

Preface

National Rural Employment Guarantee Act became operational in 2005 and a large scale programme initially covered 200 districts in India under National Rural Employment Guarantee Programme. The programme in the third phase covered all the districts of the country and since October 2009 is called Mahatma Gandhi Rural Employment Guarantee Scheme (MGNREGS). Such a large scale programme guaranteeing 100 days of employment to any poor family has spent around Rs 95672.88 crore over the last 4-5 years. The programme has improved rural infrastructures particularly for enhancing water availability for enhancing agricultural productivity.

Madhya Pradesh is one of the front runner states on effective performance of MGNREGS. In fiscal year 2009-10 state has generated 2624 lakh person days under MNREGA. There are 46.17 lakh assets created under the MGNREGS in M.P. In this context, the Poverty Monitoring and Policy Support Unit (PMPSU) within the State Planning Commission assigned a study to Samarthan in June, 2010 with the objective of assessing the performance of MGNREGS and impact that the programme could generate to address the issues of poverty and rural livelihood. The study covered a large sample of households about 12000 across 16 districts using a rigorous random sampling design. These representatives of the sample provide reliable estimates to assess performance at the state level.

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Abbreviations

MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
PMPSUS	Poverty Monitoring and Policy Support Unit Society
NREGA	National Rural Employment Guarantee Act
CEO	Chief Executive Office
ICT	Information Communication Technology
PRI	Panchayat Raj Institution
HHs	House holds
RFP	Request for proposal
CSO	Civil Society Organisation
BPL	Below Poverty Line
ATM	Automated Teller Machine
APL	Above Poverty Line
GDP	Gross Domestic Product
ICT	Information and communication technology
NSSO	National Sample Survey Organisation
IAY	Indira Awas Yogana
FGD	Focus Group Discussion
PTGs	Primitive Tribal Groups
OBC	Other Backward Caste
SC	Schedule Caste
ST	Schedule Tribe
NGOs	Non Government Organization

Executive Summary

Background and Objectives

The National Rural Employment Guarantee Act guarantees employment for more than 54 million rural poor of India for 100 days in a year. The provisions of the Act identifies Panchayati Raj institutions as the key implementing agency for the programme providing a significant opportunity for demonstrating the role of village level institutions in transforming their village infrastructure and addressing abject poverty. The scheme is poised to contribute significantly in growth the overall rural economy in the state as well as the country. The processes of the scheme have new ways of doing business which include principles of transparency and grass root democracy. It is the largest development programme in the state since its enactment (initiated in 18 districts of state in Feb 2006 and from April 2008 all 48 districts are being covered).

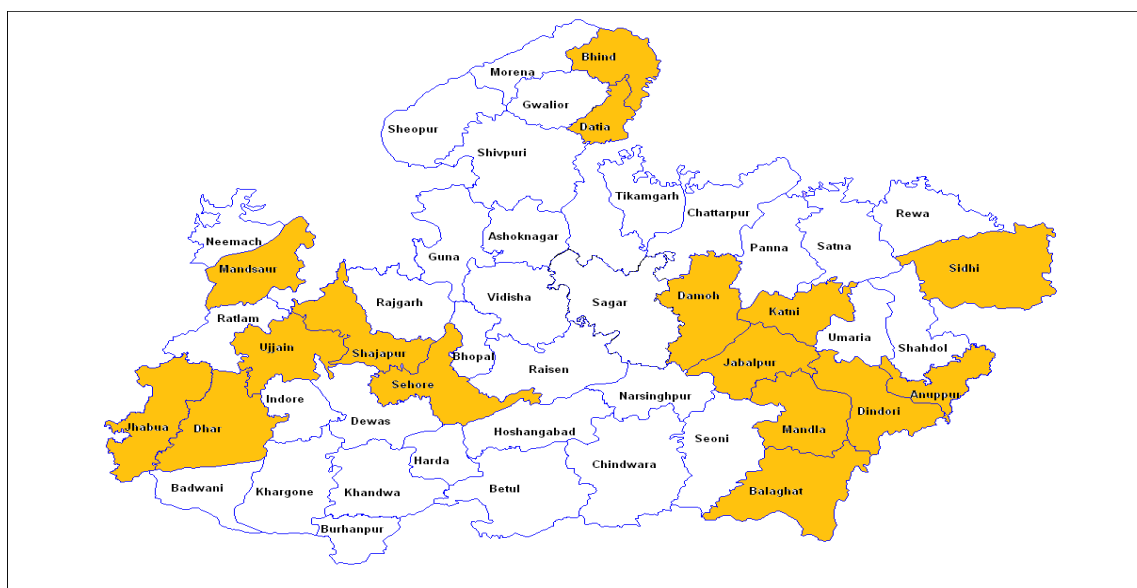
The Poverty Monitoring and Policy Support Unit (PMPSU), Madhya Pradesh (MP), is a registered Society anchored within the MP State Planning Commission (MPSPC) supported by DFID. The mandate of this unit is to review policy initiatives and programmes of the state Government relating to poverty, inequality, gender and social exclusion. The study commissioned to Samarthan by the PMPSUS of MP-SPC, is an attempt to understand the effectiveness of the scheme in making livelihood sustainable. This study provides the right context to review the best practices, significant achievement, the challenges, bottlenecks and the impact of the scheme in changing the livelihood opportunities in rural areas of the state.

The key objectives of the study are framed below:

- Assess the status of awareness & access of key Stakeholder(s) to the programme.
- Assess the impact of MGNREGS on individual households, local labour market and migration cycle in M.P.
- Ascertain the efficacy of assets created under MGNREGS in strengthening sustainable livelihoods.
- Assess to what extent MGNREGS has strengthened processes of grassroots democracy, transparency and accountability.
- Draw appropriate lessons, bottleneck issues, and recommend comprehensive framework, strategies, and approaches to improve the design and operational aspects of MGNREGS.

Study Methodology

Looking to the significance of the study for policy issues, the statistical approach - Probability Proportional to Sample (PPS) and Estimation Process has been adopted in designing of study methodology. The study sample is splitting up in different geographical areas, phases of implementation their performance on employment generation and also different categories of households. Overall 33 percent districts (16 out of 48 districts) were covered under the study through using statistical approach. The sample districts were taken from 9 strata based on performance (districts from high, medium, low performance districts form each phase) of the districts. Thus, 6 districts from Phase I, 4 from Phase II and 6 from Phase III were identified. Following are the distribution of the sample districts:



To estimate the state level figures under the study a stratified multi-stage design has been adopted. The first stage units are the districts which are stratified into 9 strata in terms of their inclusion in the programme [phase-I, phase-II and phase-III] as well as their reported performance [high, medium and low]. Within each stratum, one third of the districts are selected using circular systematic sampling procedure with probability proportional to size [defined in terms of job cards issued].

The second stage units are villages within a sample district which are also selected using circular systematic sampling procedure with probability proportional to size, with the difference that the size is defined in terms 2001 census population of the villages. Overall 400 villages have been selected, 25 sample villages from each selected district.

At the third stage on the basis of gathered information, the households in a sample village are stratified into 8 categories (strata) and a sample of 4 households are selected from each category using circular systematic sampling procedure with simple random sampling without replacement (SRSWOR) method.

Overall 12049 selected households were interviewed from the list of 59034 households in 400 selected villages. The details are mentioned in Chapter-2 of the study.

Key Findings of the Report

The findings in the report is broadly divided in 5 sections as follows

- Access of MGNREGS
- Knowledge of and Attitude towards the scheme
- Provisions and Practice related issues
- Transparency and accountability related issues
- Impact of the scheme

The key findings emerging from the study are as given below

(a) Access to MGNREGS

Despite its efforts to provide job cards to all rural households, it is estimated that of the 83.68 lakh rural households, 25% households still do not have job cards. Preparation of job cards is not an ongoing activity. In absence of job-cards, these left-out community members are not able to demand for jobs. Of those who have been issued job cards, 49.27% households do have custody of the cards. As high as 43.25% job cards issued are with the Sarpanch or Sachiv.

MGNREGS guarantees 100 days of work to each household applying and demanding for work. However it is emerging from the data on awareness of various provisions of MGNREGS that due to a lack of awareness, people do not demand work and therefore get work as and when the works are implemented by the Panchayats. It is estimated that 17.71 lakh households (28%) have demanded work. Of those who have demanded work, 8.65 lakh households (48.8%) have got work within 15 days. Overall only an estimated 25.61 lakh households (40% of Job cards issued) have been provided work under MGNREGS. The aspect of guarantee for work against demand is still missing in the scheme.

Against a guaranteed 100 days of work, the average households are getting only 31.8 days of work in a year. 14.4 lakh households (56%) of the estimated households have got less than 30 days of work under MGNREGS. If we look at the number of households which have got 100 days of work, it is seen that only an estimated 18684 households (0.74%) have got 100 days of work in a year. A deeper analysis of the households which are getting work show that 56.1% households which migrate have got more than 30 days of work. However, among landless and BPL households which do not migrate, more than 50% of the households have got work for 10 to 30 days in the year 2009-10.

Issues related to receiving benefits and entitlements by the community particularly work-site facilities, is on the lower side due to a large gap in community level on MGNREGS awareness. Even the Panchayats say that water and place to rest are the most common worksite facilities provided. 47% of Sarpanch/ Secretary have shown their satisfaction on the provision of water facility to workers at work sites. 60% Sarpanch /Secretary have said that they are not satisfied by the provision of crèches at the worksite.

Payments through banks have been made mandatory in the scheme so that payment of wages can be made transparent. However 29.2% worker households have reported that they do not have a bank or post office account. Distance of the bank has been sighted as the biggest difficulty in accessing the accounts. The average distance of the nearest post office / bank from the village (district basis) is around 7.08 km.

(b) Knowledge and Attitude towards MGNREGS

Considering the large and scattered geographic coverage and population density in the state, current 46% awareness on basic aspects of MGNREGS seems a good start but taking account of a large gap, it is highly important for state agencies to invest more efforts through holistically design campaigns from a right-based approach perspective for greater ownership for higher demand as the success of the entire scheme hinges heavily on the job demand.

Of an estimated 83.68 lakh households, it is found that the highest level of awareness (31.6%) among people is on the facility / provision like their entitlement for drinking water at work place. This is followed by the awareness on the provision of 100 days of guaranteed employment in the scheme (21.7%) and minimum wage rate (20.3%). It is interesting to note that despite a basic knowledge among respondents about their entitlement for 100 days of work, a very little information is found in relation to their awareness on the right to demand the work (12.6%).

Awareness on governance, accountability and transparency issues are the lowest with awareness on preparation of annual plan for MGNREGS being 1.5%, Social Audits being 2.1%, filing complaints being 2.8%.

Currently, Panchayats are the main source of information dissemination (77% of the 83.66 lakh estimated household). It appears from the study that the Panchayats are sharing only that information with people which does question the accountability and transparency of their functioning as an implementing agency.

Generally, it has been noted that people having small landholding or landless tend to migrate or engage on other activities outside of their native village for livelihood. These people have missed the opportunity to participate in the initial campaign conducted on MGNREGS which could be a main reason for their lower awareness level.

(c) Provisions and Practice related issues

The planning exercise in MGNREGS is being done in a ritualistic manner without engaging with the community intensely. It clearly reflects that the plans are practically prepared by the Sarpanch and the Sachiv. As high as 95% of sarpanch and sachiv say that plans are approved in the Gram sabha whereas the data of individual households in the study shows that only 1% households have echoed this. This shows that the Gram

sabhas are actually not involved in development or approval of the plan. This remains a mere formality, done only on papers.

There is still a lot of control of the state government at the implementation level of the scheme. Several activities are planned and implemented as per the preferences or priorities of the departments instead of Gram sabha. The Sarpanch/Sachiv feel that the department (or the state) influence the type of work that is to be implemented in the village. A significant proportion of respondents (25.1%) have said that the annual plans get influenced by the influential persons like MLAs/ MPs etc.

Largely (75%) the Panchayat representatives are satisfied by the technical support provided by the block administration. Forty percent of those who are not satisfied have stated that they do not get support in technical aspects of the scheme such as preparation of estimates. As high as 30% Panchayat representatives have said that they are not satisfied with the processing of documents by the block.

The response of Panchayat to the demand of work is not satisfactory. Only 48.8% households have received work within 15 days of demand. The workers also say that they have not got as many days of employment as demanded. Overall 63% of the respondents have said that they got lesser workdays than what was demanded.

There are several issues related to payment of wages. As high as 71% households have said that there was a delay of more than 15 days in getting wages. 36% of those who got lesser wages have cited measurement as the most important reason for delay. 33% have said that the delay in wages was caused as sufficient funds were not available with the Panchayats.

Payments through banks were made mandatory as this would have helped in increasing transparency and accountability in wage payment. However, it is observed that despite making bank payments of wages mandatory, an estimated 29.4% households have are reporting that they are getting wages in cash.

There is no clear strategy for maintenance of assets in MGNREGS. There is a clear lack of clarity and understanding on how the assets would be maintained. There is ambiguity as to which funds Panchayats can use for maintenance of the assets.

(d) Transparency and accountability

Development of annual plan envisaging the community needs, scope and resources at Panchayat level is a significant step for effective participatory planning. For effective facilitation of this process, increased awareness among the people regarding their entitlement and rights in MGNREGS is highly important. It is estimated that 1.26 % of the estimated 86.68 lakh rural households have said that the annual plans are approved in the Gram Sabha.

Village level monitoring committee has very important function to monitor the effective implementation of MGNREGS at Panchayat level. However, in given circumstances, these monitoring committees in the absence of any proper training and support on the expected roles and responsibilities, are not able to play any meaningful role. Of the total estimated households only 13% are stating that village level monitoring committees are functioning well.

Under MGNREGS, Panchayats are expected to maintain various registers and records which not only require proper training but also require time to fill these forms too. The records are not being maintained at the Panchayat level. Overall 37% Panchayat representatives have said that they are able to maintain all records properly.

MGNREGS also has a robust complaint redressing mechanism, however this is hardly being put into use. Of the estimated 83.68 lakh households, only 66120 (0.79%) have filed formal complaints.

Social audit is another very significant instrument proposed in MGNREGS to ensure people's involvement for demanding transparency and accountability. Nevertheless, entrusting this important function to the Gram Sabha which is already loaded with many pre-set agendas, does not give enough time and focus on MGNREGS, thus turning this instrument into a mere formality of sharing some basic information. Of the total estimated 83.68 lakh rural households, only 1% have said that social audits have been done in the village. The issues of less wage payment (69%), quality and use of work (75.5%), work demands (75.5%) have figured prominently in the few social audits that have actually been organized. It is disheartening to see that action is rarely initiated on the findings of Social Audits. Only 24% panchayat representatives have said that any action has been initiated on these findings.

(e) Impact of MGNREGS

With 4 years of its implementation, the impact of the scheme is slowly starting to show in the state. People have started to feel that there is some level of impact at the individual household as well as at the panchayat level. An estimated 25.61 lakh households have worked under MGNREGS. Of these, 68% feel that there is an impact of MGNREGS on the quality of life of the poor. Some of the emerging trends in impact of MGNREGS in the state are as follows.

The income from MGNREGS is only around Rs 2000 per year per household. Whereas with the minimum wage rate of Rs 100 per day and a guaranteed 100 days of work, each household has a potential to get Rs 10000 per annum. The study shows that there is a huge potential for workers to demand more work under the scheme.

The increase in income through additional wages is very little. The meager increase in income does not contribute much in the economic condition of the household. The largest proportion of estimated benefited households feel most of the money is used for food, medicine, and clothes for the family members i.e. 81%, 55%, 41% respectively.

People are not able to save enough money from this additional income to improve their economic condition in an important way.

Increased savings will help the households in reducing indebtedness. It is observed that large number of people feel that MGNREGS has helped them in repaying their loans. In Phase III only 14.8% households have said that they are able to repay their loans, in Phase II this figure stands at 19.8% and in Phase I at 24.7%.

Only 4% of all estimated households have said that reduced migration is an impact of working in MGNREGS. The main reason for such low perception is that MGNREGS is not providing enough income to the households to discourage them from migrating in search of work. The only changing pattern in migration is that now mostly male members are migrating instead for the entire family.

As mostly only earthen works are taken under the MGNREGS, study reveals that there is significant increase in the irrigation land as compared to the cultivable land. Thus, there is shift in growing of cash crops rather than old or normal crops, therefore a significant number of

People do see an impact of MGNREGS at the village level. As high as 68% households have said that there is an impact of MGNREGS on the village. Most of the people (75%) see development of approach roads as the most important impact followed by increase in surface water (42%). People also see ground water (29%) and drinking water (29%) as important impact of MGNREGS in the village.

There is a stark difference in the perception of the community and the perception of the Panchayat representatives. The Panchayat representatives feel that the most direct impact of MGNREGS is additional income (64% responses) that the workers are getting through MGNREGS. This is followed by their perception that there is an increase in availability of water in the village (21%).

The study has shown some striking differences between the primary data and the data that is given in the online MIS. The key issues on which this difference is apparent is shown in the table below.

Performance of MGNREGS in Madhya Pradesh			
S.No.	Particular	Study Figure	Online MIS
1	Rural Households in the State	83.66 Lakh (Estimates)	79 Lakh (Censuses 2001)
2	Job Card Issued to Rural Households	63 Lakh	112 lakh
3	Percentage Job Card issued to the rural households	76%	141%
4	Households having Job Card demanded for work	17 Lakh (22.36%)	47 Lakh (41.96%)
5	Employment Provided to households	8.7 Lakh	47 Lakh

	demanded for work	(50%)	(100%)
6	Percentage of Job Card holders having Bank Account	38%	63%
7	Average employment provided to per households in a year (person days)	31.8	55.5
8	Average wage payment per day	Rs.59.2	Rs.83.7
9	Number of households have completed 100 days of employment	18000	6.7 lakh

Recommendations

Large scale awareness campaign on specific issues -

- (i) More active engagement with NGOs to reach out in most difficult/ backward blocks having high tribal or schedule caste population.
- (ii) Hire a professional communication agency to prepare a detailed strategy and implementation plan for engagement of multiple agencies

Simplify job card application/ preparation process

- (iii) Bring MGNREGS card preparation under service Guarantee Act so that within a fix time any one applying for job card is guaranteed to get it.
- (iv) All SC/ ST families who have been benefitted under the Forest Rights Act or any other scheme meant for the poor tribals or Dalits should be automatically granted job cards. The PTGs and untouchable SC groups should be taken on priority basis.

Enhance demand for work by efficient management of payment

- (v) Strong monitoring at the district level on the muster roll and payment gap analysis
- (vi) Enhanced availability of civil engineers for verification of muster rolls and work measurement. In certain districts where there is an acute shortage of civil engineers, a panel of professionals or retired civil engineers can be identified. These empanelled civil engineers can be hired for by the Panchayats for verification of records and measurements.
- (vii) Provide handholding support to the village Panchayats through technical support group, subject matter specialist in preparing participatory annual plans and effective labour budgeting

Enhance engagement of Gram Sabha for effective accountability and transparency

- (viii) Large scale awareness campaign with Gram Sabhas to understand their role in social audits. The campaign need to be organized in collaboration with local NGOs

- (ix) The social audit is done in a ritualistic manner as the quality of information provided on social audit format is very rudimentary. In each block or district, a person should be appointed/ assigned to review the social audit reports and ask for feedback on the non-compliance.
- (x) Gram Sabha actually is not held to conduct social audits. Therefore, a random check of the social audits by the civil society organization/ review agencies for identifying the quality of processes and participation of the workers in social audit should be done.
- (xi) It should be mandatory to mention on the Panchayat Bhawan wall that complaint register is available with the Panchayat for the public to lodge any complaint. Greater transparency will encourage workers to lodge complaint.
- (xii) Encourage Panchayats to prepare self disclosure document as prescribed in section 4(a) of the RTI. Greater transparency will lead to more effective information sharing and reduction in grievances.

Invest in improving bank payment system

- (xiii) Workers are oriented on the procedure of banking so that they feel comfortable to visit bank by themselves and understand their entries. This will reduce use of agents
- (xiv) There is a need to persuade the banks for providing ATM machines at a cluster of villages/ block headquarters. The workers thumb impression can be the basis of identification. The ATM supported bank payment will reduce possibility of any foulplay.
- (xv) Since the banking infrastructure (branches as well as ATMs) are not available at the Panchayat level, other modes of wage payment through bank need to be promoted. Bio-Metric cards can be an effective technology for disbursement of wages at the village level itself. This has been done quite successfully in Andhra Pradesh. Assam has also made plans for wage disbursement through Bio-Metric ATMs in the villages. The banks can appoint agents for carrying these ATMs to the village for wage distribution. There is also a need to explore the possibilities of paying the honorarium / salary of these agents through MGNREGS. This can become a potential area where the educated unemployed youth can be engaged.

Integrate Plans under MGNREGS with Integrated District Planning

- (xvi) MGNREGS should instruct all district level officials to derive the plan from the integrated plan document being prepared for the district
- (xvii) At the beginning of each year, plans thus derived should be painted on the walls of the panchayat so that people are aware of the works that will be done in the scheme with proposed months, budget etc. This would also fall in line with the provision of self disclosure under RTI Act.
- (xviii) Any farmer in SC/ST/BPL category who demands MGNREGS work on their land (as per the minimum requirement of sub scheme) should be provided the work in

a guaranteed manner. This will increase the number of activities which can be taken up in the village and the panchayats will be able to respond adequately to the demand.

- (xix) Plans should essentially focus on converging with activities of some key departments like Agriculture and water resources. Promote greater number of activities and convergence around strengthening agriculture, with special focus on land development works to increase cultivable area. Most of the MGNREGS workers are directly or indirectly dependent on Agriculture. Focusing on agriculture would help in making sustainable opportunities of livelihood for the workers.

Speedening up measurement of works

- (xx) The huge gap of sub engineers needs to be filled on a urgent basis. In case, hiring of sub engineers is not feasible quickly, the government should adopt measures for hiring local educated youth as barefoot engineers. Proper orientation of these youth should be undertaken and they should be given the task of measurement of simpler works like farm bunds, ponds, road. The sub engineers may be given the task of measuring more complicated tasks like well construction, large ponds etc. Stringent measures to curb any element of misappropriation of funds should also be built in such a system.

Simple learning material should be prepared by the state to understand measurements. This can be used as a ready tool by the barefoot engineers, Panchayat representatives, vigilance and monitoring committee members and the social audit team members.

Strengthening Social Audit and other transparency mechanisms

- (xxiii) It is essential to have mentors for facilitating the social audit process. The mentors can be active educated youth from the village or civil society representatives. The state will have to ensure that these mentors are adequately oriented and capacitated so that they are able to facilitate the process effectively.
- (xxiv) Provisions for some honorarium (as for mate) should be thought of for the social audit committee members for conducting the audit. This will serve as a motivation for them to contribute to the process.
- (xxv) Local citizen leaders (preferably those who have contested panchayat elections in the past), should be identified for strengthening the committees.
- (xxvi) The vigilance and monitoring committees need to be strengthened. There are detailed instructions from the state on the structure and roles of the Vigilance and monitoring committees. Adequate capacity building of the committees must be ensured so that they are able to monitor the ongoing works in MGNREGS.
- (xxvii) Adequate role of panchs should be thought out for ensuring transparency and accountability in the implementation of the scheme.

Chapter.1 Background

The National Rural Employment Guarantee Act guarantees employment for more than 54 million rural poor of India for 100 days in a year. The provisions of the Act identifies Panchayati Raj institutions as the key implementing agency for the programme providing a significant opportunity for demonstrating the role of village level institutions in transforming their village infrastructure and addressing abject poverty. Currently a Panchayat having 100 households, who are job card holders receive approximately Rs. one million under the scheme for infrastructure development and wage payments. A sizable amount of public resources available with any Panchayat demands accountability and transparency for its appropriate use to address poverty and build sustainable infrastructure for promotion of rural development.

With 37 percent of its population living below the poverty line as against the all India average of 26 percent, Madhya Pradesh is amongst the poorest states in the country. NREGA has provided an opportunity for engaging the rural workforce with substantial work opportunities within the village when the workers need work. The MGNREGS has been projected as one of the most successful schemes being implemented by the State. The national comparison shows that Madhya Pradesh is ranked 3rd as compared to the other states¹.

However there remain several challenges and bottlenecks in the implementation of the scheme at the grassroots. The major challenge pertains to managing the programme efficiently. There are undue delays and inefficiency at the level of technical sanction, approval of the plan, measurements of work, release of funds to the Panchayats and release of funds even to the district. In a study “Status of NREGA Implementation – 2nd Monitoring report (PACS Programme)”, conducted by Samarthan the following things were observed for the state of Madhya Pradesh

- In 26% Panchayats there was a delay of more than 15 days in getting technical sanctions.
- There is a delay of more than 15 days in release of funds in at least 40% of the studied Panchayats.
- The average workdays generated per household per annum was as low as 21.28.
- The number of households receiving 100 days of work under MGNREGS was only 11.9%.
- There is a difference between what is planned by the Panchayat and what is actually being implemented under the scheme.

