in the household 2
2. Members in the household 3
3. Members in the household 4
4. Members in the household 5 and above

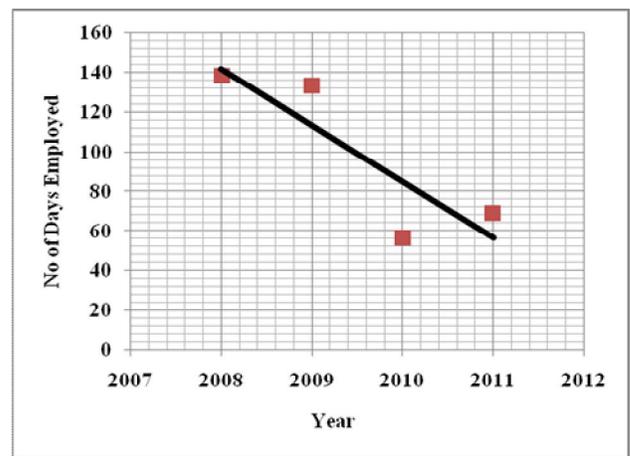
As indicated in the trend analysis, in almost all the cases there is a decrease in job demand once assets are created in individual lands. **The detail data is provided herewith.**

Assets Created in 2008

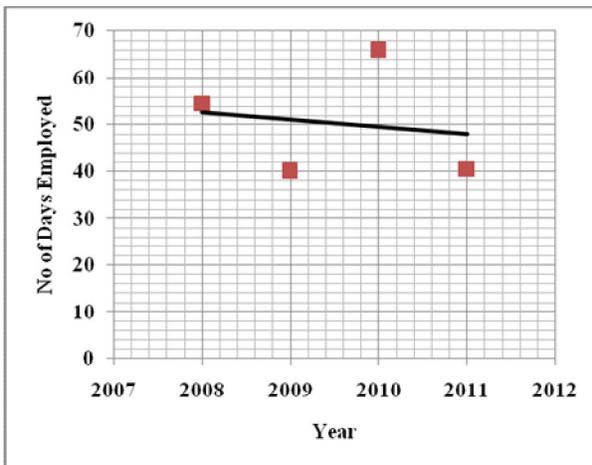
No of Family Members: 2



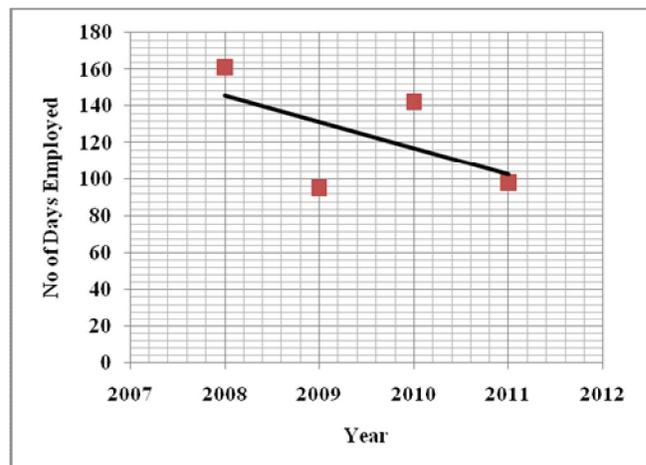
No of Family Members: 3



No of Family Members: 4

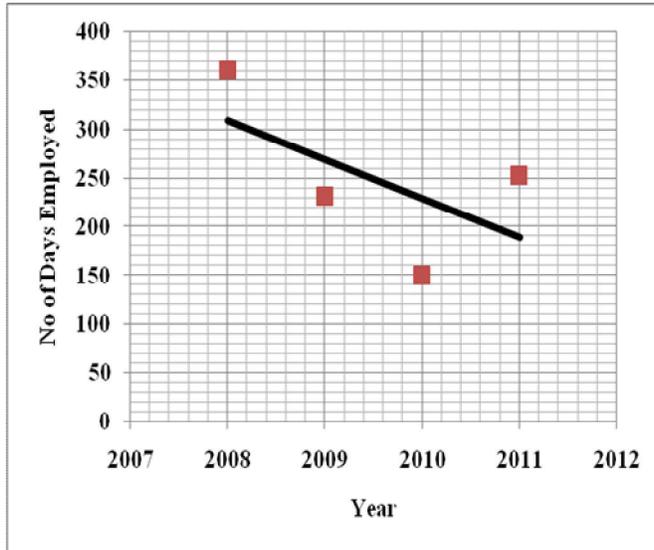


No of Family Members: 5 and more

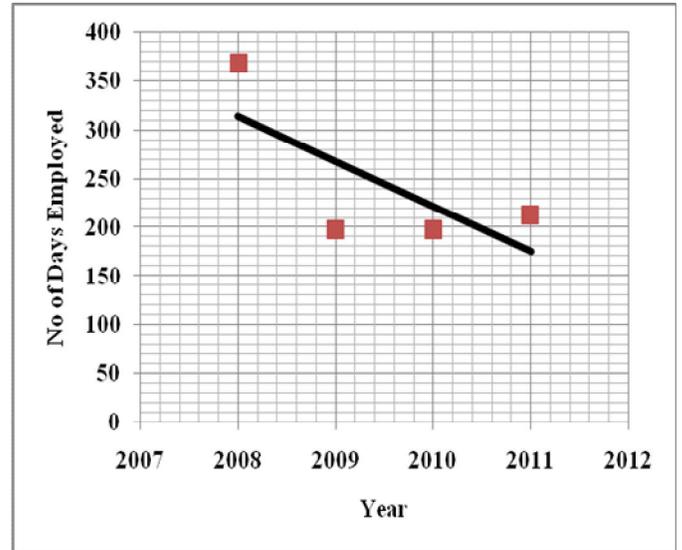


Assets created in 2009

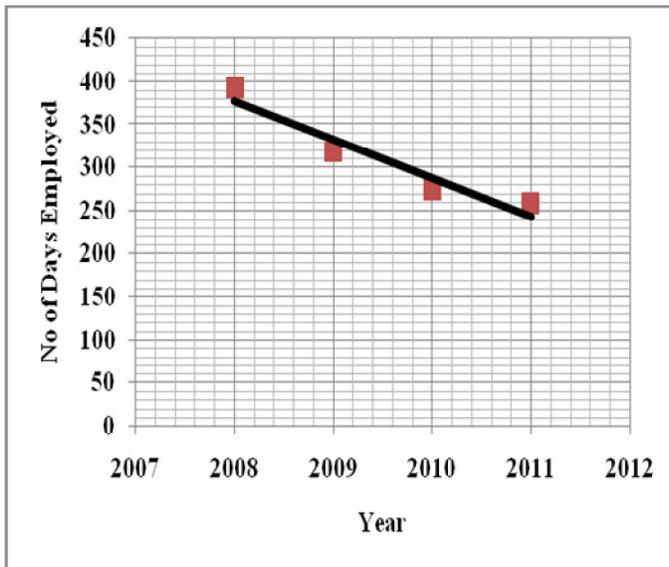
No of Family Members: 2



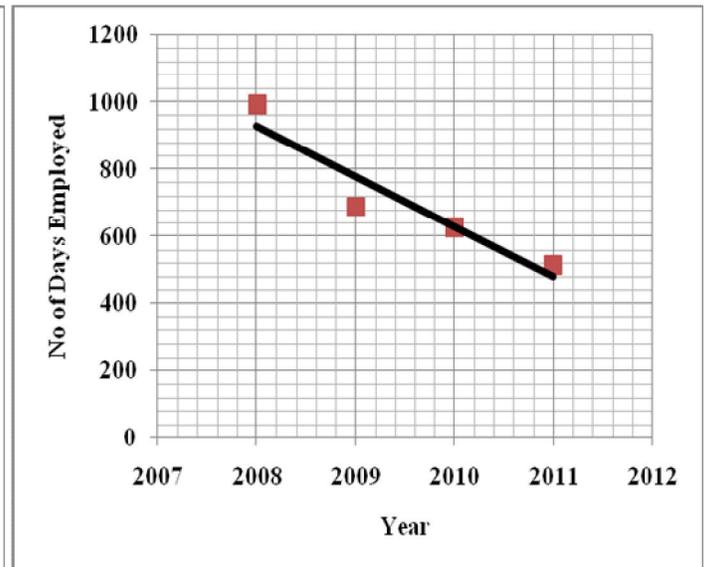
No of Family Members: 3



No of Family Members: 4

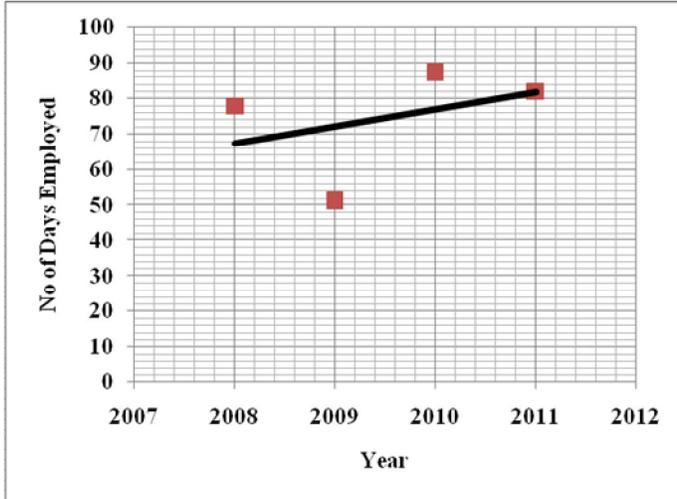


No of Family Members: 5 and more

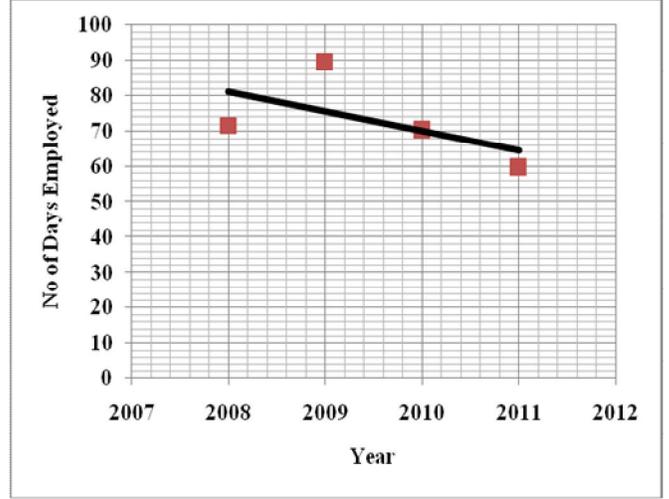


Assets created in 2010

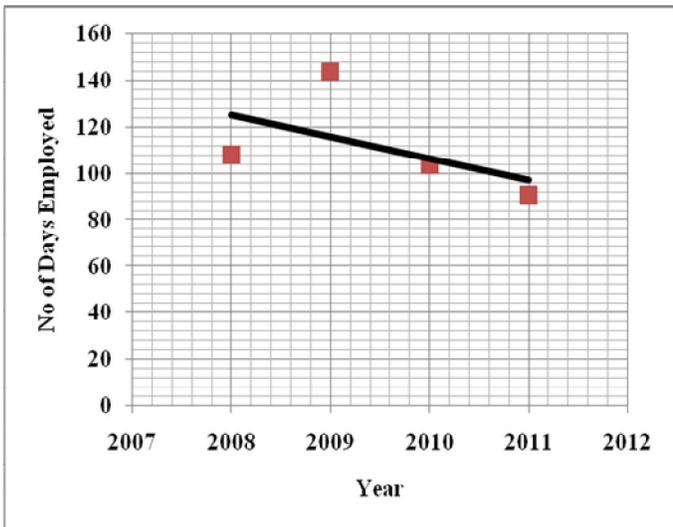
No of Family Members: 2



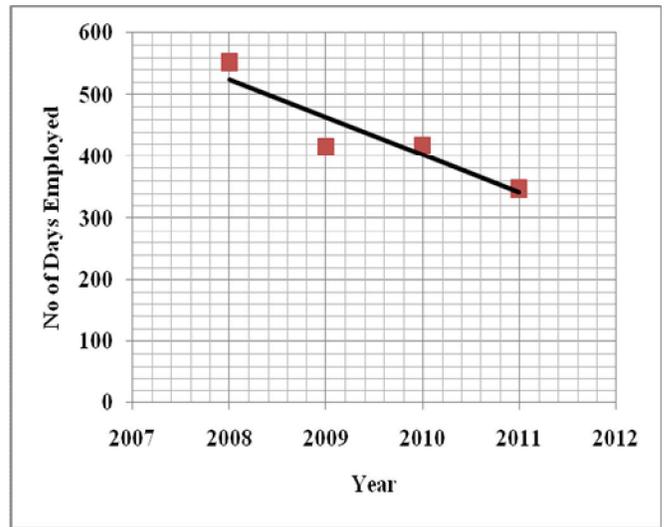
No of Family Members: 3



No of Family Members: 4



No of Family Members: 5 and more





List of Pictures



Dist. - Dhār, Block-Badnawar, Gram Panchayat-Bhesola



Dist. - Dhār, Block-Badnawar, Gram Panchayat-Gajnod



Dist. - Dhār, Block-Badnawar, Gram Panchayat-Jalodkheta



Dist. - Dhār, Block-Badnawar, Gram Panchayat-Siloda Bujurg



Dist. - Dhār, Block-Badnawar, Gram Panchayat-Payakunda



Dist. - Dhār, Block-Badnawar, Gram Panchayat-Payakunda



Dist. - Dhār, Block-Nalchha, Gram Panchayat-Nalchha



Dist. - Dhār, Block-Nalchha, Gram Panchayat-Nalchha



Dist. Jhabua , Block-Alirajpur (Collector of Alirajpur)



Dist- Rajgad, Block- Zirapur, Panchayat- Talawali



Dist- Rajgad, Block- Zirapur, Panchayat- Surajpura



Dist- Rajgad, Block- Zirapur, Panchayat- Balaheda