¹ Status of NREGA Implementation – 2nd Monitoring report (PACS Programme)

These factors actually lead to inefficient delivery of the scheme at the Panchayat level. There is a lot of focus on making Panchayats accountable, with minimal efforts for increasing the efficiency of implementation of the scheme at the block and higher levels. There is an opportunity for increasing the efficiency of implementation of the programme thus making it more productive. There are also opportunities around capacity building of the Elected Representatives of Panchayats and functionaries so that the scheme is implemented in an effective manner.

In light of the above facts, it is important to study the various dimensions of MGNREGS so that the core principle of the programme to address chronic poverty can be addressed meaningfully. The study commissioned to Samarthan by the Poverty Monitoring and Policy Support Unit Society (PMPSUS) of the State Planning Commission (Madhya Pradesh), is an attempt to understand the effectiveness of the scheme in making livelihood sustainable. This study provides the right context to review the best practices, significant achievement, the challenges, bottlenecks and the impact of the scheme in changing the livelihood opportunities in rural areas of the state.

1.1. Salient Features of NREGA

The NREGA guarantees the right to employment for about 5.4 crore rural poor of the country. The Act provides guarantee of work to every rural household, willing to do manual labour, for 100 days in each year. The onus of providing work to each worker is with the local Panchayats. This is the first time that the Panchayats have been provided with such freedom to plan and execute works and granted substantial resources at their disposal to do so. The overall aim of the Act is to bring about a radical socio-economic change in the rural areas through employment generation and creation of sustainable assets.

The rationale of the programme is based on combining the productive capacity of villagers to build and nurture assets, along with alleviating the problems of chronic unemployment and poverty. The Act provides opportunities to develop rural infrastructure through watershed development, restoration of water bodies, activities aimed at forestry, land development, and soil erosion and flood control, and construction of roads and institutional facilities.

1.2. Key features of NREGA

1. The MGNREGS is a law whereby any adult residing in rural areas of the country can demand for work (manual labour) and will get the work within 15 days of applying.
2. If work is not provided within 15 days, the applicant is entitled to get an unemployment allowance as mentioned below:
 - One fourth of the minimum wage for the first 30 days.
 - Half of the minimum wage thereafter.

3. Work has to be provided within five kms of residence of the worker. If worksite is beyond 5 kms, then an additional allowance of 10% of the wage is paid to the worker.
4. Labourers are entitled to the statutory minimum wage for agricultural labourers in the state, which would not be less than Rs 100 per person per day as on date.
5. Wages should be paid publicly to the worker within 7 to 15 days.
6. Mandatory worksite facilities like drinking water, first aid kit, shade and crèche are to be provided to the workers at the worksite.
7. There is gender parity in providing work and priority is given to women in allocation of work.
8. The implementing agencies can be the Panchayati Raj Institutions, Line Departments, NGOs, and community based groups like SHGs etc. At least 50% of all works were implemented by the Gram Panchayat. All implementing agencies are accountable to the Gram Sabha.
9. Private contractors are banned under the scheme and the usage of machinery is strictly restricted.
10. Gram Panchayats are supposed to maintain a shelf of project based on the recommendations of the Gram Sabha.
11. In order to ensure transparency and accountability,
 - All NREGA-related documents are to be available for public scrutiny
 - Copies of documents are to be made available at a nominal cost.
 - Muster rolls have to be pro-actively displayed at Panchayat Bhawan.
 - Gram Sabha should conduct Social Audit of all works taken in the Gram Panchayat

1.3. Institutional Arrangements for Implementation of MGNREGS in Madhya Pradesh

At the state level the Department of Panchayat and Rural Development is the nodal agency for the implementation of the scheme. At the district, the district collector is the designated Programme Officer for the project. The CEO Zilla Panchayat is the Assistant Programme Officer and is responsible for administering the scheme at the district level. At the block level, the CEO Janpad Panchayat is the programme officer for the scheme. The scheme also has a provision of appointment of an Assistant Programme Officer at the block level who is exclusively responsible for the implementation of the scheme.

Madhya Pradesh has been one of the states, which has engaged the Panchayats in a major way for implementation of the NREGA. The MGNREGS implementation structure in the state is as shown in the charts

1.4. Structure for Implementation

The four level structures have been formed for implementation of the scheme in the state. At the upper level, there is a state level MGNREGS council, headed by Chief Minister of the state.

- The state level administrative structure is headed by the Chief Executive Officer (CEO) MGNREGS. There are five units – administration, monitoring and evaluation, accounts, audit and technical cell to ensure the proper execution of the scheme in the guidance of the state council. The details of persons are given in the chart as annexure-1.
- At the district level there are three levels of structure, first at the district level, which is headed by District Programme Coordinator (DPC) and supported by Programme Officer (PO). Generally collectors are the DPC and Chief Executive Officer, Zila Panchayat are the Programme officer. There are six units at the district level i.e. administration, accounts, MIS, monitoring and evaluation, technical cell and audit cell. The details information as chart on district level structure is given as annexure-2.
- At the intermediate level, Additional Programme officer, which is generally Chief Executive Officer, Janpad Panchayat leads the execution process of the scheme. There are four units – administration, MIS, technical cell and accounts to support the additional programme officer. The details chart of structure and person are given as annexure-3.
- Finally at the Grassroots level, Gram Panchayats are performing execution of scheme with the support of Gram Sahayak/Panchayat Karmi and some Mates.

1.5. Literature review

The literature on NREGA comprises of scholarly review in the form of research articles as well as media reports. Both have different views and give importance to different themes and analyse performance of MGNREGS differently.

Research Articles

The scholarly review on MGNREGS shows a distinct pattern over the passage of time. Initially the focus was on defending the MGNREGS from its critics in politics and the media. Critics of the NREGA had focused on two sets of issues: one, that it was too expensive and, two, that corruption would prevent its success. The pro-market liberalisers viewed the NREGA as a dangerous piece of legislation that would snowball India's fiscal deficit out of control. In response economist Mihir Shah asserted that it could actually 'crowd-in' private investment and lay the foundation for non-inflationary growth in the medium-term². According to Shah, the capacity of the agricultural sector to absorb labour had declined drastically due to a decline in the per capita output of agriculture, which called for a massive increase in public investment in rural India in the direction of sustainable environmental regeneration. The future of agriculture depended on restoring the health of the many 'public goods' that private agriculture critically depends on³.

² Shah, Mihir. 2004. 'National Rural Employment Guarantee Act: A Historic Opportunity', EPW, December 11, 2004

³ Shah, 2004

The other issue of corruption could be dealt through social mobilization by grass roots organizations. Jean Dreze pointed out, 'legislation alone will not guarantee employment, and continuous mobilisation is required'.⁴ The Act empowered citizens to play an active role in the implementation of employment guarantee schemes through gram sabhas, social audit, participatory planning and other activities. In fact the real significance of the act was directly proportionate to the extent and manner its provisions were creatively pushed to their limits by the mobilization of the disadvantaged. The NREGA could become a major new instrument for galvanising Panchayat Raj institutions in India.⁵

With the passage of time the focus has been on analysing impact. Three themes seem to be apparent – one set of scholars are trying to assess the magnitude of impact while another set of scholars are trying to assess the nature of impact. A third strand is the kind of reforms that may be needed to functionalise NREGA fully.

Hirway, Saluja and Yadav conducted a study on the impact of NREGA in a village in Sabarkantha district of Gujarat in which they examined the multiplier effect of MGNREGS on household production, income and employment, and the village economy⁶. The researchers performed a multiplier analysis: the income multiplier revealed that MGNREGS works increased base income of the village by 1.17%; the employment multiplier revealed that an additional 994 person days were generated in the economy in an employment base of nearly 60000 person days. According to the researchers, the multipliers were of low value because of the low output, income and employment coefficients but an expansion of MGNREGS works could lead to acceleration in the value of the multiplier. Further, they noted that as a result of MGNREGS villagers had already shifted to more productive, remunerative and labour intensive crops changing the production and employment multipliers. They drew up a list of potential MGNREGS works and extrapolated their effects: MGNREGS works would reduce unpaid SNA and non SNA work of women and poor which would directly benefit the health status of the people and reduce expenditure on health while improving productivity; potential MGNREGS works would enable children attend school regularly by reducing unpaid work of children, and; benefit women by releasing them in the labour market. Their conclusion was that MGNREGS needed to be planned well to reduce poverty and promote human development.

The Centre for Science and Environment submitted a report to the Ministry of Rural Development⁷ in which it assessed the performance of NREGA in terms of its potential for creation of natural wealth. It pointed out that NREGA needs to provide both short and long term food security through work on improvement of agriculture and provision of water. According to CSE there is less focus on water conservation activities due to the wage structure under the Act which has made the creation of productive assets less attractive. Since wages are based on task rate the payment is irregular and less than the minimum wages so Panchayats seek road construction work where wage payment is irrespective of

⁴ Lakshman, Nirmala. 2006. 'Employment guarantee — signs of transformation', The Hindu, Thursday, May 11

⁵ Shah, 2004

⁶ Indira Hirway, M.R.Saluja and Bhupesh Yadav, 'Assessing Multiplier impact of NREGA Works through Village SAM Modeling' http://www.economistsforfullemployment.org/news/documents/Hirway_nana_kotda_SAM.pdf

⁷ Centre for Science and Environment, 'An Assessment of the National Rural Employment Guarantee Programme in terms of its potential for the Creation of Natural Wealth in India's Villages' www.nrega.net/pin/reports...resources/.../NREGA%20CSE.doc

work completion. There is bad planning of water conservation works and the lack of maintenance is putting a large number of structures into disuse. It concluded by saying that instead of evaluating NREGA on the number of jobs created it should be evaluated and monitored for its impact on livelihood security. Works should improve village ecology instead of being stand alone activities.

Other scholars have considered reforms in NREGA. Sastry, Murthy and Kamath⁸ compared the implementation of the programme in Karnataka and Andhra Pradesh. Their research revealed problems in the implementation process which made them give priority to setting up administrative processes to give work and disburse payments. The need to provide utilization certificates coupled with the lack of field staff had led to reduced flow of funds to Panchayats in Karnataka which needed to be addressed.

Similarly Ashok Pankaj⁹ compared between Bihar and Jharkhand on the progress of NREGA. His assessment was that implementation was tardy and the effort was driven by the supply side. There was some improvement in Bihar in terms of livelihood security, work participation rate, reduction in distress migration and creation of community assets. Bihar had also put institutional arrangements on track and made provisions for separate staff for NREGA which had strengthened the implementation process. But mobilizing PRIs and civil society remained a dream. In Jharkhand the situation was more difficult due to political and administrative indifference and the lack of formal PRIs.

Institutional arrangements were the focus of another team of researchers. Shah, Ambastha and Shankar¹⁰ commented that NREGA had great promise but it could not be realized if it was implemented in the same framework of governance which has served India since independence. The NREGA Act had made provisions for provision of separate staff for implementation: a full time programme officer in each block; an employment guarantee assistant in each Panchayat; panels of accredited engineers at the district and block levels; technical resource support groups at the state and district levels. Hardly has any state government appointed them. The lack of dedicated technical resources led to routing through normal department channels that are already burdened. There were no specified time frames for processing of proposals so there were inevitable delays. The authors advocated an appropriate human resource support structure for NREGA with mechanisms for continuous capacity building. Information technology should be used to reduce time and administrative costs by developing an online MIS which would also serve to make the system more transparent. In the end reforms had to be balanced with civil society activism to prevent the new systems from succumbing to corruption.

⁸ Rajluxmi kamath, Rajluxmi Murthy and Trilochan Sastry, 'NREGA Surveys in Ananatpur, Adilabad, Raichur and Gulbarga' www.nrega.net/pin/reports-and...to.../NREGA%20IIMB.doc

⁹ Ashok Pankaj, 'Processes, Institutions and Mechanisms of Implementation of NREGA: Impact Assessment of Bihar and Jharkhand', <http://www.nrega.net/pin/reports-and-resources/reports-submitted-to-the-ministry-of-rural-development/reports-28-jan-2010/2007-08%20IHD%20report.pdf>

¹⁰ Mihir Shah, Pramathesh Ambastha and P.S. Vijay Shankar, 'two years of NREGA: The Road Ahead', EPW, Volume 43, No 8, February 23-29, 2008

The potential of ICTs to transform NREGA also received due attention. There was the account of a practical initiative. Navnit¹¹ dwelt on the role of ICTs in improving transparency and accountability in NREGA. Navnit pointed out that the success of MGNREGS depended on proper execution of works, correct entries in the nominal muster roll and timely as well as accurate payment of wages. He implemented a system at worksites which would reflect timely closing of the NMR by 11 AM every day in the district. The information was passed to the district level through SMS by mobile services. This would reduce the possibility of bogus entries since the total number of workers on duty had been relayed to the monitoring office. The inspecting official verified the figures with the NMR at the worksite. He also implemented a system of daily reporting through SMS by an authorized person to the block and district levels using appropriate software. This not only reduced corruption but provided feedback to improve performance

On a similar note researcher Nikhil Dey¹² advocated changes in operational details of NREGA and other government programmes. Dey proposed that there be a worksite supervisor who could be held accountable for work at the site and for providing worksite facilities. This person would form the base of a para-engineering system to carry out tasks. This worksite manager could be paid skilled worker wages from the material component of NREGA. This would provide employment opportunities to educated unemployed rural youth. Dey considered the lack of qualified personnel in several government programmes and the fact that schools, anganwadis and Panchayats use underpaid labour. If government services were included in the definition of work then basic services were strengthened and educated unemployed would gain employment as well.

Media Review

The coverage of the NREGA in the media has changed over a period of time. When the bill was being discussed in Parliament several journalists and columnists denounced the bill as:

- (i) an economic hoax¹³ because: it was not the duty of the state to guarantee employment; it burdened the tax paying public that actually funded such schemes; the nation should maximize production not work, and; government actually destroys jobs
- (ii) a corruption guarantee scheme¹⁴ because: it was a planned drain of wealth from the productive sector to the underground economy; perpetuates the populist legacy of politicians; will not only be wasteful but entail fresh taxes and erode India's competitiveness, and; encourage a network of patronage
- (iii) bountiful and wasteful¹⁵ because: already the Central government spent over Rs 40,000 Crore per annum for poverty alleviation which was wasted; the scheme were

¹¹ Brajendra Navnit, 'Ensuring Transparency and Accountability in MGNREGS through use of ICTs in Viluppuram district' in 'The National Rural Employment Guarantee Act: Design, Process and impact

¹² Nikhil Dey, 'Creative Opportunities to use daily wage labour to strengthen NREGA and other government programmes.

¹³ Sauvik Chakravarti, 'Employment Guarantee a Hoax', Indian Express, New Delhi,

¹⁴ Swapan Dasgupta, 'Rename REGA as Corruption Guarantee Scheme', The Pioneer, New Delhi

¹⁵ Tavleen Singh, 'Marxists begin to see the light Not Sonia', Indian Express, Sunday August 28, 2005

- implemented first in districts represented by powerful politicians who would get the chance to utilize tax payer's money for political patronage
- (iv) a means to call mid-term elections¹⁶ because it allowed purchasing power worth Rs 12000 crores to 20 million Indians in the first phase of the programme.
 - (v) a still-born child¹⁷ because: it would generate vast rents with small transfer benefits; leakages of government programmes were as high as 98%; reduce growth rate of the economy; but land reform could generate capitalist employment.
 - (vi) create a hole in government finances¹⁸ to the tune of 0.6% of the GDP
 - (vii) a means to siphon off money¹⁹ because the NREGA was to be evaluated on the basis of the number of days of employment generated not outputs like creation of assets and therefore could lead to massive fraud by the bureaucrats to show generation of employment

Thus costs of the scheme as well as widespread corruption along with capitalist rhetoric were the main objections. The same sentiments were shared in sections of the international media²⁰ which wondered as to how the government would sustain the programme.

The Act was defended by a retired bureaucrat²¹ who disputed the figures of high costs said to be to the tune of one lakh fifty thousand crore pointing out that Maharashtra had had an employment guarantee scheme for over 30 years. Based on the Maharashtra figures the employment guarantee scheme would cost only Rs 17, 000 crore or even less. Another writer saw it as a momentous initiative²² that had the potential to boost the rural economy and compared it with employment programmes across the world. A third writer pointed out that the act improved the rural economy's ability to absorb labour leading to better wages.²³ It was based on the principle of self-targeting and only those in dire need.²⁴ These were the exceptions.

Media Response on NREGA programme implementation

Since then the coverage of the NREGA has changed. The media has either started looking at success stories on the positive side or lamented lapses in implementation, which prevented the poorer sections from receiving their due. Benefits from the scheme that have been highlighted include:

¹⁶ N. Chandra Mohan, Jobbing through to the elections, Sify.com, 5 October, 2005

¹⁷ Sebastian Morris, Employment Guarantee Scheme is a still-born child: Try land reforms, Financial Express, August 30, 2005

¹⁸ M.K. Venu, Leading Reform is a two-way street, Economic Times, September 6, 2005

¹⁹ Job Scheme: A means to Siphon off money, Rediff Money, September 5, 2005

²⁰ Cherian Thomas, Adding jobs But at what cost?, International Herald Tribune, September 14, 2005

²¹ Venkat R. Chary, REGS: Grossly miscalculated?, The Hindu Business Line, 9 September, 2005

²² Maxine Olson, Work for pro-poor growth, The Economic Times, October 20, 2005.

²³ Sridhar, V. 2005. 'Empowering the rural poor', Frontline, Vol. 22, Issue 19, Sep 10-23

²⁴ Ibid

- (i) Rural unemployed labourers in Panchayats in Delhi gaining productive employment²⁵ for a longer period of time. This was being facilitated by a smooth flow of information from Delhi to all tiers of the district officials and the Panchayati Raj
- (ii) Higher participation of women²⁶ in Dungarpur district of Rajasthan where 90% of the workers under the NREGA scheme are women
- (iii) Corruption being minimized²⁷ in Rajasthan due to public vigilance leading to more than one and a half lakh people gaining employment in Dungarpur district. There was massive participation of rural folk Tribal women looked forward to seeing their men back home. A Padyatra²⁸ of activist groups in Rajasthan revealed little corruption and a pro-active administration.
- (iv) Reduced rural-urban migration²⁹ in Gujarat and Rajasthan since it enabled labourers avoid costs of migration

State-wise highlights on performance

These are specific case studies, stories, and news items on selective states focusing on problems in implementation:

- (i) Lack of assessment especially in Uttar Pradesh where there is no data available on jobs required to provide livelihood security³⁰. In fact Uttar Pradesh is seen as a laggard³¹ in this regard.
- (ii) Lack of rationalization of work norms³² which are too demanding so that few are able to earn the wage rate of Rs 73 per day
- (iii) Corruption and neglect³³ hindering implementation of the programme in Haryana and UP
- (iv) Low ground awareness, low wages and lack of attendance in gram sabhas³⁴ in Gujarat which also has the distinction of having the first court case³⁵ on lack of payment of adequate wages
- (v) Difficult work sites, underpayment, violation of social security norms, uninformed people and children in scorching heat³⁶ characterizing the implementation of NREGA in Madhya Pradesh. Discrimination on the basis of caste, community, disability and proximity to sarpanch, Panchayat secretary have been noticed across the country
- (vi) Several states failing³⁷ to implement provisions of the programme. Haryana, Jharkhand, Uttar Pradesh, Uttaranchal and Kerala have not issued state specific operational

²⁵ Sonu Jain, Job Guarantee rolls out, ray of hope in New Delhi shadow, The Indian Express, 3 February, 2006

²⁶ Avijit Ghosh, Job scheme gets feminised in south Rajasthan, Times of India, 26 April, 2006

²⁷ Mohammad Iqbal, Public vigilance helps to minimise corruption in rural employment guarantee scheme, The Hindu, 28 April, 2006

²⁸ Abha Sharma, Coming home to a better tomorrow, Deccan Herald, Bangalore

²⁹ Reetika Khera, Employment Guarantee and Migration, The Hindu, 13 July 2006

³⁰ Arvind Singh Bisht, Rural employment: No guarantee yet, Times of India, 19 February, 2006

³¹ Times News Network, UP a laggard in the rural job plan, Times of India, 9 August 2006

³² Mohammad Iqbal, Ibid

³³ Sreelatha Menon, Village 'dole' takes baby steps amid apathy, graft, Rediff Money, 7 August, 2006

³⁴ Rajiv Shah, Report slams state record on rural jobs, Gandhi Nagar, 15 September, 2006

³⁵ Kamran Sulaimani, Paid just Rs 4 per day under rural job scheme, widow moves Gujarat HC, Indian Express, June 15, 2006

³⁶ Sachin Kumar Jain, Digging in times of harvest, Tehelka

³⁷ States dragging their feet on rural job scheme, says study, The Economic Times, Chandigarh, June 5, 2006

guidelines. Chhattisgarh and Madhya Pradesh have issued their own amendments which violate the provisions of NREGA.

Thus, public vigilance and the emerging success stories have induced many media persons to change their outlook towards the programme. The difference in coverage is now only a matter of degree with some media being more supportive than the other. An interesting issue is that those sections of the media that had championed the Act such as the Hindu are playing the role of watchdogs by pointing out lapses in implementation while other sections that had been negative or ambivalent such as Business Standard & Indian Express are coming to a grudging acceptance of the merits of the programme.

Chapter.2 Study Design and Methodology

2. Study Design and Methodology

2.1. Objectives of the Study

PMPSU proposes to undertake an impact assessment of National Rural Employment Guarantee Scheme in Madhya Pradesh. Expected Output is to come out with a report detailing below:

1. Assess the status of awareness & access of key Stakeholder(s) to the programme.
2. Assess the impact of MGNREGS on individual HHs, local labour market and migration cycle in M.P.
3. Ascertain the efficacy of assets created under MGNREGS in strengthening sustainable livelihoods.
4. Assess to what extent MGNREGS has strengthened processes of grassroots democracy, transparency and accountability.
5. Draw appropriate lessons, bottleneck issues, and recommend comprehensive framework, strategies, and approaches to improve the design & operational aspects of MGNREGS.

2.2. Key Research Questions

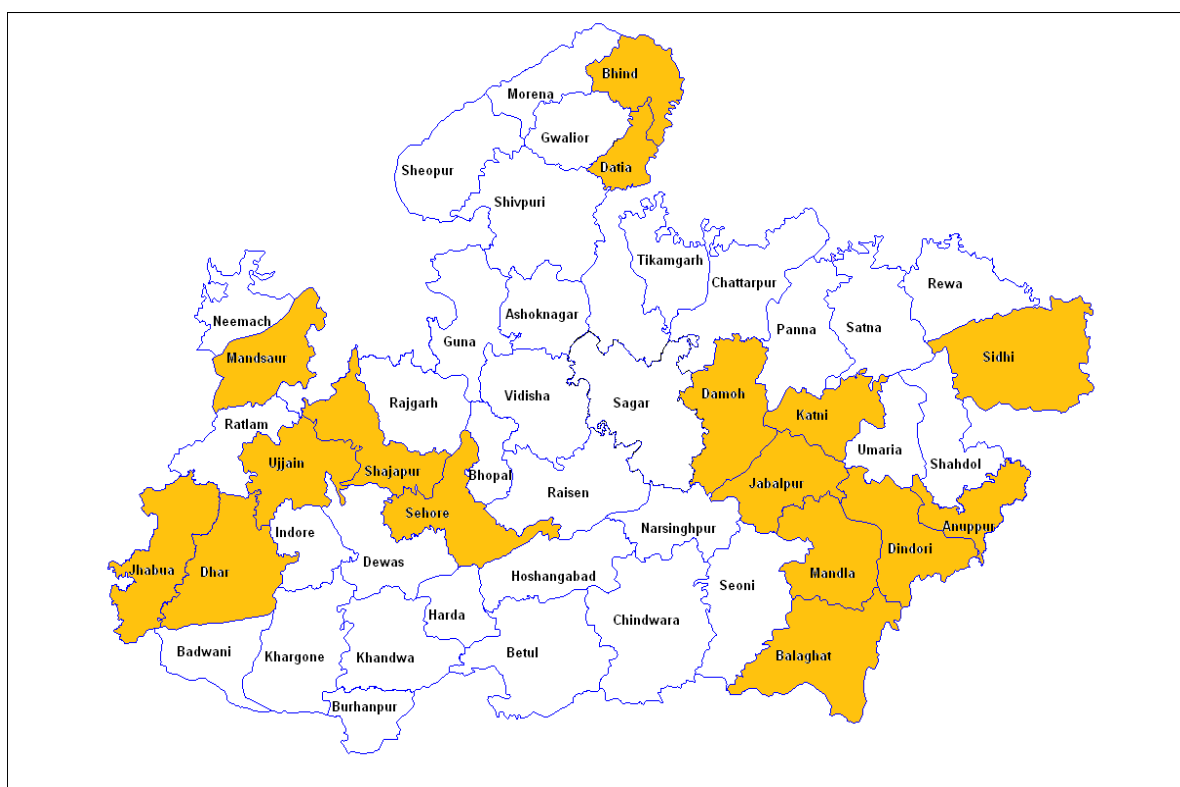
- What has been the impact of MGNREGS on poverty? Has there been any additional income on the life of rural poor? Is there any change in the agriculture wages indebtedness, quality of life of the poor? Has the scheme resulted in sustainable employment and sustainable livelihood?
- In case of any irregularity in the execution of the programme, analysis of reasons why it had happened and how it can be overcome in future?
- Whether MGNREGS has been able to ensure two square meals for the poor? Has it been able to address distress migration?

2.3. Sampling for the Study

The sample selection is based on three stage cluster sampling. In the first stage of sampling, districts are being identified using the criteria mentioned in the RFP.

Selection of District

A stratified multi-stage design has been adopted for the MGNREGS evaluation survey. The first stage units are the districts which are stratified into 9 strata in terms of their inclusion in the programme [phase-I, phase-II and phase-III] as well as their reported performance [high, medium and low]. Within each stratum, one third of the districts are selected using circular systematic sampling procedure with probability proportional to size [defined in terms of job cards issued]. Following districts were finalized for the study.



The second stage units are villages within a sample district which are also selected using circular systematic sampling procedure with probability proportional to size, with the difference that the size is defined in terms 2001 census population of the villages. Sample of 25 villages are selected from each sample district. In the sample villages all households were listed on some information. In case of large villages hamlet group formation method used for it.

For large villages, hamlet groups are formed using the NSSO methodology in this regard. The cut-off population (approximate present population on the day of the survey) was fixed at 1000 and the number of strata to be formed was determined in the following manner:

Table 1. Norms for Hamlet Group Formation for the Study	
Approximate present population of the sample village	Number of hamlet groups formed
Less than 1000	1 [i.e. no HG formation]
1000-1499	3
1500-1999	4
2000-2499	5
2500-2999	6
3000-3499	7
And so on	8

Two hamlet groups were selected from a large sample village using simple random sampling without replacement (SRSWOR) method. Each hamlet group was treated as independent from each other and, accordingly, listing and selection of households were done independently.

Sampling of households

In each selected village all households living in the village and its habitation were listed with key parameters such as Name and gender of the head of the households, social group, highest level of education of household, Whether disabled, Owning Job Card, Worked demanded, Work received, Number of days worked and some other variables of interest were added.

On the basis information gathered, the households in a sample village are stratified into 8 categories (strata) and a sample of 4 households are selected from each category using circular systematic sampling procedure with simple random sampling without replacement (SRSWOR) method. In case of shortfall or unavailability of households in any category, additional households are selected from other categories so as to maintain the overall sample size at 30 in each sample village. The household categories are as follows:

- I. Owning job card but work not demanded
- II. Owning job card, work demanded but not provided
- III. Owning job card, disabled/houseless, work demanded and provided
- IV. Owning job card, work demanded and provided for :
 - a) less than 20 days
 - b) 20 to 40 days
 - c) 40 to 60 days and
 - d) more than 60 days
- V. Job card not issued

Thus in all 30 households x 25 villages x 16 districts = 12000 households were identified for the purpose of the study.

An additional data of 500 Households was collected so that any data error in the sampled households could be rectified by using the additional sample.

2.4. Instruments/Schedules

The schedules for the study have been prepared in close coordination with the PMPSUS. Two rounds of discussions were held with the PMPSUS for identifying the key questions and to bring it into a specific structure. The following schedules were finalised for the study. The details of the questionnaires are given in below:

Household Listing: This schedule was administered for household listing and the data collected from this schedule was used for identification of the sample household from different category. The schedule captured information regarding the households' registration status, caste, number of man-days of work availed by the household in the past one year. The village level schedule would focus on collecting data from the citizens

Household Questionnaire: Based on the sample from different strata, structured interviews were organised with the households in the study area. The questions include data from the workers and non workers on the wage payment, unemployment allowance, measurement aspects, the muster roll preparation etc. It also looked into the aspects of level of awareness of the household, worksite facilities available, impact of the work in MGNREGS. Data from the community was also collected using focused group discussions

Stakeholder Interview – Sarpanch/ Sachiv: Sarpanch and/or Sachiv of the Panchayat were interviewed to get their views on the impact of the scheme. This format collected data from the sample Gram Panchayats on operational details. It captured information on the number of families in the village, the BPL families, and the number of families with and without job cards. The format also captured information on the perspective plan prepared in the village, the budget for the year, the targeted beneficiaries, statistics regarding number of days of employment provided, wages paid, involvement of Gram Sabha in planning and Panchayat's perspective on operational issues. Additionally it captured the timeliness in technical sanctions, measurement and payment of wages. The availability of manpower to maintain records, and implementation and key challenges with regard to staff availability at Panchayat level were also explored.

Focused Group Discussions

(Gram Sabha): A tentative list of issues which were discussed is given in the annexure. Information from the village development committee and the marginalised sections of the community were derived from focused group discussions. The topics of the discussion were



identified based on the kind of data that emerged from the household interviews and the structured and un-structured interviews conducted with the key stakeholders.

Interview – District Programme Coordinator: The district programme coordinator and the programme officer of MGNREGS were interviewed using a semi structured questionnaire. The questionnaire would essentially capture the views and opinion of the district level staff on the different aspects of the implementation of MGNREGS and the challenges faced.

Stakeholder interview – Block level: The block level interview will also be organised using a semi-structured schedule. The semi structured schedule will capture the challenges faced by the block level officials in implementation of the scheme, their experiences in monitoring, organising social audits, and convergence with different schemes

Stakeholder interview – bank officials: This semi structured interview with bank officials deals with the aspects of challenges faced by the bank in the increased transaction through banks in MGNREGS, time taken in wage payment and how it can be improved.

Stakeholder interview – State officials: the state level officials like the MGNREGS council members, CEO/ Director MGNREGS was interviewed to get information on the efforts in popularising the scheme, improving the efficiency in the programme, strategies of implementation in the state etc.

Stakeholder interview: CSO/Media/Executing Agency/ZP PRI was interviewed to get information on the impact of MGNREGS.

Case Studies: The best practices and success of the MGNREGS implementation was documented in the form of case studies.

2.5. Estimation Procedure

As the study has been adopted statistical approach in selection of sample, therefore, state estimations on key parameters are also calculated by using the estimation procedure. The estimate for a characteristic Y (State) for a given stratum is calculated by the following formula:

$$\hat{Y}(\text{state}) = \tilde{Y}_1 + \tilde{Y}_2 + \tilde{Y}_3 + \tilde{Y}_4 + \tilde{Y}_5 + \tilde{Y}_6 + \tilde{Y}_7 + \tilde{Y}_8 + \tilde{Y}_9$$

$$\tilde{Y} = \frac{1}{d} \sum_{i=1}^d \frac{\tilde{Y}_i}{p_i} \dots\dots\dots (1)$$

where,

\tilde{Y} is the estimate of characteristic Y for a stratum

d is the number of sample districts in the given stratum

\tilde{Y}_i is the estimate of characteristic Y for i -th district of the stratum

p_i is the probability of selecting i -th district, defined as:

$$p_i = (\text{number of job cards issued in the } i\text{-th district}) / (\text{total number of job cards issued in the stratum})$$

The formula for the estimate of \tilde{Y}_i (i.e. the estimate of characteristic Y for i -th district of the stratum), in turn, is obtained by the formula:

$$\tilde{Y}_i = \frac{1}{25} \sum_{j=1}^{25} \frac{\tilde{Y}_{ij}}{p_{ij}} \quad [\text{the number of villages is fixed at 25 per district}] \dots\dots\dots (2)$$

where,

\tilde{Y}_{ij} is the estimate of characteristic Y for the j -th sample village of the i -th sample district (in a stratum) and

p_{ij} is the probability of selection of j -th village of i -th district of the stratum, defined as:

$$p_{ij} = (\text{population of } j\text{-th village}) / (\text{population of } i\text{-th district of the stratum})$$

Finally, the formula for estimating \tilde{Y}_{ij} [the estimate of characteristic Y for the j -th sample village of the i -th sample district (in a stratum)] is calculated by the following formula:

$$\tilde{Y}_{ij} = D_{ij} * \sum_{k=1}^8 \frac{H_{ijk}}{h_{ijk}} * \sum_{l=1}^{h_{ijk}} \frac{y_{ijkl}}{h_{ijk}} \dots\dots\dots (3)$$

where,

D_{ij} is the adjustment factor (multiplier) where there has been hamlet group formation; this is 1 if there is no hamlet group formation, otherwise this is half of the number of hamlet groups formed in the sample village;

k is the number of strata formed in the sample village [this will be usually 8];

H_{ijk} is the total number of households in the k -th strata of the sample village

h_{ijk} is the number of sample households selected from the k -th strata

y_{ijkl} is the observed value of the characteristic Y in the l -th household of the k -th strata of j -th sample village in the i -th sample district of the stratum

Investigator Training

A team of 108 field investigators were to be trained for collection of data from the field. A two day structured orientation of 32 field investigators was organised on 22nd and 23rd July 2010. Following the discussions with the State Planning Commissions the questionnaires

were revised and on 2nd August 2010, a re-orientation of the district coordinators was organised.

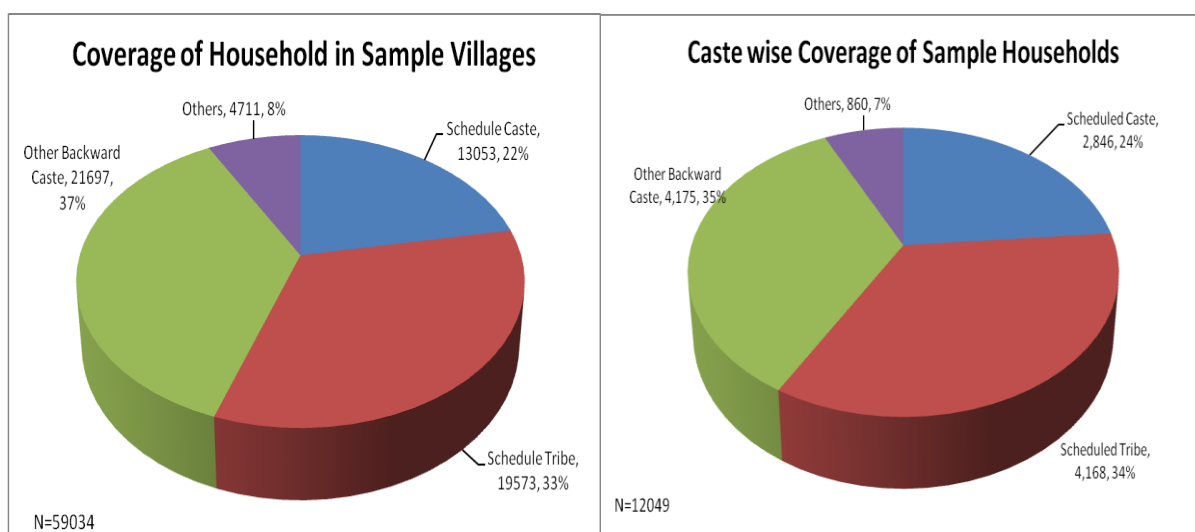
At the district level 108 field investigators were engaged for the study. A one day orientation was again organised in each of the districts before starting the field work. The team was constituted in such a way that each team was a mix of field investigators who had attended the 2-day intensive trainings as the one day re-orientation training.

2.6. Limitations of the study

- The field work was initiated from 8th August 2010. The field investigation plan and the meetings with the households got somewhat affected due to the festival of Raksha bandhan which fell on 17th August. In many places, the members of the households were not in the village and could not be met with.
- Due to the festival season, in some of the districts, the officials were also not available for discussion.
- Despite the letter from the State Planning Commission, there was reluctance among some Sarpanches and Secretaries to share some of their records or even interact with the field team. Due to this a purely unbiased view of these stakeholders could not be ensured in all the 400 villages.
- In some of the districts, the letters from the State Employment Guarantee Council did not reach. In absence of this letter, the districts were hesitant in providing a letter from their side with regard to this study. This caused a little bit of problem at the block level interviews as the block officials were not very upfront in discussions during the study.

2.7. Profile of Sample

Under the study overall 59034 household were listed from the 400 sample village in 16 selected districts. Out of these 12049 household has been selected for detailed interview. The caste wise coverage is give below :



As per the estimates total 83.66 lakh rural households are covered under the study. The caste, education and land holding wise distribution of estimated households are mentioned below :

Estimates	Total Estimated HH	SC		ST		OBC		Others	
		No	%	No	%	No	%	No	%
All Phase I	3326103	675335	20.3	582205	17.5	1454336	43.7	614228	18.5
All Phase II	1896899	450334	23.7	300490	15.8	865675	45.6	280400	14.8
All Phase III	3143695	866192	27.6	374337	11.9	1392134	44.3	511032	16.3
Estimates (All)	8366696	1991860	23.8	1257032	15.0	3712145	44.4	1405660	16.8

Estimates	Total Estimated HH	Landless HH		Marginal Farmer		Small Farmer		Medium Farmer		Large Farmer	
		No	%	No	%	No	%	No	%	No	%
All Phase I	3326103	1768668	53.2	1130709	34.0	361082	10.9	56972	1.7	8672	0.3
All Phase II	1896899	892381	47.0	713600	37.6	232056	12.2	53259	2.8	5602	0.3
All Phase III	3143695	1504745	47.9	1125325	35.8	387363	12.3	103537	3.3	22724	0.7
Estimates (All)	8366696	4165794	49.8	2969634	35.5	980501	11.7	213768	2.6	36999	0.4

Estimates	Illiterate		Literate/below primary		Primary		Middle		High school		above High School	
	No	%	No	%	No	%	No	%	No	%	No	%
All Phase I	1216803	36.6	553935	16.7	650863	19.6	384331	11.6	325736	9.8	194436	5.8
All Phase II	719177	37.9	333476	17.6	377088	19.9	232183	12.2	151161	8.0	83814	4.4
All Phase III	1199045	38.1	542341	17.3	662409	21.1	410833	13.1	235495	7.5	93571	3.0
Estimates (All)	3135025	37.5	1429752	17.1	1690359	20.2	1027347	12.3	712391.7	8.5	371820.5	4.4

Estimates	Total Estimated HH	BPL Families		Migrant Families	
		No	%	No	%
All Phase I	3326103	1676322	50.4	125039.1	3.8
All Phase II	1896899	906542	47.8	75530.5	4.0
All Phase III	3143695	1403526	44.6	146673.2	4.7
Estimates (All)	8366696	3986390	47.6	347242.8	4.2

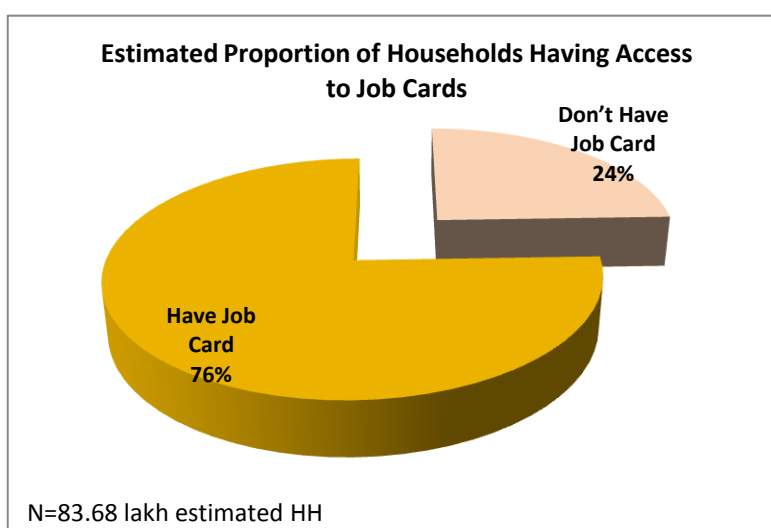
Chapter.3 Access to MGNREGS, Rights and Entitlements

3. Access to Provisions of MGNREGS

This section focuses on the accessibility related aspects of the scheme and its services to eligible community members. Broadly, aspects related to accessibility of information regarding the scheme and its services, reach for securing job cards, getting appropriate jobs, equipments, income, facilities at the work place and access to compensation etc are being analysed critically from gender, literacy, poverty and land-holding perspectives for different stakeholders in the community belong to schedule caste, tribe, other backward classes and others.

3.1. Access to job cards

In order to get benefits under MGNREGS, the Job Cards are the basic document. In Madhya Pradesh, efforts were made by the state government to ensure that every household is issued a job card. However it was observed that there are still quite a lot of people who are left out from getting a job card. The estimates of the number of household



who have access to job cards out of the 83.671 lakh households are given in the table below. It can be seen that till now only 75.5% of households have actual access to Job cards.

Table 2. Estimates on Availability of Job Cards			
MGNREGS Phase/ Performance Level	Estimated Households Covered under the Study	Estimated Households have Job Cards	
		No	%
Phase 1	3326103	2506248	75.4
Phase 2	1896899	1474134	77.7
Phase 3	3143695	2338288	74.4
Estimate (All)	83.671 lakh	63.19 lakh	75.5
Source: Estimates			

The phase wise comparison shows that there is not considerable difference within the different phases in which MGNREGS was implemented in the state. During the study it emerged from the households that preparation of job cards is not an ongoing activity. There are several households which are left out because they have settled as a separate household after the job cards were made in the village. There were also households which were not in the village when job cards were prepared.

Table 3. Caste Wise Access to Job Cards (HH in lakh)					
	Schedule Caste	Schedule Tribe	Other Backward Caste	Others	Total
HH covered	19.9	12.6	37.1	14.1	83.7
HH with JC	16.9	9.1	27.7	9.4	63.1
Source: Estimates					

Overall 63 lakh households have access to job cards. A caste wise distribution of job cards is as shown in the graph. It can be seen that the largest proportion of job cards are with the OBCs, followed by the Scheduled Caste, Others and Scheduled Tribes. If we look at percentage household which got job cards within each caste category, it can be seen that the largest proportion of Scheduled

Caste households (85%) have been able to get job cards. This is followed by the Other Backward Class (74.8%). Among the Scheduled Tribes, only 72% households have got the job cards.

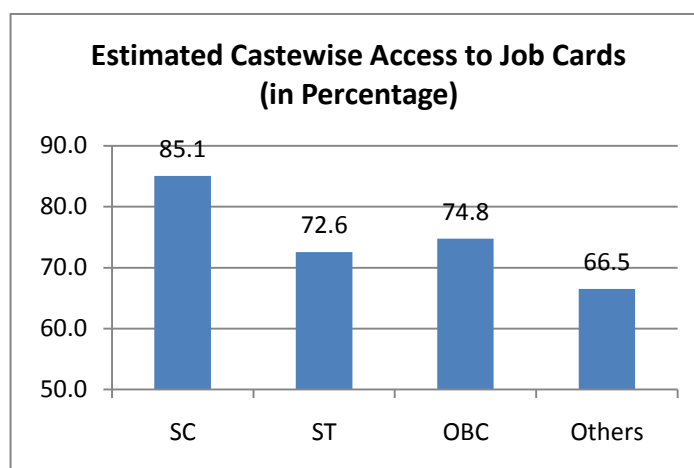


Table 4. Landholding wise Distribution of Households having Job Cards (Figure in Lakh)					
Estimates	Landless HH	Marginal Farmer	Small Farmer	Medium Farmer	Large Farmer
All Phase I	12.9	9.2	2.3	0.5	0.1
All Phase II	6.7	6.0	1.5	0.5	0.1
All Phase III	10.9	9.2	2.2	0.9	0.1
Estimates (All)	30.5	24.4	6.1	1.9	0.3
Source: Estimates					

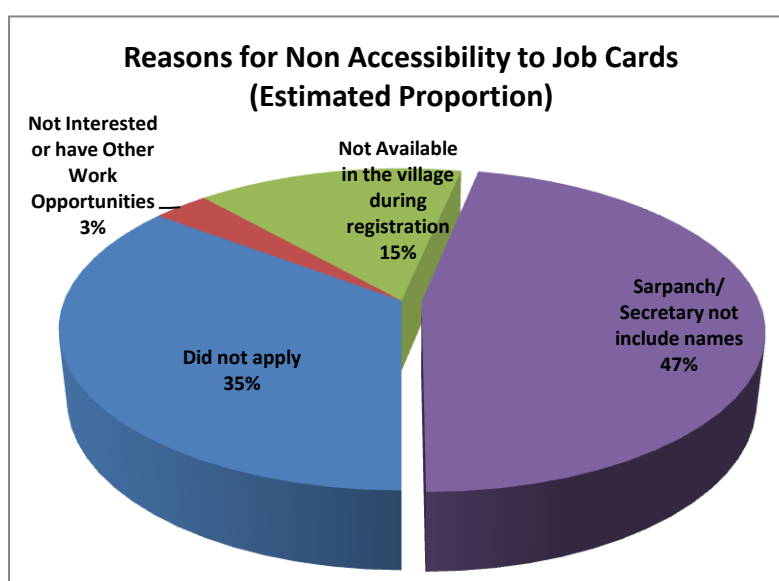
In all the three Phases it can be seen that the largest proportion of job cards have been given to the households which are either landless or are marginal farmers. However, households with large landholdings are also issued job cards. It is estimated that overall around 8.3 lakh households (including small, medium and large farmers), who are economically better off also have access to job cards. The fact that these households

would probably never seek wage employment for manual labour there is a very high chance of these job cards being misused.

Table 5. Vulnerable Households Which do not Have Job Cards (Figure in Lakh)						
Estimates	HH don't have Job Cards	SC/ST HH		Illiterate HH having JC	Migrate HH having JC	BPL HH having JC
		SC	ST			
All Phase I	8.2	1.2	1.4	3.3	0.2	2.3
All Phase II	4.2	0.6	0.8	1.8	0.1	1.1
All Phase III	8.1	1.2	1.2	3.2	0.3	2.3
Estimates (All)	20.5	3.0	3.4	8.3	0.6	5.7
Source: Estimates						

The study shows that nearly 20.5 lakh households still do not have access to Job cards. The breakup of the vulnerable households which could not get Job Cards is shown in the above table. It can be seen that overall nearly 6.4 lakh SC and ST households can still be provided cards. Similarly there are around 5.7lakh BPL households, nearly .6 lakh households that migrate and 8.3 lakh households with poor literacy level still do not have access to Job cards.

Different reasons were cited by the community for not being able to get a job card. It is seen that the maximum households (47%) cited the fact the sarpanch / secretary did not include their names in the process. However there is a strong possibility that the job cards of several households are still with the Sarpanch/ Sachiv. The perception of the community reflects that the

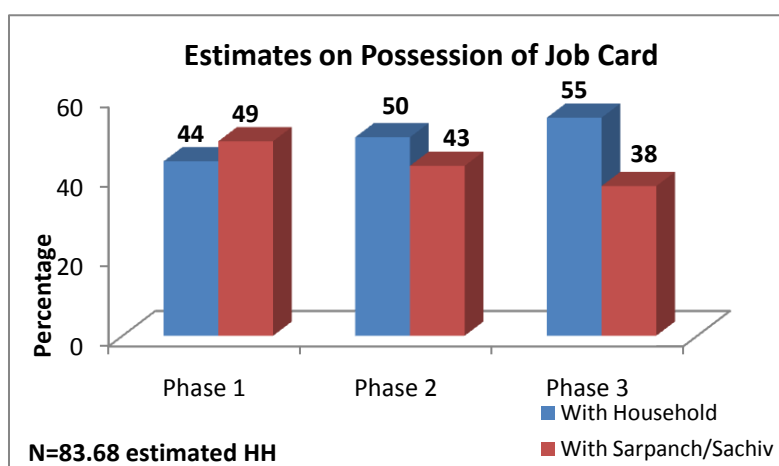


Sarpanchs and Sachivs controlled the entire process of job card preparation and they might not have provided job cards to all households. Lack of awareness was the second most cited reason for not access to job cards. 35% households said that they did not get a job card as they did not know that they could apply for a job card. 15% households have said that they were not in the village when the process of registration for job card was done. It is possible that these households would be the ones which migrate in search of work. This also reflects that registration for job card is not an ongoing process and there were no efforts for including the left out households. Only 3% households stated that their names were not included because of their better economic conditions. Barring this 3% households which are not interested in MGNREGS, the remaining 97% households have been left out because of procedural issues. There is a need to take up registration for job

cards on a continuous basis so that the left out households can also be provided access to the scheme.

3.2. Possession of the job card

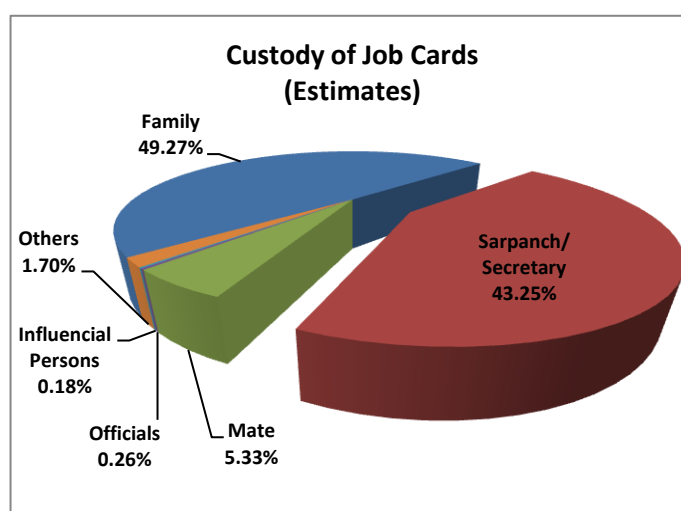
While issuance of job cards is an important aspect for ensuring entitlements under MGNREGS, it is also equally important that the household/ worker also have the custody of the job card. Since all the details of work days, wages etc are to be incorporated in the Job Cards, the custody of job cards with the workers and the households will ensure that there are no leakages as far as the payment of wages is concerned.



It has been observed that there are still a substantial percentage of households whose job cards are in the possession of the sarpanchs / sachivs. A phasewise comparison of the possession of job cards with families and with the sarpanch/ sachiv is given in the graph. It appears that while in Phase 1 villages in

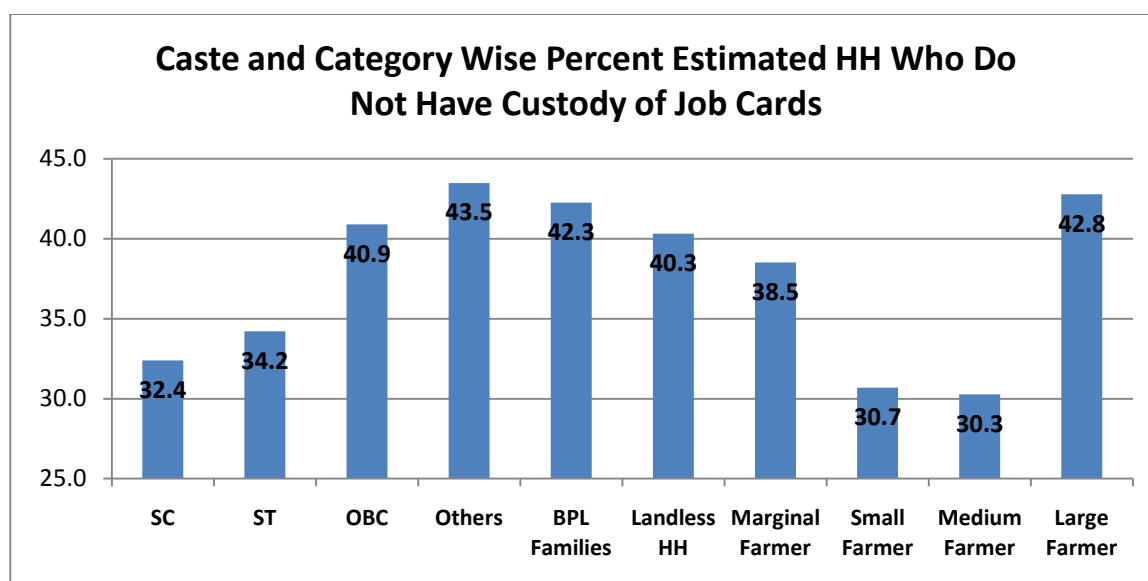
as high as 49% cases job cards are in the possession of sarpanchs/ Sachiv, in phase 2 and phase 3 people have become more aware and more households are now keeping the job cards with them.

The situation of possession of job cards is shown in the adjacent graph. It can be seen that a large proportion of job cards (more than 43%) are with the sarpanch or secretary. Out of the total estimated households having job cards, only less than half (49.27%) job cards are in the custody of the family. In 5.33% cases, the mates are holding the job cards on pretext of getting the workdays and other entries done in the card.



An analysis of caste and economic condition of the households with the custody of job cards reveal that the job cards of the better off and the poorest households are often not available with the households. In 42.8% households with large landholding, the job cards were not in custody of the household. It is also seen that the economically poorer sections

also do not have custody of their job cards (BPL-42.3%, Landless – 40.3% and Marginal – 38.5%). It appears that it is only the small and medium farmers who have been assertive and have ensured that their cards remain with their family.



Similarly among the OBCs and general category households too it is seen that the job cards are not with the households. Among OBC, 40.9% households and among general category 43.5% households do not have custody of their job cards.

Case Study- No Job Card, No Passbook and Wages of Rupees 50 per day

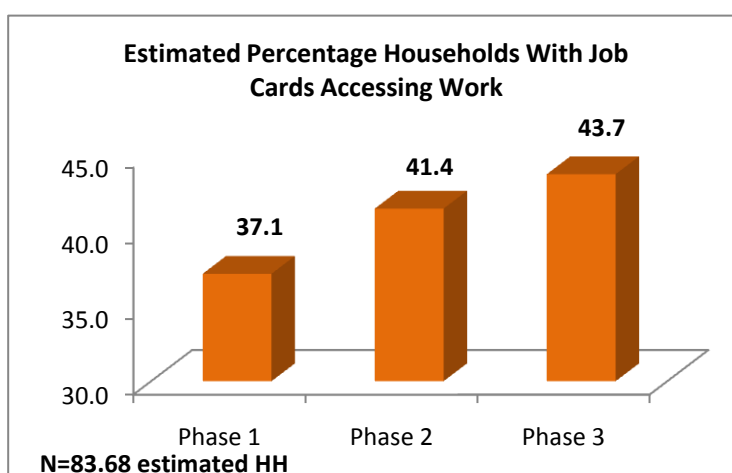
Tendula is a small village which comes under the Damoh district of Division Betiagadh in which around 350 families reside out of which 200 families are from general caste (Brahmin), 110 families from Scheduled Caste and rest 40 families from Scheduled Tribe. In this village the dominance of general families is there as compared to other categories. From past many years one of the families from the general caste group, is taking care of the Sarpanch post. During this election due to the reservation of one seat for backward class woman, one woman named Srimati Santoshi Rani Soni, who was illiterate, was made to stand in elections by Sarpanch family and the family dominance made her win too.

The most unfortunate thing about this village is the existence of corruption in Sarpanch system and with that system the family of 150 SC and tribal people exists. Because of the corrupt system, even after the completion of job card, they have not been provided with that. They also have their savings account but they did not receive the passbooks yet. Today they are working for MGNREGS but they don't even know how much actually they suppose to get as their daily wages. From the Sarpanch side on daily basis they are getting Rupees 50 only, which they believe as their income for the whole day.

All the villagers were supposed to work and at the time of distribution of the pay their signatures and thumb impressions were taken on slips called withdrawal form (nikasi wali parchi). So without custody of job card and pass book villagers are getting work as well as payment but the guarantee under the act is totally demolish.

3.3. Access to work

Anyone living in the rural areas of the country whose household has a job card can demand work³⁸ under MGNREGS and the state ensures that work is provided within 15 days of the application. Though the scheme is demand based, in practice, people are not really demanding work. However an estimated 25.61 lakh (40%)



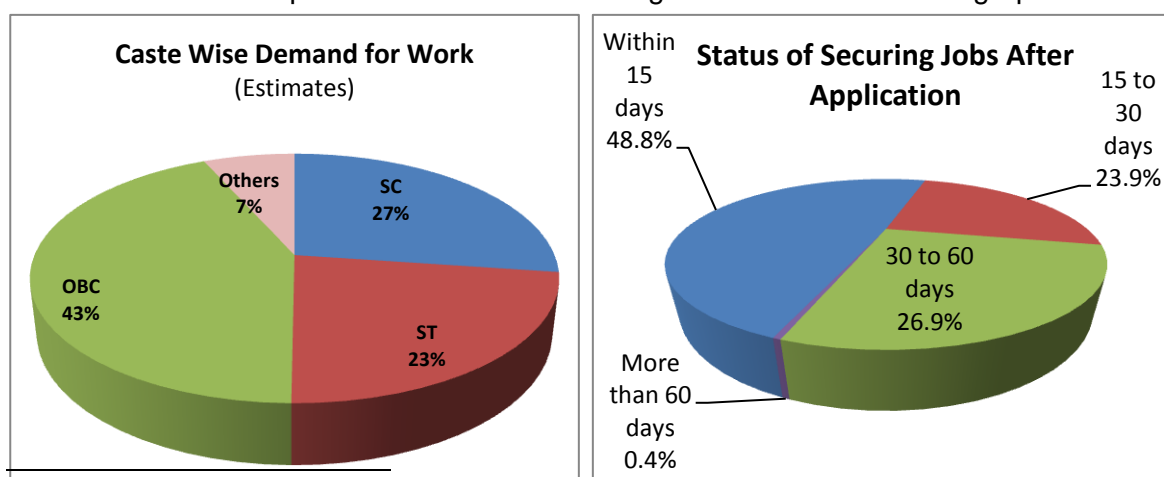
HH with Job cards have worked under MGNREGS in Madhya Pradesh. In the last year, the absorption of workers in the scheme was found to be higher in the Phase 3 villages as compared to the phase 2 and phase 1. This shows that some level of saturation in MGNREGS works are being seen in the villages of the earlier phase. The status of access to work in the different phases is as shown in the above graph.

The demand for work and the response to the demand however seems higher in the Phase 1 and Phase 2 villages. This can be attributed to the fact that the earlier phases have got more exposure to the scheme. People in these phases are more aware and have gradually started demanding work. The estimated number of people who have demanded work and who have actually secured work within the stipulated 15 days is given in the table below.

Table 6. Estimates on Demand and Response to Demand for Work			
Phase	HH with Job Cards (in Lakh)	Estimated Households demanded for work	
		Total No (in Lakh)	%
All (Phase I)	25.06	7.98	31.8
All (Phase II)	14.74	4.19	28.4
All (Phase III)	23.38	5.54	23.7
Estimate (All)	63.19	17.71	28.0

Source: Estimates

A caste-wise break-up of households demanding work is shown in the graph. It can be



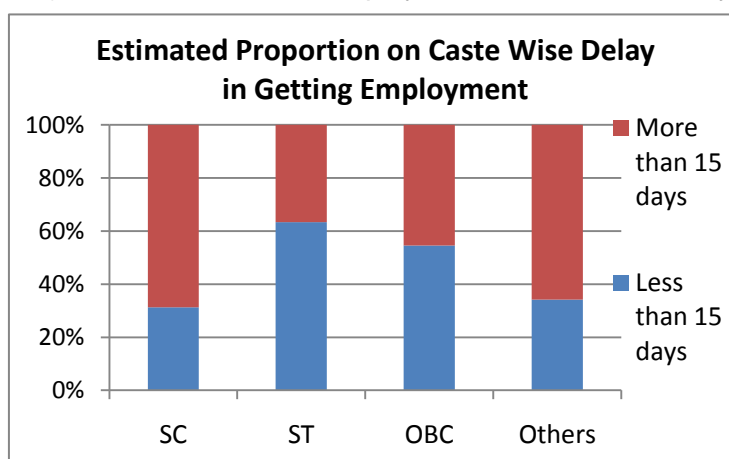
³⁸ In form of manual labour for earth work

seen that overall the OBC constitute the largest proportion (43%) of households which are demanding work. This is followed by the Scheduled Caste (27%), Scheduled Tribe (23%) and others (7%).

Only 17.71 lakh (28%) of the estimated 63.19 lakh households with Job Cards have formally applied for work. While everyone who has applied for work should be provided work within 15 days, it has been observed that only 48.8% households got work within 15 days. Thus the remaining 51.2% household (9.07lakh) households are actually entitled for unemployment allowance

The estimated proportion on caste wise delay in getting employment is shown in the adjacent graph. It can be seen that among the ST household, more than 60% households which have demanded work have got work within 15 days. Thus it appears that around 40% of the ST household (1.5 lakh) were entitled for unemployment allowance in the year 2009-10. Among Scheduled Caste households around 70% households (3.3 lakh) did not get work within the stipulated 15 days and are thus entitled for unemployment allowance.

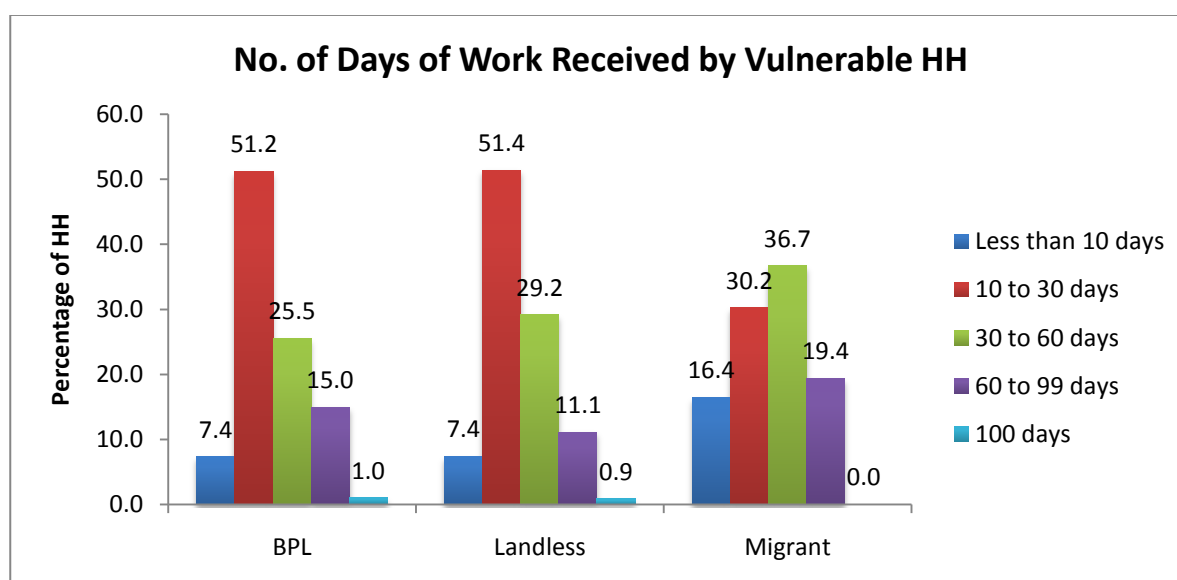
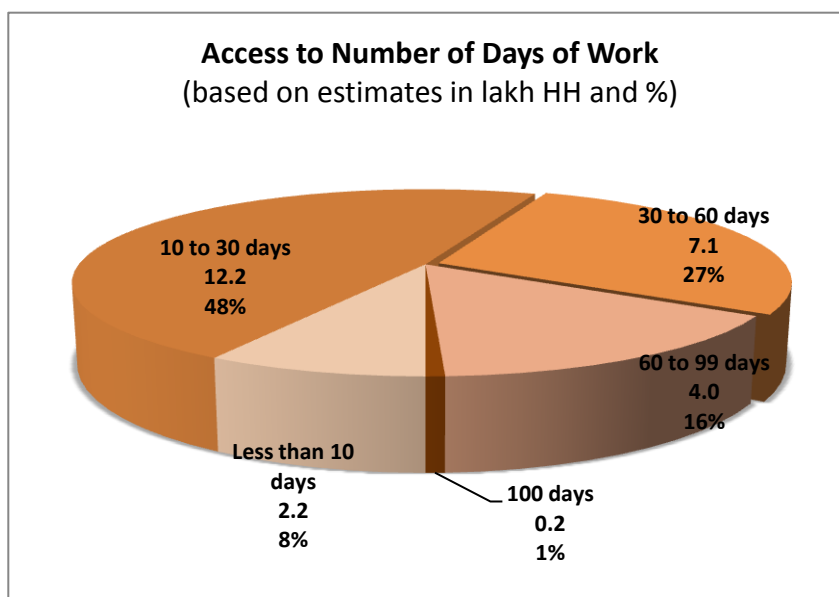
3.4. Access to 100 days of work



MGNREGS guarantees 100 days of work to each household applying for work. Since the practice of applying or demanding work is not there, people are only getting work as and when the works are implemented by the panchayats. Because of the lack of awareness, people do not demand work. As a result the aspect of guarantee for work against demand is practically missing in the scheme. The estimates show that of more than 25 lakh household who have got work under MGNREGS, only 18684 households have actually got 100 days of work. This is less than even 1 percent of all the households which have got work. The phase wise estimates on the number of households which have got work for 100 days is given in the table below.

Table 7. Estimates on Households Completed 100 days of employment			
MGNREGS Phase/ Performance Level	Estimated Households Worked under MGNREGS	Households Completed 100 days Employment	
		In numbers	In %
Phase I	929640	4895	0.53
Phase II	610213	5072	0.83
Phase III	1021126	8716	0.85
Estimate (All)	25.61 lakh	18684	0.73
Source: Estimates			

In the estimated households it was observed that only 0.2 lakh households (1%) applicants were able to secure jobs for more than 100 days as the act guarantees. Majority of the applicants (48%) are able to secure jobs for 10 to 30 days. 7.1 lakh household (27%) could get 30 to 60 days of work. 2.2 lakh (8%) could secure only for less than 10 days of work.



It can be seen from the above chart that most of the households in the vulnerable categories have received 10 to 60 days of work per annum. It is encouraging to see that 56.1% migrant households have got more than 30 days of work. However, among landless and BPL households which do not migrate, more than 50% of the households have got work for 10 to 30 days in the year 2009-10.

On examining the reasons for people not able to get adequate jobs (43%) applicants suggest that Panchayat are not able to provide work the village, 35% feel that Panchayats provide work to those who have better relation with or who are closer to the sarpanch and secretary. 18% of the households which have demanded work but not received work feel that they have not got work because they had not demanded work in writing.

3.5. Access to income through MGNREGS

With a minimum wage rate of Rs 100 per day, each household demanding work is entitled to get a maximum of Rs 10000 for 100 days for guaranteed employment. However, as mentioned in an earlier section, very few households have been able to secure 100 days of work. Overall the average employment received by the household comes out to be merely 31.8 person days. A phase wise distribution is shown in the table below. It is evident that per number of days of employment has marginally increased in the 2nd and 3rd Phase districts. The phase wise per day average wage payment is also shown in the table below. While there is a marginal change among the three phases, the higher wage rate in phase 3 villages probably depicts that either management of work or the measurement of works in these villages have shown improvement.

Table 8. Estimates on Average Wages and Person days of Work provided			
MGNREGS Phase/ Performance Level	Estimated Households Benefited under MGNREGS (2009-10)	Per day average wages payment	Average Employment received per household (Person days)
Phase I	929640	56.7	29.7
Phase II	610213	59.5	32.7
Phase III	1021126	61.0	33.1
Estimate (All)	25.61 lakh	59.2	31.8
Source: Estimates			

The per-household average annual income through MGNREGS is given in the adjacent

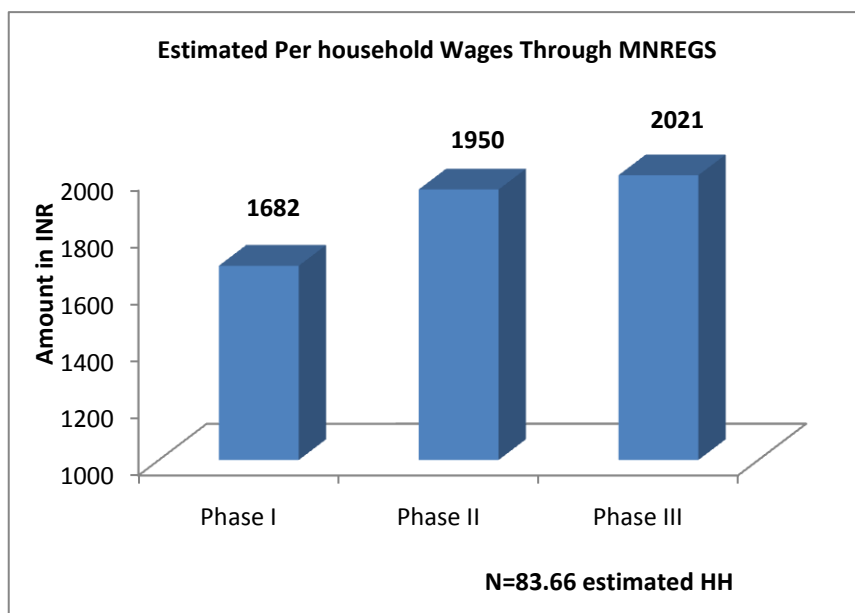
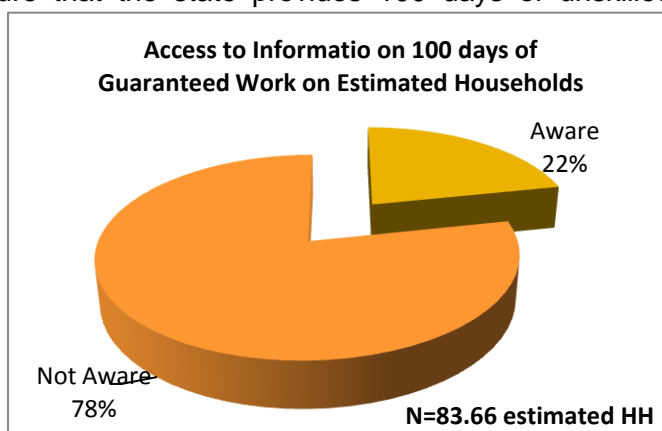


chart. It can be seen that the from phase 1 districts to phase 3 districts, there is a gradual increase in the amount that is being realized by the households. In Phase 1 districts the average household income is approximately Rs 1700 per annum where as in Phase 3 villages this has increased to slightly above Rs 2000 per year.

3.6. Access to basic information regarding the act “100 days of guaranteed employment”

The Act has made provisions to ensure that the state provides 100 days of unskilled manual work to each rural household demanding work. Thus the scheme is totally demand driven. It is essential that people actually have access to information that they can get 100 days of work on their demand. The state has made several arrangements to popularize the scheme so that people have access to information on the various provisions of the Act and the scheme.



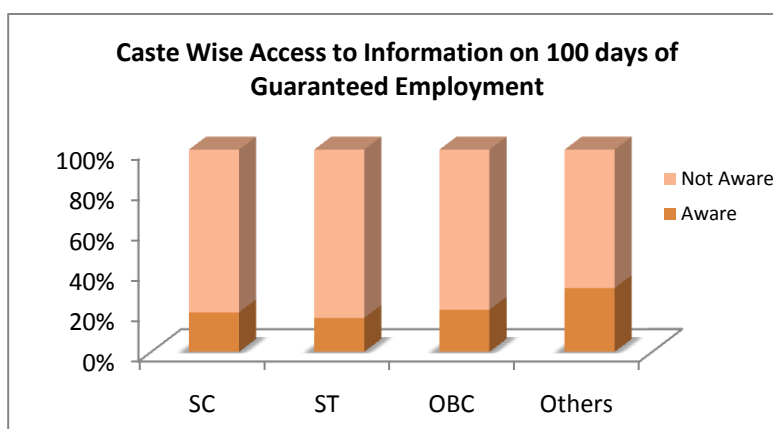
Out of an estimated 836696 households, only 21.7% households are aware of the provision. As a consequence, there is lesser demand for work leading to lack of access to employment.

The phase wise status of access to information is given in the table below. It can be seen that in all the three phases the situation is more or less the same.

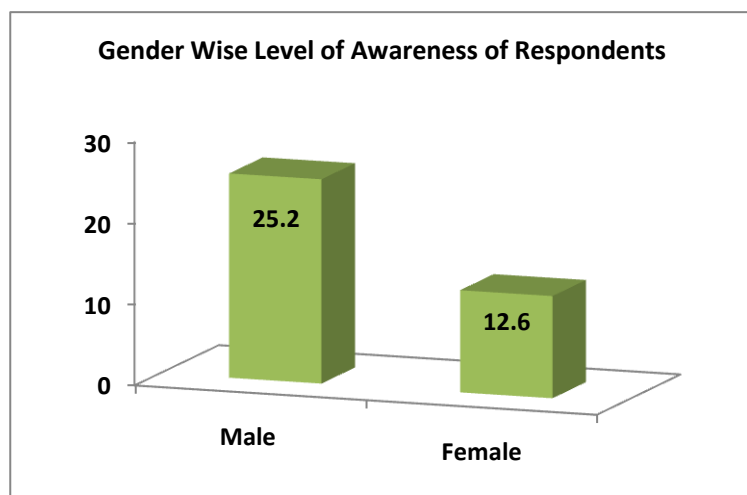
Table 9. Estimates on Access to Information on 100 days of Employment							
MGNREGS Phase	Estimated Households Covered under the Study	Access to Information on 100 days employment Guarantee					
		No	%	SC	ST	OBC	Others
Phase 1	3326103	734481	22.1	149498	90448	298895	195640
Phase 2	1896899	431944	22.8	90085	55319	190414	96126
Phase 3	3143695	646870	20.6	148808	64859	282179	151024
Estimate (All)	83.671 lakh	1813294	21.7	388391	210626	771487	442790

Source: Estimates

A caste wise analysis of access to information is shown in the adjacent graph. Among the different categories, the general category has the largest access to information on 100 days of guaranteed employment. Surprisingly, the awareness among tribals is the lowest with only 16% households having



awareness on this provision. Among scheduled caste households, only 19.5% households have awareness on this provision. .

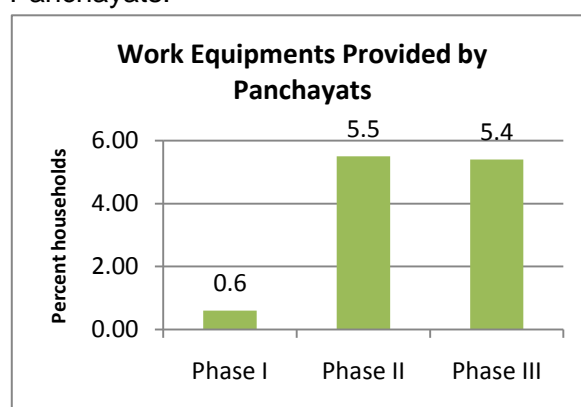
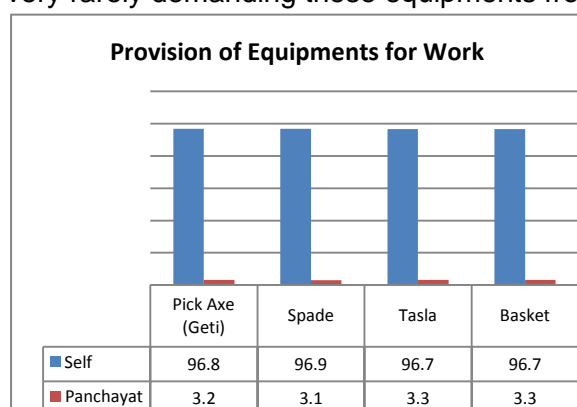


Gender wise, the access to information on 100 days of guaranteed employment does reflect a substantial gap in the level of awareness. While 12.6% women respondents are found to be aware in terms of their access to information on the basic entitlement of the scheme, only 25.2% male respondents were aware of the provisions. Lack of information on the basic entitlement under

MGNREGS is a key barrier for their access to employment. It seems a greater concern that despite strong emphasis and efforts by various stakeholders the access to basic information could largely reach only 40% people in last five years. Further details of analysis on awareness level have been shared in the earlier chapter.

3.7. Access to equipments during work

The MGNREGS workers are normally provided with the required work equipments like spade, pick axe etc. These equipments are to be provided by the panchayats. However in the sample households it is seen that in most cases, the workers bring their own equipments for work. Majority (96%) of workers are still using their own equipments and very rarely demanding these equipments from Panchayats.



There has been a very small change in the trend in the 2nd and 3rd phase where the panchayats have started to keep a provision of supply of work-equipments for the workers. The analysis also reveal a fact that majority of the jobs are related to earth digging aspects which require equipments like Spade, Pick-axe, basket and Tasla which are mainly meant for unskilled jobs but also demand labor intensive work which may also decrease the accessibility of old age persons, disabled and women particularly pregnant on the available job opportunities. The state agencies should invest to explore through research and

development (CEC Hyderabad) and apply user-friendly, viable equipments particularly for disabled, old-age and pregnant women to improve their efficiency at work-place.

3.8. Access to Worksite Facilities

MGNREGS has made an attempt to ensure that the workers get a hospitable working condition by providing basic facilities like drinking water, shade for rest, first aid facilities and crèche for children. The implementing agency has to ensure that these basic facilities are available at all worksites.

The study shows that there is very little awareness in the beneficiaries on the basic amenities that are promised under MGNREGS. Even the panchayats say that water and place to rest are the most common worksite facilities provided. 47% of Sarpanch/ Secretary have shown their satisfaction on the provision of water facility to workers at work sites. 60% Sarpanch /Secretary have said that they are not satisfied by the provision of crèches at the worksite.

3.9. Access to Bank and Post office

The concept of payment of wages directly to the bank accounts was introduced in order to maintain more transparency in the dealings of the Panchayat. As per MGNREGS guidelines, payment of wages has to be strictly through bank accounts.

While an estimated 25.61 lakh households have got work under MGNREGS, it was seen that only 18.12 lakh (70.8%) worker households have reported that they have an account with banks/ post offices. MGNREGS This is a possibility that the bank/ post office accounts have been opened by the sachiv, but the workers are not aware of it. In such cases the respondents have reported that the payment has been made in cash. It is possible that the workers might be giving signed withdrawal slips to someone who collects the wages from the bank and distribute it to the workers in cash. This shows that there are issues pertaining to educating the workers on transacting with the banks and also issues with respect to making bank transactions easy.

Table 10. Estimates on Access to Bank Accounts				
MGNREGS Phase	Estimated Households have Job Cards	Estimated Households Who Have Got Work under MGNREGS	Estimated Workers having Bank/Post Office Accounts	
	No	No (in lakh)	No (in lakh)	% to Workers
All (Phase I)	2506248	9.30	5.92	63.7
All (Phase II)	1474134	6.10	4.49	73.5
All (Phase III)	2338288	10.21	7.72	75.6
Estimate (All)	63.19 lakh	25.61	18.13	70.8
Source: Estimates				

While bank accounts do increase the transparency in wage payment, the accessibility of bank accounts are relatively difficult. From the sample households it is seen that people face a lot of difficulties in accessing wage from the banks. Some of the key difficulties faced by the community in accessing bank accounts is shown in the chart below.

Distance of the bank has been sighted as the biggest difficulty in accessing the accounts. The average distance of the nearest post office / bank from the village (district basis) is around 7.08 km. The longest average distance is said to be reported in Dindori district which is around 12 km. It is also being noted during the study that those village where accessibility to post office and bank is difficult, payments are brought in their village and made available in the village. The loss of wage due to the procedural delays and the time taken in getting the money from the accounts has been sighted as the second biggest difficulty.

3.10. Conclusions:

- In Madhya Pradesh, efforts were made by the state government at initial stage of scheme inception to ensure that every household is issued a job card. Nevertheless, more than 25% households are still left out. During the study it emerged from the households that preparation of job cards is not an ongoing activity. In absence of job-cards, these left-out community members are not able to demand for jobs. Hence, it becomes important that state agencies must re-run the campaign in entire operational areas to provide job-cards to those households who were left-out in earlier stage. The local seasonality calendar must be considered to reach the unreached in time and advance notice must also be transmitted to community to be available for their timely enrolment in the scheme through job-cards.
- Similarly, around 27% households those who have secured job-cards are not found holding it and given to someone else. During the campaign, community must be informed on the importance of possession of cards and how it may affect them adversely if given to someone else. Considering these lapses, the state government using a holistic communication strategy must re-run an awareness campaign and community mobilization processes through involvement of local CSOs for improved knowledge and positive attitudes.
- MGNREGS guarantees 100 days of work to each household applying and demanding for work. However, due to lack of awareness, people do not demand work and therefore get work as and when the works are implemented by the Panchayats. As a result, the aspect of guarantee for work against demand is practically missing in the scheme. The key reason for such lapse appears to be limited capacity of Panchayats on facilitating holistic processes for preparation of shelf of projects which determines the job demand, opportunities, man-day's work, resources required and duration etc. in order to improve this significant practice, the state government must develop a guideline prescribing the process for bottom-up planning and viable tools to analyse cost, accessibility, gender equality and equity.

Using this guideline, Panchayats are also needed to capacitate for its effective use. The monitoring framework must give extra focus to ensure that such non-negotiable instruments are applied holistically and approved by the Gram-Sabha too.

- Issues related to receiving benefits and entitlements by the community particularly timely payment of minimum prescribed wages, work-site facilities, un-employment allowance, complaint procedures and payment by Banks and Post offices etc are on very lower side due to a large gap in community level on MGNREGS awareness thus lowering the demand for such provisions. It is therefore highly important that the community must be informed on a regular basis by the state agencies using the viable media options such as radio, television, newspapers and mobile-phone services. Information to community clearly on their rights and entitlements of and duties of Panchayats in MGNREGS would be helpful to generate demand for improved services and pressurize respective Panchayats for being more accountable and transparent.
- Considering large distances and out-reach of banks and post-offices for accessing wage payment, community is facing great difficulty in large number of villages. Therefore, the state agency should convince the respective banks and post-offices to provide village service. A weekly payment roaster should be developed by the banks and post office to cover the out-reach villages to provide payment services in their village for their timely and safe access to their earned income. Community should also be made aware on such arrangements for the success of this model.

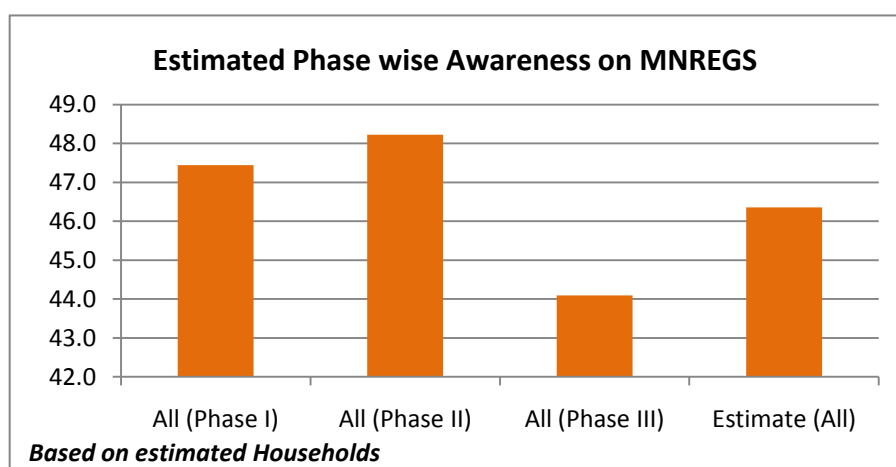
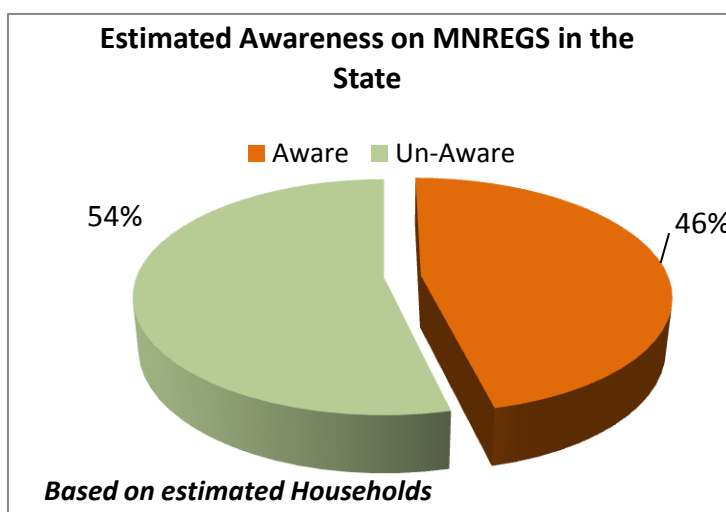
Chapter.4 Knowledge and Attitude on MGNREGS

4. Knowledge and Attitude on MGNREGS

4.1. Knowledge level of community on MGNREGS

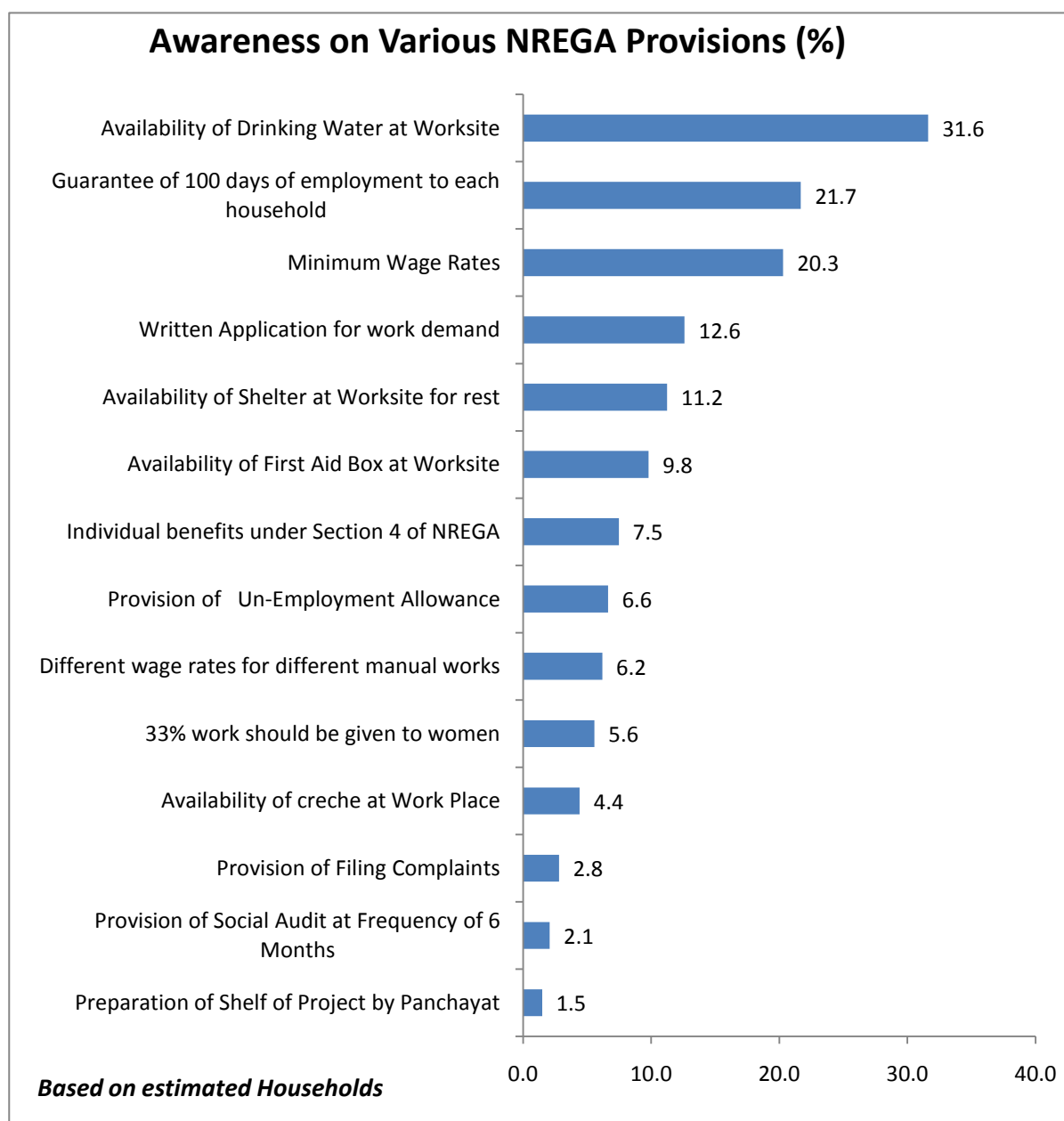
Of an estimated 83.67 lakh households in the study, around 46% household are found somewhat aware on any MGNREGS provisions. Since the inception of the programme in 2006, 46% household in general had an opportunity to hear about MGNREGS and its provisions. However, this figure does not take account of community's awareness on their rights and entitlements as stipulated in NREGA.

Considering the large and scattered geographic coverage and population density in the selected districts, 54% awareness level seems a good start but taking account of a large gap, it is highly important for state agencies to take this aspect from a right-based approach and on priority in order to generate greater job demand as the success of the entire scheme hinges heavily on the job demand.



Considering the intensive coverage of MGNREGS in listed district, the awareness level is found highest in the Phase II particularly in comparison to Phase I districts. The poorest awareness is in Phase III districts.

It is found that the highest level of awareness (31.6%) among people is on the facility / provision like their entitlement for drinking water at work place. This is followed by the awareness on the provision of 100 days of guaranteed employment in the scheme (21.7%) and minimum wage rate (20.3%). It is interesting to note that despite a basic knowledge among respondents about their entitlement for 100 days of work, a very little information is found in relation to their awareness on the right to demand the work (12.6%). For remaining features of NREGA, the level of awareness is found extremely poor. The awareness level on different work site facilities including Crèche, first aid facilities etc are also very poor. It is also seen that the community is not well aware on the accountability and transparency issues like participation in planning, social audit, facilities for filing complaints etc.



100 days of guaranteed employment to needy rural household in a fiscal year through unskilled job on demand basis to adult member is the preamble provision under the NREGA. The responses of sample households on this provision reveal that more than half of the household in all the categories do not know any provision of MGNREGS. The caste wise comparative analyses show that the scheduled castes have the largest proportion of aware households (49.5%). The Scheduled Tribes have the lowest (37.8%) proportion of households which is aware on any provision of the scheme. Among BPL households, only 45.1% households have awareness on MGNREGS.

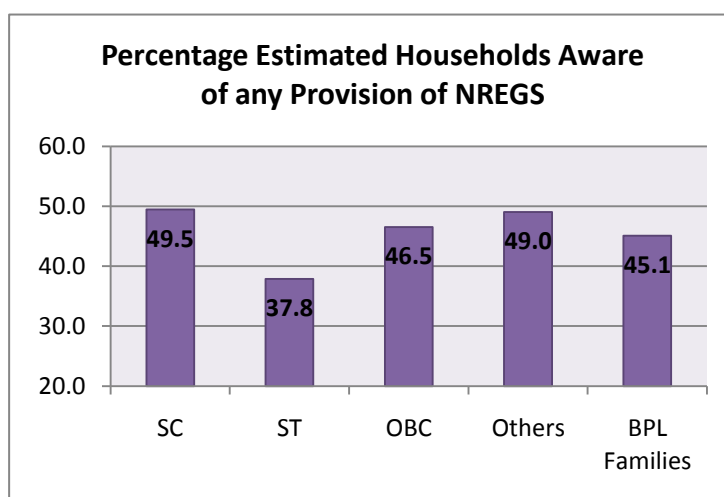
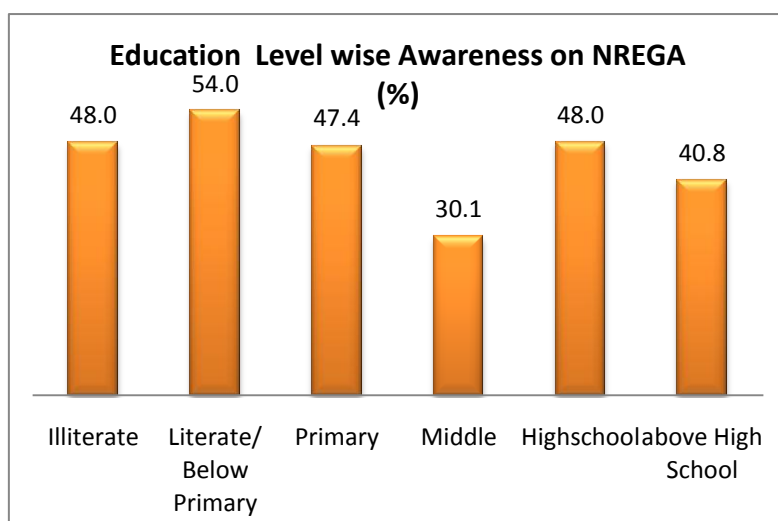


Table 11. Estimates on Caste wise status of Awareness on NREGA						
Estimates	Aware Estimated Households	Caste wise				BPL
		SC	ST	OBC	General	
All Phase I	1577917	367389	224358	685841	300328	802000
All Phase II	914689	233526	120701	410352	150111	427283
All Phase III	1386095	384678	130692	631697	239028	568618
Estimates (All)	3878701	985593	475752	1727890	689466	1797901

Source: Estimates



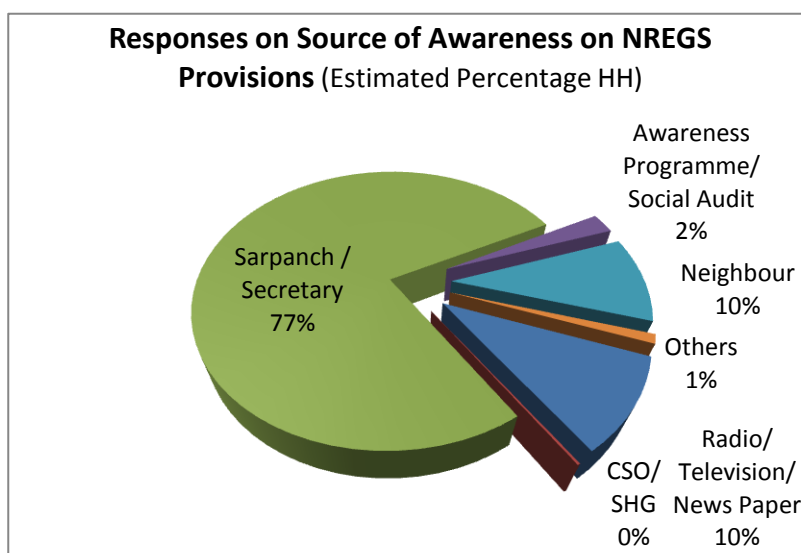
Nevertheless, examining the awareness level from literacy perspective, it is surprising that those who are educated particularly High-school and above are found lesser aware. It is high likely that those who are higher educated in rural contexts tend to opt for skilled job therefore shown lesser interest on the scheme focused on unskilled jobs.

On the other hand illiterate or just literate or educated below primary found comparatively better aware on NREGA provision.

Table 12. Estimates on Education wise status of Awareness on NREGA							
Estimates	Estimated HH Aware	Illiterate	Literate or below Primary	Primary	Middle	High school	above High School
All Phase I	1577917	596078	308410	321803	128115	148348	75163
All Phase II	914689	354868	182291	184201	76246	84499	32583
All Phase III	1386095	552301	280969	294640	104964	109306	43915
Estimates (All)	3878701	1503247	771669	800644	309325	342153	151662

4.1.1. Sources of Information

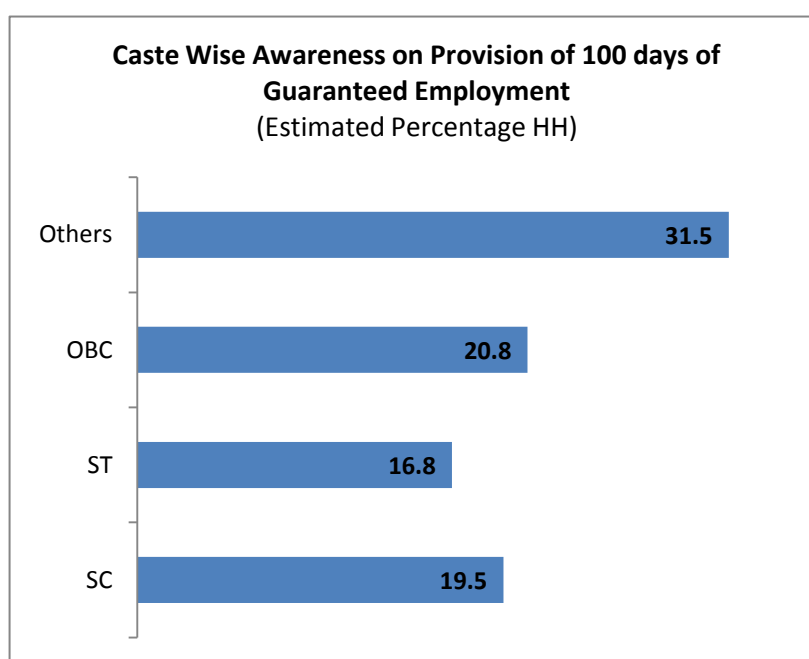
The media cell in the Madhya Pradesh State Employment Guarantee Council had undertaken some initiatives in spreading awareness initially during the phase I. Orientation programmes were also organised for the Janpad Panchayat CEOs by the state agency wherein detailed strategy for IEC efforts were discussed and applied. The analysis indicates that PRI members in the village particularly Sarpanch and Panchayat Secretary are the main source of information dissemination on MGNREGS. 77% households have got any information on MGNREGS through the Sarpanch or Sachiv. It appears that the IEC initiatives undertaken by the government (mainly through newspapers, television and radio) have not been able to reach adequately to the community. Only 10% respondents have come to know about the Act and the scheme through the media. 10 % household got to know about the scheme through word of mouth from their neighbours etc. The other sources of information have been negligible.



The low awareness level on aspects related to accountability and transparency mechanisms can also be seen in the light of the fact that the community is intentionally not informed by those duty-bearers who are responsible for MGNREGS in order to protect their interest.

4.1.2. Awareness on Provision of 100 Days Employment Guarantee under NREGA

100 days of guaranteed employment to needy rural household in a fiscal year through unskilled job on demand to adult member is the preamble provision under the NREGA. The estimates on responses of households on this provision show that one of five rural households is found well aware on this provision. The estimates also show that among different caste groups, the general (31.5%) and



OBC (20.8%) are more aware of this provision. Only 16.8% of the ST households are aware on this provision.

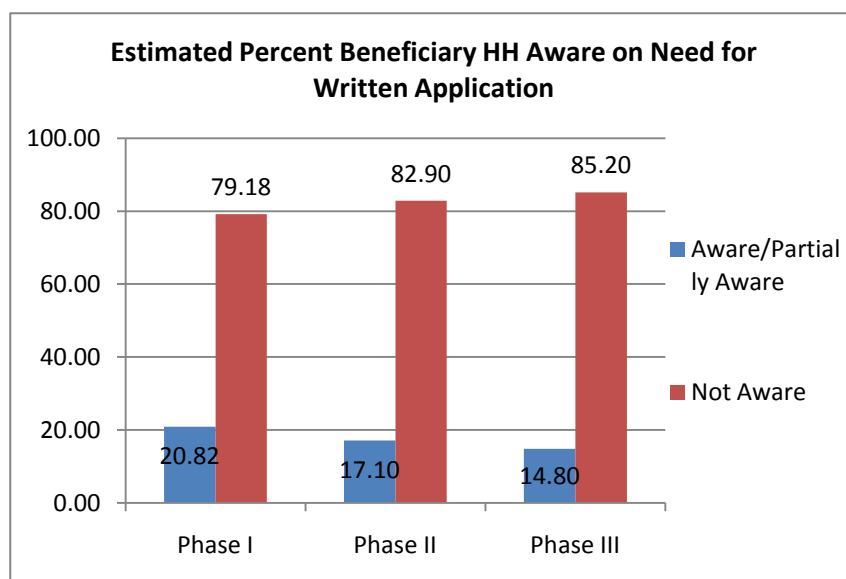
4.1.3. Awareness on Provision of Reservation for Women workers under the scheme

One important provision made under MGNREGS is that any work undertaken must have 1/3 females as workers in it. As far as awareness about this very important aspect is concerned, it seems to be quite low among all the castes. It can be seen the general category households are the most aware. 18% households from the general category have said that they are aware of this provision. The awareness among SC is the poorest with only 1.7% SC households aware. There is very little difference of perceptions of the households between different phases indicating that this is the scenario across the state.

Table 13. Estimated on Caste Wise Percent of Households Aware on the Provision of 1/3rd Work to Women

Phase	Overall HH Aware	Percentage Households			
		SC	ST	OBC	Others
All Phase I	210515	2.0	3.7	3.7	19.8
All Phase II	109885	1.9	4.6	3.7	19.8
All Phase III	145828	1.4	3.5	3.2	14.9
Estimates (All)	466228	1.7	3.9	3.5	18.0

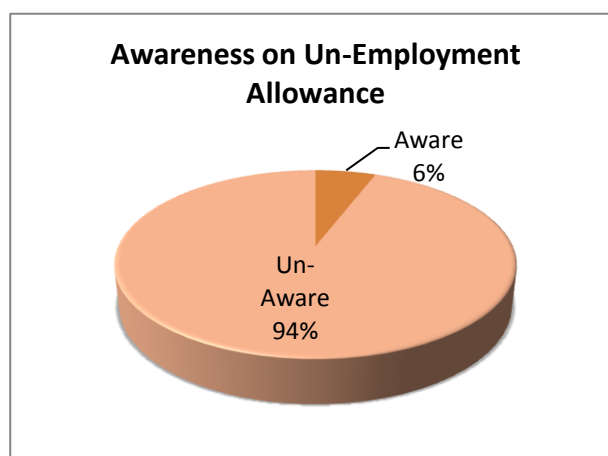
4.1.4. Awareness on Requirement of Filing Written Application & Entitlement for Un-Employment Allowance



Across all the three phases there is very little awareness on the provision that the workers have to give written application for demanding work. The reduced awareness of households from Phase I (20.82%) to Phase III (14.80%) is understandable as Phase III was initiated much later. It was observed during the

study that the workers are not formally demanding work by giving written applications. The general practice is that the panchayat starts the work and workers are informed about it. People who want wage employment joins the work and they get paid for it. The sachiv and mate however ensures that all the workers who have turned up for work sign on a formal application. This demand gets reflected on the MIS which (for the year 2009-10) states that 47 lakh rural households (against of 163 lakh job card holders) have demanded work.

At the same time it was reveals that the awareness on the un-employment allowance provision was also very low among the workers. Out of the total benefited households those received employment under the MGNREGS only 6% households stated that they are aware on un-employment allowance. The online MIS information of the MGNREGS also shows that there is no payment of un-employment allowance in the state.



4.1.5. Awareness on Availability of Various Facilities at Workplace

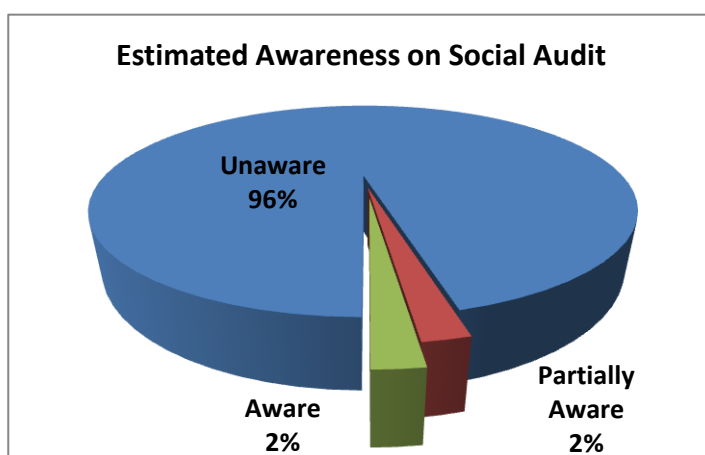
Workers under MGNREGS are entitled to get four basic facilities viz – drinking water, first aid facilities, crèche for small children and a place to rest during the work. The estimates on the awareness of the households who have worked under MGNREGS in the state is shown in the table below. It can be seen that the awareness is maximum for the facility of drinking water at worksite (43.15%). The awareness of other basic facilities is minimal. It is essential to note that the awareness on provision of crèche facility at work site is extremely

poor with only 4.49% households aware. This discourages women with small children from working in MGNREGS.

Table 14. Awareness on Worksite Facilities									
Estimates	HH Benefited	Drinking Water		First Aid		Crèche		Place for Rest	
		No	%	No	%	No	%	No	%
All Phase I	929640	430094	46.26	134391	14.46	45314	4.87	155757	16.75
All Phase II	610213	272262	44.62	80717	13.23	27055	4.43	89482	14.66
All Phase III	1021126	402742	39.44	120283	11.78	42586	4.17	131891	12.92
Estimates (All)	2560979	1105098	43.15	335391	13.10	114955	4.49	377130	14.73

Source: Estimates

4.1.6. Awareness on Provision of Social Audit to be performed at Regular Frequency



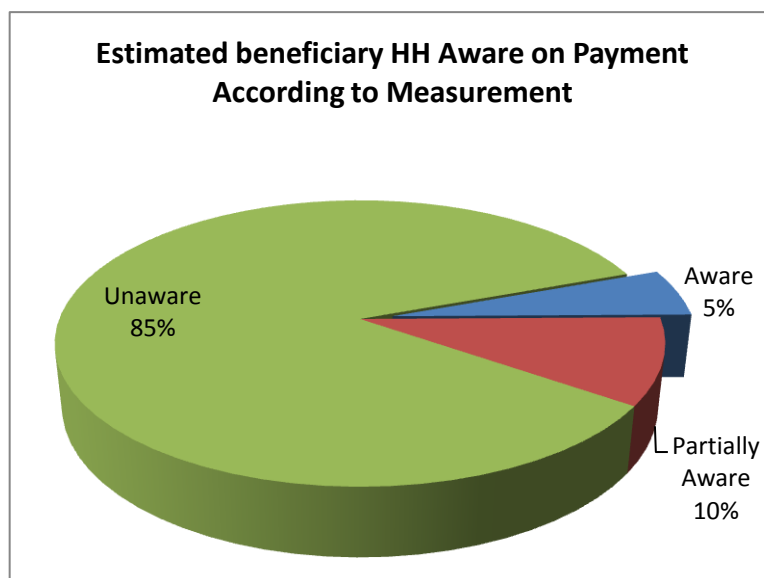
In order to promote transparency in MGNREGS implementation, government has introduced an important aspect of Social Audit of the work done under the scheme at regular intervals of every half year in the Panchayats. However, the chart indicates an extremely low awareness level amongst the respondents including those who have worked under the scheme. Only 2% are fully aware and 2%

respondents are found to be partially aware on this key instrument. As high as 96% of the total (83.67 lakh estimated HH) expressed their ignorance about such provision. This can be interpreted as a deliberate attempt on the part of some influential persons at village level, who don't want to disseminate knowledge and information on this key instrument and may be completing the procedure of on paper for the governance requirements. Among the beneficiaries (workers) the level of awareness is even poorer with only less than 1% households aware or partially aware on the provision. The level of awareness among the beneficiary households is shown in the table below.

Table 15. Awareness on Social Audit in Benefited HH					
Estimates	Total benefited HH	Aware or Partially Aware		Un Aware	
		Nos	%	Nos	%
All Phase I	929640	6083	0.7	923557	99.3
All Phase II	610213	4088	0.7	606125	99.3
All Phase III	1021126	7172	0.7	1013955	99.3
Estimates (All)	2560979	17342	0.7	2543637	99.3

Source: Estimates

4.1.7. Awareness on Different Payments for Different Kinds of Un-Skilled Labour Activities



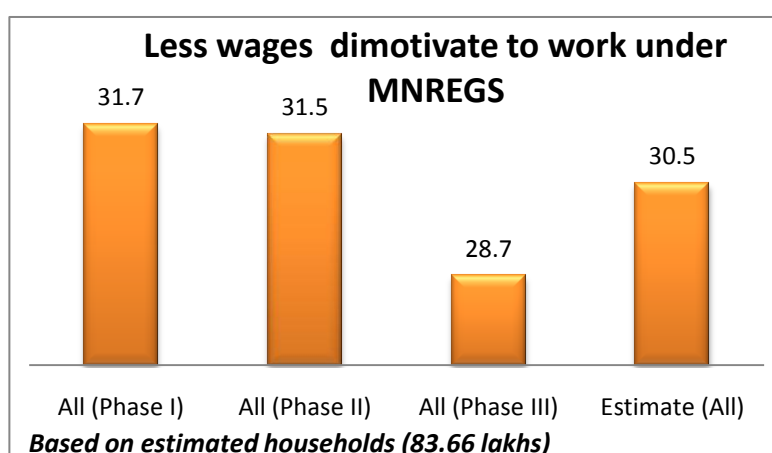
The adjacent chart displays the level of awareness amongst respondents about different wage rates applicable for different kinds of manual labor including unskilled work. It appears that around 85% community still do not know about their entitlement on minimum wage rate and therefore, either expect a higher wage rate or blame Panchayats for irregularities. This is one of the major reasons of

disgruntlement among Sarpanch/secretary and community. Only 5% benefited households are fully aware of the fact that wages will be paid according to the measurement of works.

4.2. Attitude of Respondents towards MGNREGS

The chapter tries to look at the attitude of the beneficiaries/ respondents on various aspects of the scheme. It tries to analyze what people think should be there under the scheme or what they think could be the better implementing strategy of the scheme. Following are the major inferences extracted;

4.2.1. Perceptions on given wages under MGNREGS

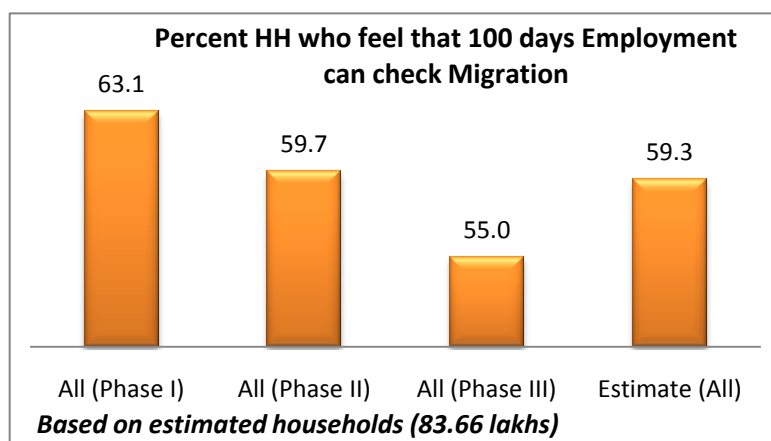


The analysis reveals that around 31% of household found prescribed 100.00 Rupees per day as minimum wage rate under MGNREGS is viable if paid on time and fully. However, majority of the respondents suggested that prescribed rate is not sufficient and does not meet their requirements fully. The current prescribed wage rate

appears to be low in comparison to wage rate provision in the open market even for unskilled job holders. The declining trend of people's attitude on provided wage rate in last

three phases of MGNREGS also support the fact there is need to study the local market and prevalent wages in order to maintain a balance between the prescribed wage rates in the MGNREGS for keeping the needy community motivated.

4.2.2. Check on migration

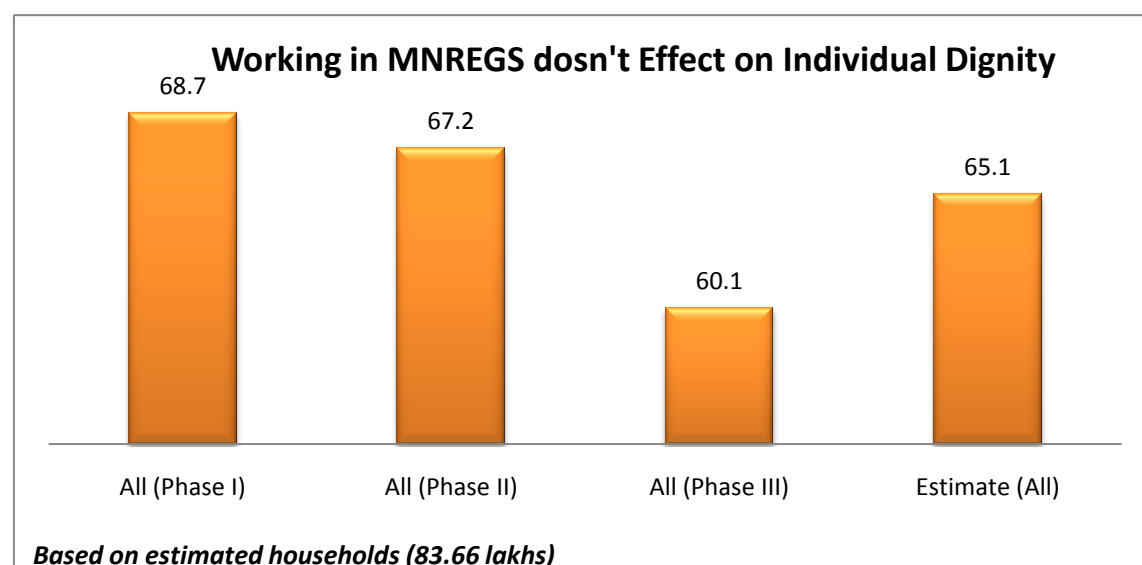


As per the preamble of the scheme to hold the rural migration of poor and vulnerable community in search of livelihoods options, 59.3% of the households believe that effective implementation of MGNREGS would be instrumental in curbing the rural migration and minimize

vulnerability of the community. A phase wise comparison of this aspect of attitude is given in the adjacent graph. The declining level of attitude on this aspect from Phase I to Phase III is because of the fact that the phase I villages are more affected from migration. The phase III villages being more prosperous, people do not feel that MGNREGS would have a great impact on migration.

4.2.3. Effects on individual dignity for working in MGNREGS scheme

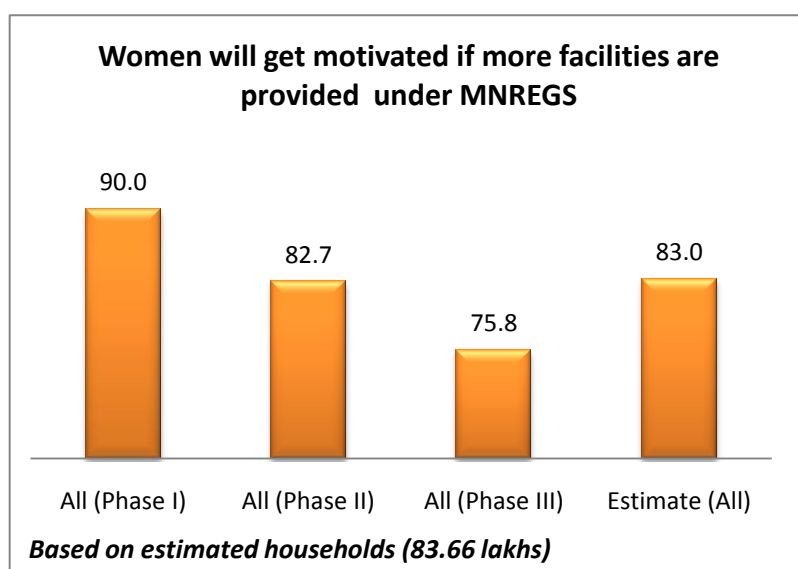
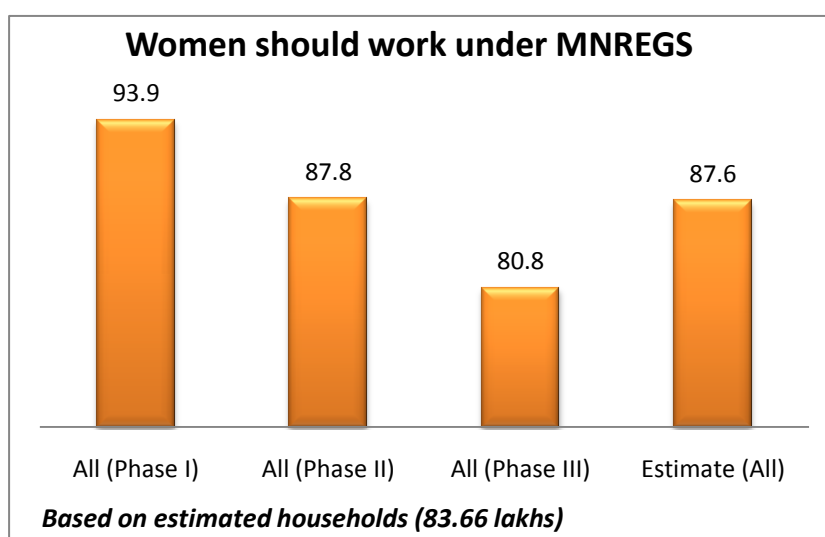
Broadly, more than 60% respondents including those households who have participated in the various scheme implemented under MGNREGS in the villages reveal that participating and working under MGNREGS does not affect on the individual dignity. This means MGNREGS is not perceived as a scheme meant for poor only. Earlier data also support



this fact that even those households who belong to large landholders also participated in the schemes and took advantages. Nevertheless, considering the embedded feudalism in the rural society, around 40% households still have believe that participating in such scheme would affect their individual dignity and therefore would avoid participating in MGNREGS. Therefore, it is important that the communication strategy should take such issues into account and device mechanism to address such social barriers for its open access and equal benefits to all.

4.2.4. Women participation in MGNREGS

Despite a large gap on gender equality in rural settings in the Madhya Pradesh, majority of the households (more than 87%) strongly suggest that women should also be encouraged to participate in MGNREGS scheme and must take advantages of the benefits too. Analysis of last three phases shows a declining trend in people's belief that women should work under MGNREGS. The state agency in order to maintain and encourage equality both on access and benefit



sharing particularly for women must develop a clear guideline prescribing clear and strict norms on protection and harassment of vulnerable beneficiaries particularly women. While interacting with the women respondents particularly those who have participated in MGNREGS scheme (83%) also support the suggestion that increase in facilities and appropriate provision of

prescribed support services such as Crèche, shelter, timely break, less labor intensive tasks and user-friendly tools etc would further encourage them to come forward and participate in the scheme with greater motivation.

True Sense of Women's Empowerment



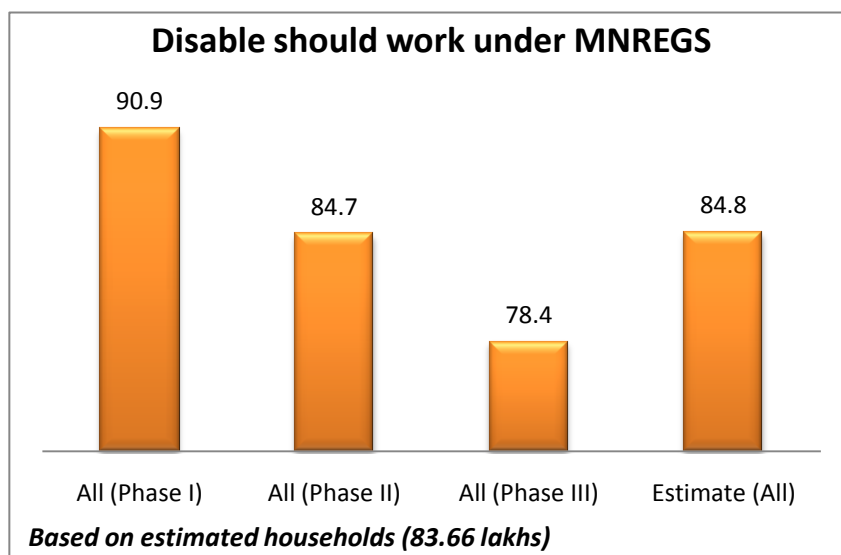
Mrs. Bejabai, Sarpanch of village Adwada is presiding successive third term. The village Adwada is situated on the road to Alirajpur from Jhabua district. On this road at distance of around 65 km. village Ambua is situated. Village Adwada is situated at 10km. distance in the left direction of village Ambua. Village Adwada is a main village of Gram panchayat Adwada which is part of Alirajpur block in Alirajpur district. Earlier it was a part of Jhabua district. In our first contact at Sarpanch's home we interacted with husband of the sarpanch. When we briefed him about the study and

told him that we need information related to MGNREGS implementation and role of panchayat, he called Bejabai to give us all the details.

Bejabai has studied up to 12th class. It was amazing to know that she handles all the works in Panchayat and she knows details of almost all the programs. She briefed about the process followed in the MGNREGS work and also showed us the registers used for documentation. It's incredible that she is not dependent on her husband to perform her roles. Although she gives credit of her confidence to her husband as he always motivated her to do things on her own and learn from it. Her efforts to learn and support from her husband has resulted in meaningful implementation of MGNREGS in Adwada.

4.2.5. Disable's participation in MGNREGS

Around 84% household believe that disabled community should have more opportunities to access to MGNREGS benefits. Though in sample villages, presence of interested and disabled persons are found to be very limited, they have greater motivation to participate in the scheme. Nevertheless, in current circumstances, the work conditions, tools and work environment are not very friendly and supportive for disabled members, they are keen to participate in the scheme. So far in work-site observations, it has been noted that those who are partially disabled are being engaged on support services like water-provider at



work sites in MGNREGS. Though, it is a viable option in current circumstances to engage disabled on such activities but this also limits the requirements and space for other needy and fully disabled community members. Therefore, the state agencies need to think about

those who are disabled and in need of such provisions in order to maintain its commitments of equal access and equity in the scheme.

4.3. Conclusion

Considering the large and scattered geographic coverage and population density in the state, current 54% awareness on basic aspects of MGNREGS seems a good start but taking account of a large gap, it is highly important for state agencies to put more efforts through holistically designed campaigns. The success of the entire scheme hinges heavily on the job demand.

Currently, Panchayats are engaged on information dissemination. In order to protect their interest and avoid duties, Panchayats are sharing only that information to people which does not put them in jeopardy. Therefore, in order to have increased transparency and accountability of the entire discourse, the state and its agencies must consider the embedded power-politics of rural Panchayati Raj in Madhya Pradesh and develop an alternative communication strategy where people must be informed on MGNREGS on their entitlements from a right perspective and responsibilities of Panchayats mainly on their accountability and transparency should also be informed through alternate sources.

Generally, it has been noted that those belong to small landholding or landless who tend to migrate or engage on other activities outside their native village for livelihood have missed the opportunity to participate in the initial campaign conducted on MGNREGS which could be a main reason for their lower awareness level. As the scheme is mainly encouraging those to participate who are landless or small land holders in order to reduce their migration and extend an opportunity of employment within their native village, the agencies (state and local Panchayats) must consider the seasonality calendar and local context while designing their awareness campaign in order to cover the target community effectively.

The state agencies must also engage other like-minded agencies including CSOs in respective areas to facilitate appropriate process-documentations, lesson learning, case-studies and regular recording of people's perceptions to improve the effectiveness and efficiency of the entire scheme particularly on quality aspects. Lesson learning and success stories should also be disseminated at district level forums for its appropriate replications and ensuring that similar lapses are not repeated.

Chapter.5 Provisions and Practices under MGNREGS

5. Provisions and Practices under MGNREGS

The MGNREGS has very well laid procedure for to ensure that the works are done as per the demand of the village. There are detailed guidelines on every aspect of the implementation of the scheme in the village. This chapter deals with a few critical elements in the implementation of the scheme and compares the provisions with the practices followed in implementation of MGNREGS. The critical aspects being covered here are

- Development of Perspective and annual plan
- Approval of plans
- Sanctioning of projects
- Technical Support from the blocks
- Sanctioning of Funds
- Responsiveness to demand for work
- Wage payment and
- Maintenance of assets

5.1. Plans under MGNREGS

MGNREGS has made provisions for enabling bottom up planning for all the works undertaken in the villages. All Panchayats are supposed to prepare five year perspective plan for implementation of NREGA. Based on the perspective plans, the annual

Table 16. Phase Wise Perception of Panchayat on Perspective Plans and Annual Plans

Phase	No. of Respondents	Five years plan prepared	Annual Plans derived out of 5 year plan
Phase I	111	78.4%	84.7%
Phase II	85	72.9%	77.6%
Phase III	123	83.7%	84.6%

Source: Schedule 2 - GP

plans have to be prepared as per the requirement of the Gram Sabha. Across all the three phases, majority of the Sarpanch/ secretary have said that five year perspective plans were prepared and the annual plans were derived out of these plans. The works are sanctioned on the basis of the annual plans prepared by the Panchayats. Ideally, these plans should be derived from the Perspective plans.

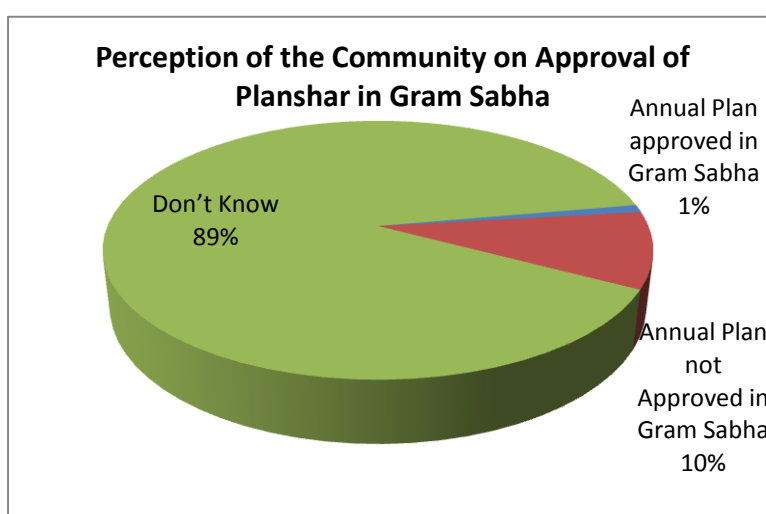
5.2. Approval of Plans

The scheme has provisions for ensuring participation of people right from the planning stage to the execution, monitoring and evaluation stage. Both the perspective plans and the annual plans are to be approved by the Gram Sabha. The status in the three phases is as shown in the table below.

Table 17. Phase Wise Perception on Approval of Annual Plans by Gram Sabha (Responses in %)		
Phase	Panchayat Representatives	Estimated HH
Phase I	95.5	1.3
Phase II	92.9	1.0
Phase III	95.9	0.6
Overall	95.0	1.0

In all the three phases, the Panchayat representatives say that the annual plans are approved by the Gram Sabha. However the community says that the annual plans are not approved by the Gram Sabha. The perception of the community on approval of plans in Gram Sabhas is as shown in the adjacent chart.

It can be seen that 89.5% of the households have said that they do not know if the plans are approved in the Gram Sabha. Only 1% of households have said that the plans are approved by the Gram Sabha.



It emerges that the approval of annual plans in the Gram Sabha remains a mere formality with very few Gram Sabha members actually attending these meetings. Thus the aspirations of the people are not captured in these plans.

5.3. Sanctioning of the projects

Timely sanctioning of the projects is essential for effective delivery of the scheme. Delays in getting administrative or technical sanction often affect the Panchayats efficacy in providing work to the people. It is seen that nearly 28% Panchayat representatives have

Table 18. Phase Wise Perception of Panchayat in Sanction of Annual Plan Within the year				
	Phase 1	Phase II	Phase III	Total
100% works	13.5%	22.4%	41.5%	26.6%
More than 75% works	29.7%	17.6%	24.4%	24.5%
50 to 75% works	24.3%	28.2%	13.0%	21.0%
Less than 50% works	32.4%	31.8%	21.1%	27.9%

Source: Schedule 2 - GP

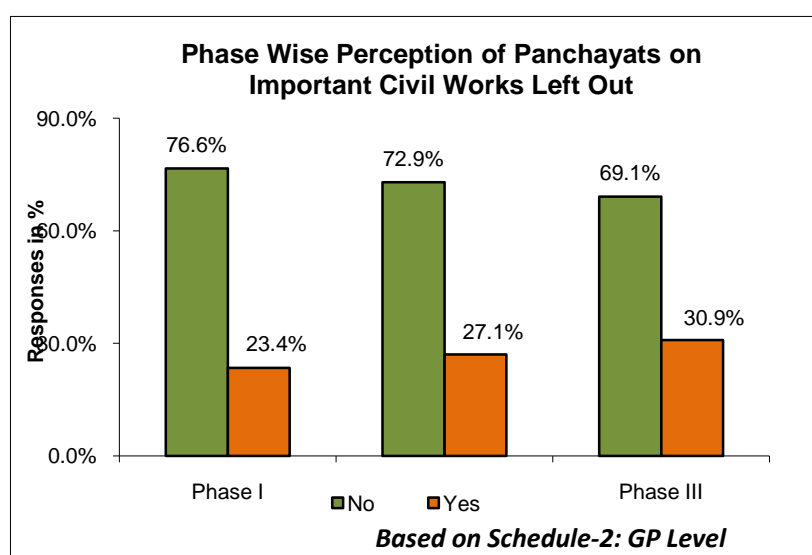
said that less than 50% works get sanctioned within the year. However, the trend seems to be better in the Phase III villages where only 21% Panchayats say that less than 50% works are sanctioned. The Panchayats have also said that while there are still substantial number of activities which do not get sanctioned within the year, they are required to take up other works which are beyond the annual plan.

The data from the Panchayat representatives very clearly reveal that whereas the plans are derived from the perspective plans, the priorities are often driven by the departments or the state. More than 55% sarpanchs say that several works which are implemented are outside the annual plan. This is done on the instructions of the Zilla or Janpad Panchayat officials. A phase wise break up of the responses is given in the adjacent table.

Table 19. Works beyond the plans are implemented on the Instructions from the ZP/JP officials (in %)

Phase	Yes
Phase 1	59.5
Phase 2	52.9
Phase 3	55.3
Grand Total	56.1

Source: Schedule 2 - GP



It appears from the responses of the Panchayats that there are several works that are left out in the village. It was observed that the Panchayat representatives/ Sachivs felt that the need of the village is not totally consistent with what is being implemented under the scheme. On being asked of the scope of

large scale community works in the village, 27% Sarpanchs and Sachivs said that there is still scope for such works in the village. In Phase 2 and Phase 3 villages this proportion is higher.

During the first phase of interventions, a lot of focus of the scheme was on creating large infrastructure. It can be assumed that most large scale works in Phase 1 might have been completed. In the Phase 2 and Phase 3 villages, the demand for such works is still there. This is reflected in the responses of the Panchayat representatives from Phase 1 villages where only 23.4% say that there is scope of large infrastructural works as compared to 27.1% in Phase 2 and 30.9% in Phase 3 villages. In the 2nd and 3rd Phase the focus of the scheme shifted gradually towards individual works.

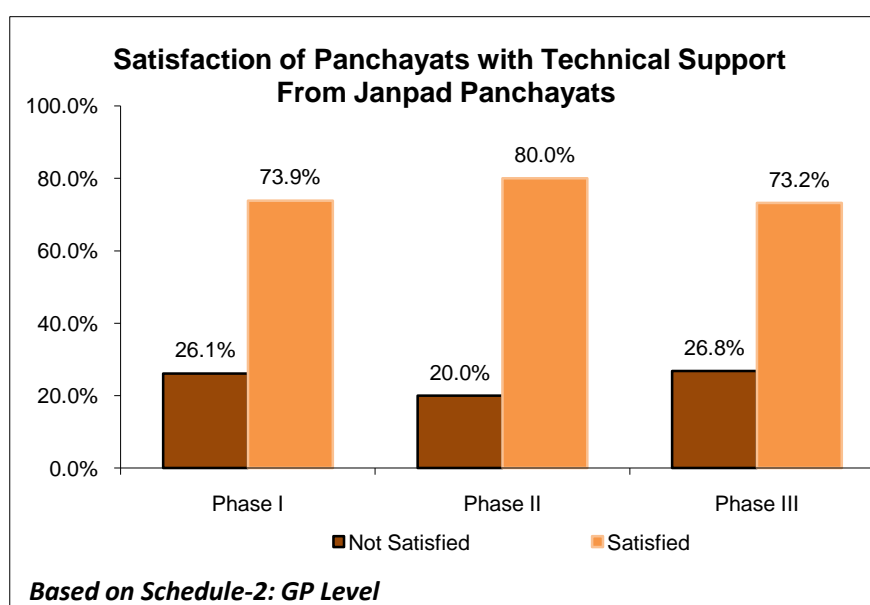
Table 20. Reasons for Deviation from the Plan	
Reasons	% Responses
Most activities are to be done as a part of state campaigns or preferences	44.7%
Plans of the Panchayats are influenced by local MLAs/MPs and other influential persons	25.1%
It is essential to fulfill the targets of the concerned departments	24.0%
Important activities are not included in the work plan	5.0%
Others	1.1%
Source: Schedule 2 - GP	

An analysis on the perception on the reasons for deviating from the plan is shown in the adjacent table. It can be seen that nearly 45% of the respondents have said that unplanned works are included because of the campaigns and preferences of the state government. 24% respondents also felt that the targets of the concerned departments also influence the type of work to be undertaken.

These two combined responses show that more than nearly 69% Panchayats feel that the department (or the state) influence the type of work that is to be implemented in the village. A large proportion of respondents (25.1%) also say that the annual plans get influenced by the influential persons like MLAs/ MPs etc. Despite the 4 years of implementation of MGNREGS, planning at Gram Sabha level is still at a very nascent stage, pushing for such targets will only harm the planning process that needs to be adopted by the Gram Sabhas.

5.4. Technical Support from the Block

MGNREGS has made provisions for providing technical support to the Panchayats through the Janpad Panchayats. This support is provided in terms of preparation of estimates for the works, providing technical sanction to work, providing support for measurement/evaluation of the works, technical guidance for ensuring quality of work etc. Overall a large number of Panchayats (75%) have said that they were satisfied by the technical support that they were getting from the Janpad



Panchayat. Within different phases, the representatives, from the 2nd phase seem to be

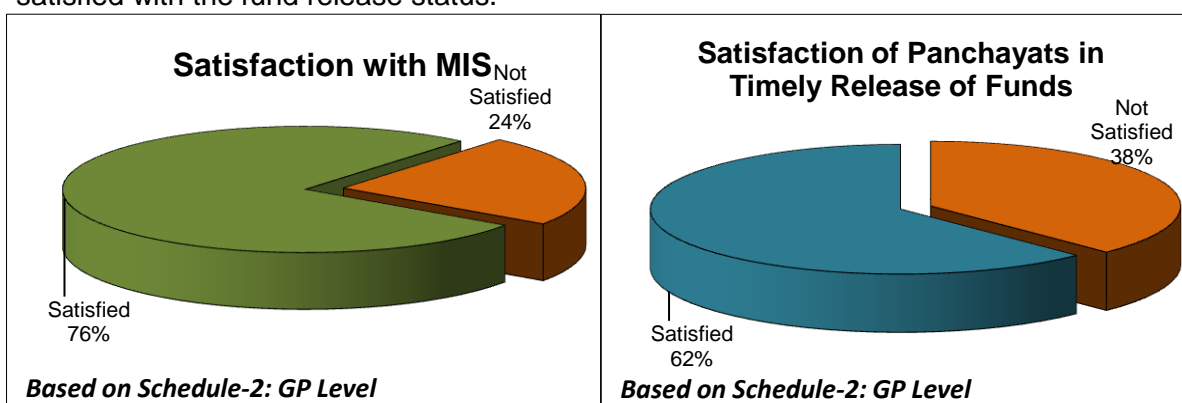
more satisfied with the technical support. In this phase only 20% respondents have expressed their dissatisfaction.

When asked about the reasons for dissatisfaction in getting technical support a large proportion (40%) indicated delay in processing of documents and getting technical sanction. Almost 31% also said that they feel that the work load on the sub engineers is tremendous and because of this work load, they are not able to inspect the worksite before preparing the estimates. The technical estimates are therefore prepared on a standard manner without considering local conditions. This results in over or under estimation of the work.

Table 21. Reasons for Dissatisfaction with Technical Support	
Reasons	% responses
Delay in processing the documents	40.0
Because of workload on the engineers worksite not inspected before technical estimates are prepared	30.9
No technical guidance when required	7.3
Estimates does not consider local conditions / requirements	3.6
Other reasons	18.2
Source: Schedule 2 - GP	

5.5. Sanctioning of Funds

Delay in release of funds or partial release of funds from the district and block have emerged as a concern for the Panchayats in implementation of the planned works. Often the Panchayats receive only a part of what it budgeted for the activities. Even after getting technical and administrative sanction, the works get delayed due to lack of sufficient funds. Since the works have to be implemented keeping the factors like agricultural season, weather and migration of workers, the undue delays in release of funds to the Panchayats cause a lot of problems in timely implementation of the planned activities. Often the Panchayats have to reshuffle the 'priorities' in the plan depending upon the availability of the funds. In the studied villages it was observed that more than 37% Panchayats are not satisfied with the fund release status.



The release of funds has been linked to the entry of MIS on the MGNREGS website. The Block officials maintain that the release of funds is delayed only if the MIS has not been entered by the Panchayat timely. The MIS entry is done at the block level and the Panchayats do not have access to computers and internet. The problem with data entry at block level is that several blocks of the state do not have proper infrastructure in terms of

availability of electricity. The blocks also lack adequate number of computer operators for maintaining the MIS in a timely manner. While this has to be ensured by the administration, it is unfortunate that the non-compliance creates problems for the Panchayats by the delay in the release of funds.

5.6. Responsiveness to demand for work:

MGNREGS is a demand driven scheme where work is to be provided to the workers in response to the demand raised. In practice it was found that the workers are not demanding work by formally writing an application. However, for the purpose of this study, demanding work orally was also considered as work demanded.

Of an estimated 25.61 lakh households which have got work under MGNREGS, it was found that 69% had actually demanded work (written or orally). Phase wise it appears that there is a declining trend in households demanding work. While in phase 1 districts, 85.8% households who have got work had demanded it, in Phase 3 districts only 54% have actually demanded work.

Table 22. Estimated Households Demanded for Work under MGNREGS			
	Estimated Households Benefited	Estimated Households demanded for work	
		No	%
Phase 1	929640	797573	85.8
Phase 2	610213	419120	68.7
Phase 3	1021126	554116	54.3
Estimate (All)	25.61 lakh	1770809	69.1
Source: Estimates of the Study			

While everyone is not demanding work, it is estimated that of all those who are actually demanding almost half (48.8%) are getting work within 15 days of demand. The phase wise status of response to demand for work is shown in the table below.

Table 23. Estimated Households Received Employment in Stipulated Norms			
	Estimated Households demanded for work	Estimated Households received employment in 15 days	
		No	%
Phase 1	929640	403548	50.6
Phase 2	610213	206017	49.2
Phase 3	1021126	255385	46.1
Estimate (All)	25.61 lakh	864951	48.8
Source: Estimates of the Study			

Among the estimated households, it was seen that 49% households got work within 15 days. Though there were around 51% households which did not get work within 15 days as stipulated by the Act. A caste wise status of responsiveness to work is given in the table below. Overall 49% of the formal applicant got work within 15 days. 24% got work with a month. The rest of the applicants' demand was met in more than 30 days.

Table 24. Responsiveness of Panchayats to Demand for Work					
Phase	Overall	SC	ST	OBC	Others
Within 15 days	864951 (49%)	150393	257578	416493	40487
15 to 30 days	423072 (24%)	182263	55962	131944	52903
30 to 60 days	475473 (26%)	148860	93174	212110	21329
More than 60 days	7314 (0.4%)	0	0	3567	3747
Source: Estimates					

There is however a mismatch between the numbers of days of work demanded and the number of days of works actually provided. Overall 78.5% of the households have said that they have got lesser workdays than what was demanded. A phase wise status is shown in the table below :

Table 25. Status of Mismatch between work demanded and provided					
Estimates	Estimated HH Demanded Work	Got as much work as demanded		Got Lesser work than Demand	
		No	%	No	%
All Phase I	790841	171116	21.6	619725	78.4
All Phase II	414772	87468	21.1	327304	78.9
All Phase III	549928	118278	21.5	431650	78.5
Estimates (All)	1755541	376862	21.5	1378679	78.5

Case Study-Ever Growing Influence of the Panchayat Secretary

In the village of Harsodhan which comes under the Ujjain block, Mr. Umrao Deva Tanay Devaji resides with his wife, son, daughter in law and three grand children in the Harijan ward. The family depends entirely on manual labour to meet its everyday needs. The family owns 2.5 bigga land that is not irrigated. The job card in this house is under Mr. Umrao Deva's name, carrying the number 171800503101/263.

His family was not receiving the right amounts for the labour they were doing. According to Mr. Umrao, in the last few months till April, he and his sons had worked on three MGNREGS projects for 15-35 days each. The amount each of them was to receive was Rs. 3500, but after 7 months of completion of the projects, they have received only Rs.2200. Each time they approach the panchayat secretary for the remaining wages they are told that money has not been deposited in the bank. Even though they have bank accounts, payments are being delayed for so long. Because of this, workers are now hesitating to work in the MGNREGS related projects. Mr Umrao's passbook as well as job card is with the secretary too, and if they ask it back he tells them they'll get it once all the data is entered.

The case of Umrao Deva is not the only one. Many in the village are complaining of not receiving payments for the jobs done. In the village, after closer inspection it has been seen that most labourers' job cards have not been entered in after 2008 though they admit to working for beneficiaries' wells in the village. Since most of them do not have correct information about the act, and because of the pressure put by the village secretary, the villagers do not demand for the 100 days of work, which is their right. Neither do they possess the documents stating the amount of days they have worked, even though their signatures are on the muster rolls. The villagers are afraid of standing up to the panchayat secretary; they feel that they might not get benefits of the other governmental schemes as well. They also feel their lives could be jeopardised in the future.

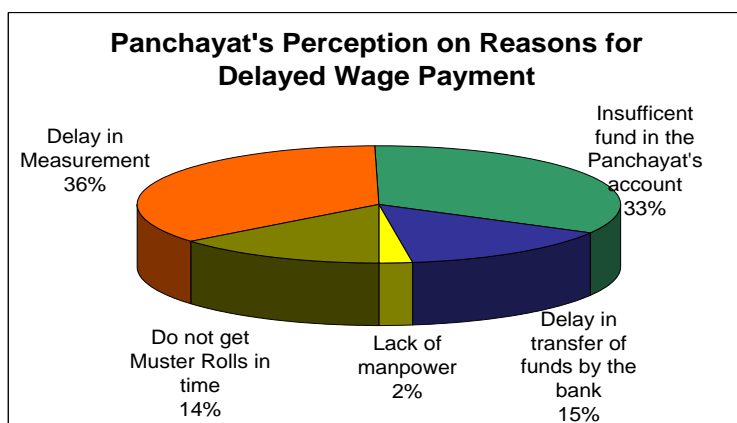
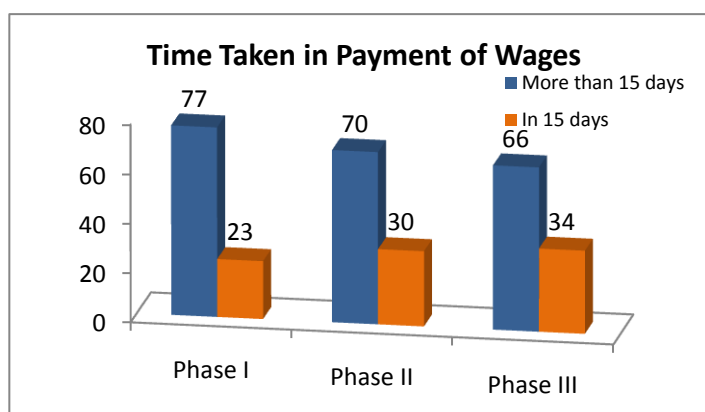
Of the estimated households 23.88 lakh (55.6%) households (6.65 lakh in benefited households and 17.23 lakh in non-benefited households) did not get work despite showing interest in working under MGNREGS. The percentage responses of beneficiary and non beneficiaries on the reasons for not getting work are as shown in the table below.

Table 26. Reasons for not getting benefits under MGNREGS (%)							
Phase	Households demanded work but not received	Work did not start in the village	Partiality of the Panchayats towards some households	Distance of worksite	Unable to do manual labour	Did not give written application	Others
Phase I	1024633	31.7	26.6	4.5	2.8	26.9	7.4
Phase II	513382	37.8	26.6	2.2	2.6	23.3	7.6
Phase III	849711	46.2	19.0	1.7	2.3	22.4	8.4
Total	2387726	38.1	23.9	3.0	2.6	24.5	7.8
Source: Estimates of the study							

It is evident in the table a lot of people who were interested in work could not get work because of the inefficiency of implementation of works in the villages. 38.1% respondents have said that they did not get work because work had not started in the village. Similarly, it can also be seen that 24.5% of the households have said that they did not get work because they did not apply in writing. These two combined account for more than 62% households who have not got work because of operational inefficiencies.

5.7. Payment of Wages

Across all the three phases, a large proportion of people have said that there is a delay in payment of wages. All workers are not getting wages within a fortnight as mentioned in the Act. A phase wise analysis of the reasons is as given in the table below. In the Phase I villages 77% households do not get timely wages. 32% panchayat



representatives have attributed lack of funds in their accounts as the reason for delay. Delay in measurement has been cited by 25% Panchayat representatives in this phase. In phase II villages, 70 % households have said that they do not get wages in time and in phase III 66% say that there is

delay of more than 15 days. The panchayat representatives in each phase have attributed delay in measurement and insufficient funds as the reasons for delay in payment of wages to the workers. It appears from the trend that while the Phase I villages have matured in terms of the works being implemented and the systems of measurement is slowly falling in place, whereas the phase III villages are still struggling with the aspects of inadequacy of manpower for measurement of works. It also emerges that the flow of fund in the Phase I villages have slowed down as compared to Phase II and III villages as they are feeling that lack of funds is a major reason for the delayed payment of wages.

Table 27. Phase Wise Reasons for Delay in Payment			
Reasons	Phase		
	I	II	III
Delay in Measurement	25%	28%	40%
Insufficient fund in the Panchayat's account	32%	28%	22%
Do not get Muster Rolls in time	16%	10%	8%
Delay in transfer of funds by the bank	16%	13%	8%
Lack of manpower	1%	3%	2%
Source: Schedule 2 - GP			

The Panchayats have rightly attributed the delay in payment of wages to the delay in release of funds to their accounts. 80% of the panchayat representatives have said that the wage payment gets delayed due to the delay in release of funds to the Panchayat's account. Around 10% also say that due to the delay in release of funds, the Panchayat are not able to meet the demands of the workers for opening new works. A phase wise status of delay in payment is shown in the adjacent graph. It can be seen other than phase-II that the proportion of workers getting their wages paid within 15 days is low. In Phase-I villages, only 30% workers have said that they have got wages within a fortnight.

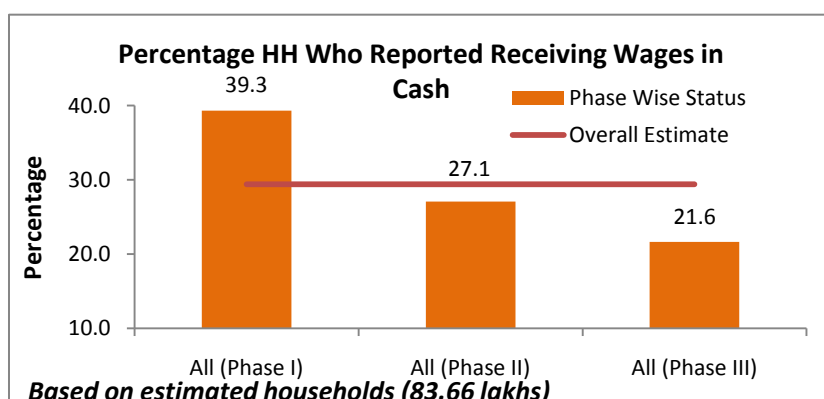
On being asked about the reasons for delay in payment, it emerges that the Panchayats attribute the delay in measurement (36%) and lack of funds in their account (33%) as the most important reasons.

Table 28. Effect of Delay in Release of Funds to Panchayats	
Effect	% Responses
Delay in Wage Payment	80.0
Cannot meet workers demand for work	9.5
Ongoing works remain incomplete	8.4
Cost of the work increases	2.1
Source: Schedule 2 – GP	

5.8. Realisation of wage payment

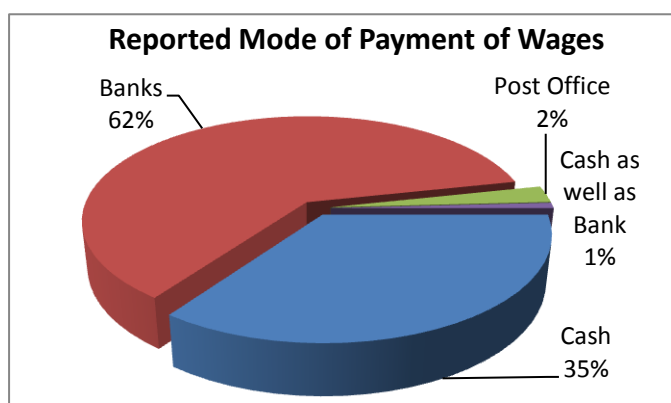
In order to ensure timely payment of wages and contain the misappropriation of funds in wage payment, the scheme made the payment of wages through bank / post offices mandatory from the year 2008. The concept of payment of wages directly to the bank accounts was introduced in order to maintain more transparency in the dealings of the Panchayat. However it appears that while it has increased transparency to some extent, several new challenges have emerged from this which need to be addressed. The delays

in realizing the wages have actually increased because of the bottlenecks in the payment mechanism through banks. There has also been an increased workload on the bank and the Panchayat secretary for ensuring this payment.



The estimates suggest that of the 25.61 lakh households which have got work under MGNREGS, as high as 29.4% households have reported to have got wages in cash. A phase wise status is shown in the graph.

It can be seen that while there is a decreasing trend in the reported mode of wage payment as cash there are still a significant proportion of households which are reporting that they are getting payment in cash. Since April 2008, the payments were to be made only through banks/post offices. However, even in the Phase II and Phase III districts, payments are being realized in cash. A possible reason for this could be the lack of familiarity or lack of comfort of the workers with the banking institutions. There is a possibility that the workers give signed withdrawal slips to a common person for withdrawal of money. While this does save the time of the worker in going to the bank for withdrawing money, it does make the wages of the workers vulnerable.



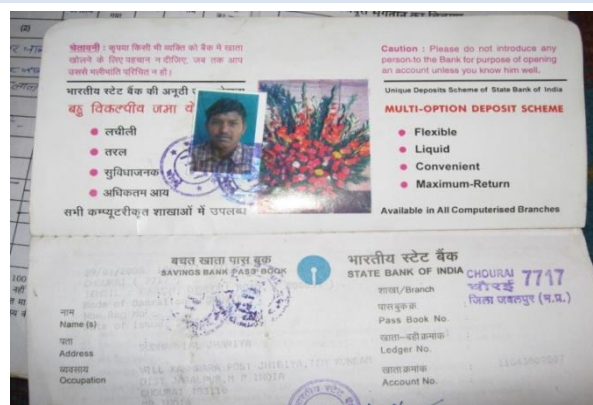
It is seen that the largest proportion of people have reported that payment is being made through banks (62%), followed by post offices (2%). 35% estimated households have reported that the payments are being made in cash. The reason highlighted by the households for cash payments is given in the table below. The largest proportion (87%) of respondents has said that they have been paid in cash as they do not have a bank account.

Reasons	Phase I	Phase II	Phase III	Total
Do not have bank account	83.1	86.8	89.9	85.9
Tedious process for depositing money by the Panchayat	5.3	9.1	6.6	6.5
Non cooperative behavior of the bank officials	3.0	0.5	0.6	1.8
Workers need some amount in advance in cash	7.0	2.4	1.2	4.3
Others	1.6	1.3	1.7	1.5

Source: Estimates of the Study

Case Study - Siphoning Off MGNREGS Wages and Blaming it on Computer

Kanhwara is dependent village of Gram Panchayat Devhara. This village is located in interior of the block head quarter Kundam of Jabalpur district. District Dindori and Mandala are adjacent to this village. Though the village is part of the Jabalpur district, villagers prefer to visit Shahpura block of Dindori district for routine works like shopping, schooling of children etc. In the absence of good transport facilities people either use bicycle or they walk to their destination places.



Although post office is situated in the village at 3km. distance from village Kanhawara, bank accounts for the payment of MGNREGS wages are opened in the State bank of Indore at Chourai. The village Chourai is around 20km. distance away from the village Kanhwara. Around 50 families from the village already had account in this bank, which were allowed to use for MGNREGS payment. Other villagers have opened their account and have received pass book for the same immediately. But in last 2 years pass book is not up dated by bank with the justification of problem in computer.

Labourers are asked to withdraw amount in round figures by the bank officers. For e.g. if a labour has earned 680/- rupees, he is asked to withdraw 600 Rupees. Labourers complained that their remaining amount for past two years is not paid by the bank. Labourers are told that their remaining amount is eaten by the computer.

Other labourers who had account prior to MGNREGS are also facing the problem. MGNREGS accounts are supposed to be operated on the zero balance term. But very often the money is deducted by the bank in the name of zero balance. Mr. Jeevan Lal Zaria who holds account no. 1163009444 in the same bank was shocked to notice that Rs. 100/- on 31st March 08, Rs. 100/- on 31st June 08 and Rs. 100/- on 31st September 08 were deducted from his account. Delay in the payment of MGNREGS through bank is faced by the labourers across country. But villagers of Kanhwara are surprised and shocked at the story of siphoning off wages by computer.

5.9. Maintenance of the Assets

Along with developing sustainable assets, there is also a challenge of maintaining these assets. Of the 400 Panchayat representatives and sachivs interviewed, 62.1% have said that the Panchayats have not made any provision for maintenance of the infrastructure created. The instructions for the individual works clearly state that the maintenance has to be done by the beneficiary. There is very little clarity on the maintenance provisions for the larger works. The instructions on the Nirmal Neer sub scheme for construction and renovation of water bodies for community use says that the onus of maintenance is on the Village Water and Sanitation Committee, whereas there are no provision of resources for maintenance work.

Most of the Panchayat representatives and sachivs (69.23%) perceive the budget under Moolbhoot can be used for maintenance of the community assets. Nearly 11% feel that the direct beneficiaries and the community can also contribute for maintenance of these assets.

Table 30. Perception of Panchayat on Possible Source of Funds for Maintenance					
Phase	Moolbhoot	12th Finance Commission/ MLA Lad	MP LAD	Community/ Beneficiary Contribution	Any other
Phase I	63.04%	8.70%	0.00%	8.70%	19.57%
Phase II	66.67%	3.03%	3.03%	12.12%	15.15%
Phase III	76.47%	1.96%	0.00%	11.76%	9.80%
Grand Total	69.23%	4.62%	0.77%	10.77%	14.62%
Source: Schedule 2 – GP					

5.10. Conclusions

- The planning exercise in MGNREGS is being done in a ritualistic manner without engaging with the Gram Sabha meaningfully as desired in the Act. . It clearly reflects that the plans are practically prepared by the sarpanch and the sachiv. As high as 95% of sarpanch and sachiv say that plans are approved in the Gram sabha whereas only 1% households have echoed this. This shows that the Gram sabhas are actually not involved in development or approval of the plan. This remains a mere formality which is done only on papers.
- There is still a lot of control of the state government at the implementation level of the scheme. Several activities are planned and implemented as per the preferences or priorities of the departments instead of Gram sabha. Sarpanch/Secretary feels that the department (or the state) influence the type of work that is to be implemented in the village. A large proportion of respondents (25.1%) also say that the annual plans get influenced by the influential persons like MLA/ MP etc.
- Largely (75%) the panchayat representatives are satisfied by the technical support provided by the block administration. Forty percent of those who are not satisfied, have said that they do not get support in technical aspects of the scheme such as preparation of estimates. As high as 30% panchayat representatives have said that they are not satisfied with the processing of documents by the block.
- The response of panchayat to the 'demand of work' is not satisfactory. Only 48.8% households have received work within 15 days of demand. The workers also say that they have not got as many days of employment as demanded. Overall 78.5% of the respondents have said that they have got lesser workdays than what was demanded.
- There are several issues related to payment of wages. As high as 54% households have said that there was a delay of more than 15 days in getting wages. 36% of those who have got lesser wages have cited delay in measurement as the most important reason for delay. 33% have said that the delay in wages is caused as sufficient funds are not available with the panchayats.
- Payments through banks were made mandatory as this would have helped in increasing transparency and accountability in wage payment. However it is

observed that despite making bank payments of wages mandatory, an estimated 35% households have reported to have got wages in cash.

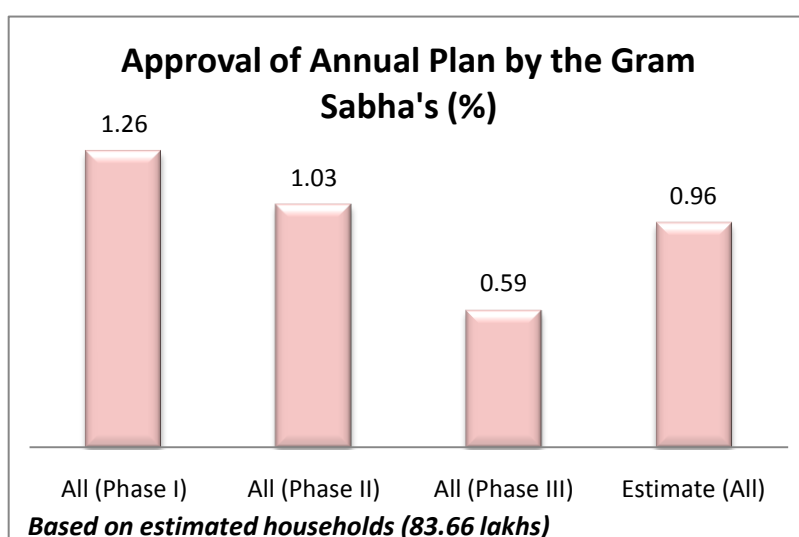
- Apparently, there is no clear strategy for maintenance of assets in MGNREGS. There is a clear lack of clarity and understanding on how the assets would be maintained. There is ambiguity over which funds panchayats can use for maintenance of the assets.

Chapter.6 Grievance Redressal Transparency and Democratic Governance MGNREGS

6. Transparency and Democratic Governance in MGNREGS

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has incorporated various mechanisms to ensure transparency and accountability such as web-based MIS system, norms on establishing an information board at every work-site, facilitation of mandatory six-monthly social audits by the Gram Sabhas, village level monitoring and vigilance committee comprising of Gram Sabha members, public payment of wages to beneficiary households etc. The scheme and Act clearly stipulate the expected roles and responsibilities of duty-bearers engaged to enforce the efficiency and effectiveness of the scheme. This chapter covers the issues related to transparency and accountability in the implementation and highlights the gaps and challenges.

6.1. Participation of Gram Sabha in Preparation of Annual Plans



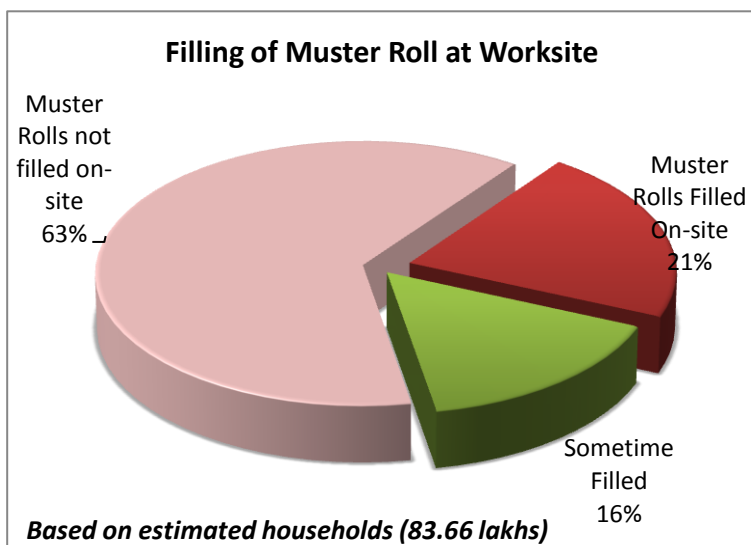
As per the Act it is mandatory for all Gram Panchayat to develop an Annual plan through Gram Sabha consultation that should clearly reflect the types of works to be carried out in the village, available budget, required person days etc. This annual plan has to be approved by the Gram Sabha for timely and effective implementation.

In the study it has been noted that this aspect has been largely ignored across all the districts. 1.26 % estimated households reported that the Annual Plan of their village was approved in the Gram Sabha.

The Gram Sabha is the legitimate public forum meant for ensuring peoples participations in the village level plans and programmes and to ensure accountability and transparency. Realizing the significance of the Gram Sabha, the MGNREGS, which is a demand driven programme, stipulated this significant feature very clearly to enhance peoples participation and rights. However, an analysis of the trends of three phases indicates a diminishing rate of approval of annual plans by the Gram Sabhas. Across the three phases the proportion of people who are aware that the plans are approved, has reduce significantly. This shows a

general lack of interest among the Panchayats in getting the plans approved through the Gram Sabha. Nevertheless, the key duty bearers particularly Sarpanch/Secretary of Gram Panchayats' and officials of district and block administration have stated that they strictly follow the norms of approval of plans through the Gram Sabhas. In such a situation it is the responsibility of the state agencies to ensure effective monitoring to ensure that the stipulated norms are being implemented efficiently.

6.2. On-Site Filling of Muster Rolls and Village Monitoring Committees



The scheme lays down that the muster rolls should be kept on-site and attendance of labourers should also be recorded on-site in order to keep the employment record public and facilitate easy monitoring and verification. As the nature of works to be taken as per the provisions of NREGA is of earthen or manual unskilled types and since wages are also paid on piece rates, therefore, the

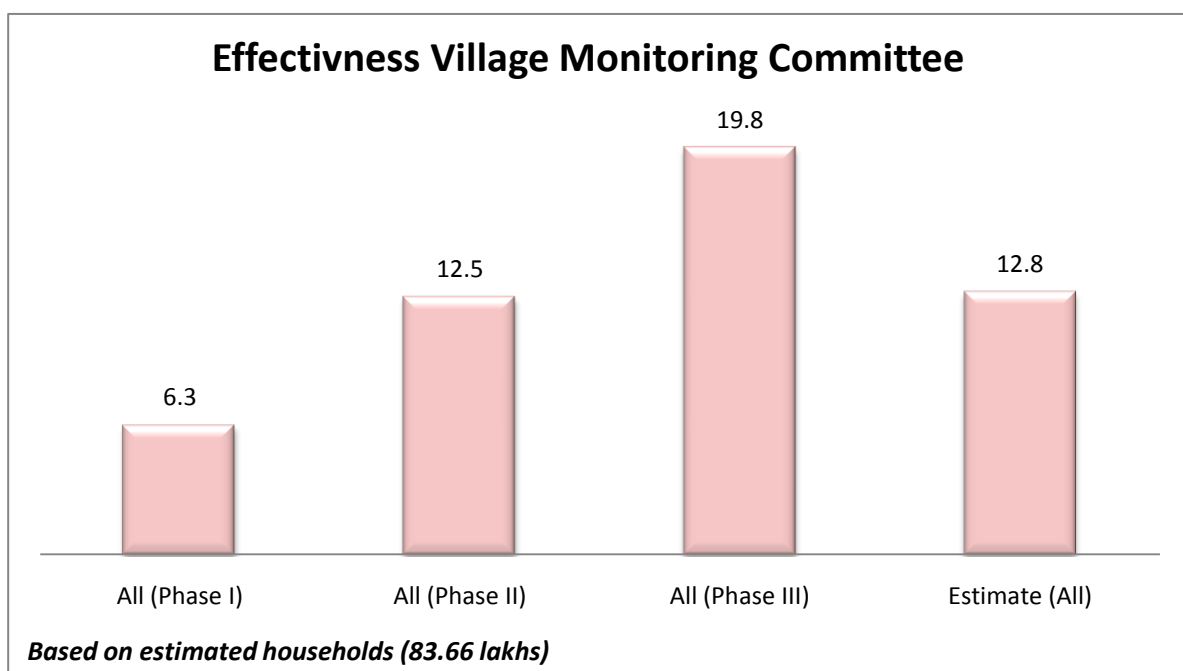
importance of filling the muster roll on-site is significant to keep it transparent. Among the estimated beneficiary households who have got the work under the MGNREGS there is a perception that filling the muster roll at the worksite is not done properly. Only one out of five estimated beneficiary households stated that the muster rolls were always filled on-site. Another one-fifth of households stated that it was filled sometime on-site but the remaining three-fifths denied that muster rolls were filled at the worksite. Broadly speaking it appears that the majority of the Panchayats do not maintain this practice holistically.

With respect to ensuring transparency in the utilization of materials there is a provision of worksite material register. This register is an important document for verifying the stock. However in reality it has been noted as per the views of the Sarpanchs and Sachivs only 54% sample Gram Panchayats' are following this provision effectively. Considering the importance of this register as the key instrument for ensuring transparency at worksite there is large gap which need to be addressed efficiently.

Table 31. Worksite Material register for verification of materials is available at Worksite		
Phase	Yes	No
Phase I	53.15%	46.85%
Phase II	43.53%	56.47%
Phase III	64.23%	35.77%
Overall	54.86%	45.14%

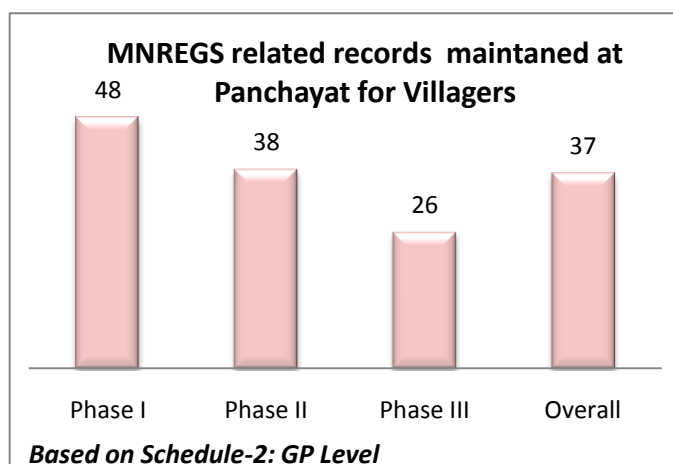
Source: Schedule-2 Interview of Sarpanch/Secretary of Gram Panchayat

In order to improve this practice as well as enhance other features to ensure accountability and transparency at Panchayat level for MGNREGS, village level Monitoring and Vigilance Committees are being established in each village. It is expected that these village



monitoring committees would monitor the effectiveness and efficiency of Panchayats/ Implementing agencies on MGNREGS. However, as per the household responses it seems that only 13% perceive that village level monitoring committees are functioning efficiently. The emerging trend of different phases does reveal a progressive improvement in the effective functioning of village monitoring committees. However, overall it appears that there is a huge gap in this particular aspect. Regular monitoring of MGNREGS aspect particularly formation of need base annual plan, development and dissemination of information on muster rolls etc in a transparent manner is highly significant. Therefore, there is a demand for the involvement of local civil societies in these processes.

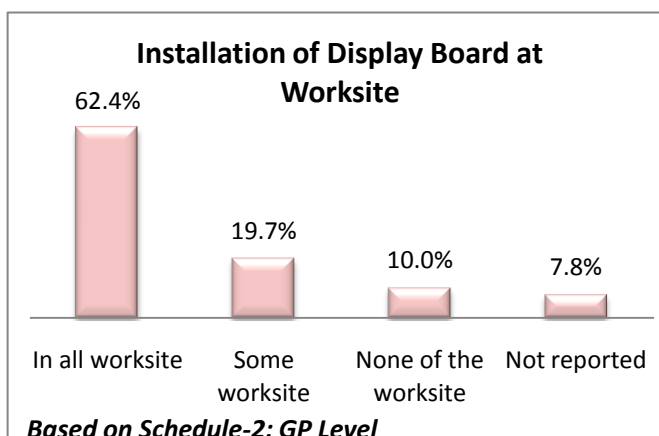
6.3. Village level Panchayat records and information dissemination



The analysis reveals that one-third Gram Panchayats are able to maintain appropriate records related to MGNREGS implementation and extend open opportunities for people to verify the relevant information. Envisaging different phases, it appears that majority of the Panchayats are either lacking the desirable capacity to develop and maintain the required records or poor willingness on record maintenance

could also be a reason for prevailing gap. From accountability and transparency perspectives, it is important that Panchayats should develop, maintain all records and allow community to verify these. However, considering ground realities, the community seems reluctant to demand their rights due to their limited awareness and lack of confidence. Poor demand from public on record development and verification also induce Panchayats to be slow on this significant aspect.

The scheme has a strict provision for enacting an information-board at work site in order to inform and disseminate pertinent information to the community to ensure transparency and accountability in the applied activity. The Panchayats are primarily responsible for ensuring that display boards are fixed at work sites and updated on a regular



basis. For effective implementation of this norm, all Panchayats have also been provided adequate budget provision. However, in reality, it has been noted that only around 60% Panchayats are taking this aspect seriously and establishing information boards at work-sites. However the regular updation of these information boards remains a question mark. The possible reason for such pro-activeness at Panchayat's level could be a regular and abundant supply of these boards from Block head-quarter to each Panchayat. Despite adequate supply, it has been observed that due to lack of regular and effective monitoring on this aspect. Apart from this, around 10% Panchayats do not consider this aspect important and hence do not establish any information board at work sites.

6.4. Grievance Rederssal and Complaint Mechanism

6.4.1. Filing of Complaint

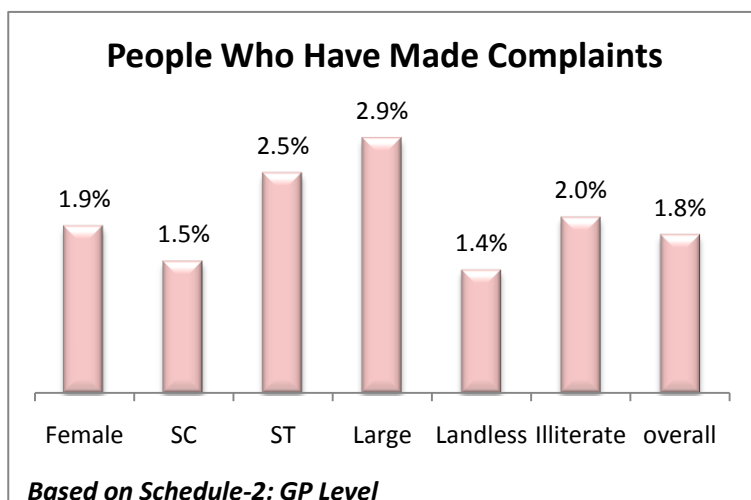
MGNREGS also has a provision of filing complaints against any irregularly of the provisions. A complaints register is also kept at the Panchayat level which is accessible to the community for lodging complaints. In most of the surveyed villages Panchayat representatives

MGNREGS	Estimated Households	Complaints lodged by estimated households (in nos)	Complaints lodged % to total
All (Phase I)	3326103	32738	0.98
All (Phase II)	1896899	14078	0.74
All (Phase III)	3143695	19303	0.61
Estimate (All)	83.671 lakh	66120	0.79

Source: Estimates

informed the researchers that community is not lodging complaints formally. As per the estimated households less than one percent households have lodged complaints. At the

same time those who filed the complaints have revealed that their issues were not being addressed in the stipulated time frame.



Among the sample households it appears that communities very rarely lodge the complaints. Looking at the graph it is evident that those who belong to large landholdings have shown pro-activeness in lodging the complaints. Whereas the landless, scheduled castes and women who are the most vulnerable categories have made the least numbers of

complaints. This pattern reveals possibilities that Panchayats are not being able to create conducive environment for equal access and timely justice particularly for those who belong to the most disadvantaged category. It is highly possible that the present complaint procedure is not user friendly. Other possibilities could also be a lack of information on the complaint procedures and or lack of trust on Panchayats for handling complaints.

Case Study - Unheard Grievances of Poor Laborers

Kanhwara is a dependent village of Devhara Gram Panchayat. The villagers have complained to the Collector and SDM at Jabalpur regarding irregularities and malpractices in the road construction work and payment in MGNREGS by panchayat secretary. The road was supposed to be built with the use of murum and rubble. The road is built only by laying the soil. During monsoon it converts into mud all over the place. One side of the road also got washed off in first shower of rain. The inferior quality construction of road has added difficulties in commuting of villagers and domestic animals.

The wages were paid to laborers at the rate of Rs. 25/- per day. Later it was increased to Rs. 36/- per day, which is much less than stipulated by the MGNREGS. Initially villagers raised the matter of low quality of construction and low wage payment in Gram sabha. But Panchayat secretary did not address the problem. The Chief executive officer of Kundam block head quarter also visited the place but no corrective action was taken. Now villagers are waiting for hearing on their grievances in the office of Collector and sub divisional magistrate.



6.4.2. Lok Adalats on NREGS

In order to provide quick redressal of complaints and grievances in the implementation of NREGS, Lok Adalats were organised in all the districts of Madhya Pradesh. On the directions of the Jabalpur High Court, the District Legal Services Authorities were the nodal agencies for organising these Lok Adalats. These were organised at a cluster of 8-10 panchayats. A couple of days prior to the adalat, an awareness camp is organised at the main Panchayat. During this camp, the secretaries of the different Panchayats ensured that people from different villages in the cluster visit the camp to understand the process of filing their complaints.

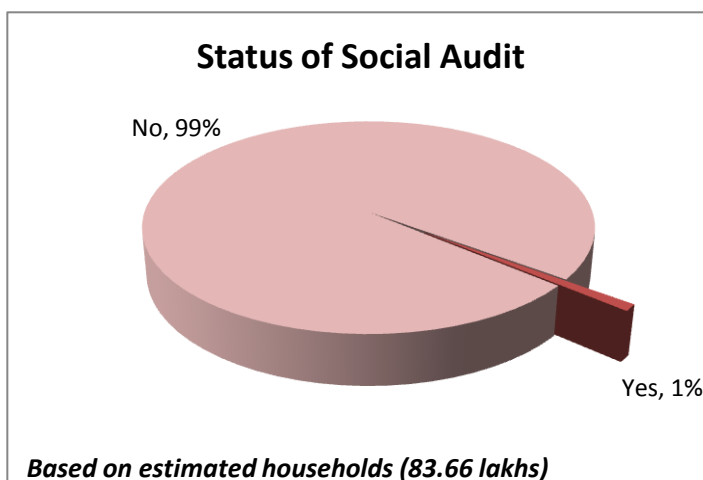
On the day of the Lok Adalat, a team headed by the Judicial Magistrate begins the hearing. The administration (Janpad Panchayat CEO, Secretaries of all the Panchayats in the cluster and the Sarpanches of the Panchayats) attends the hearing so that issues raised by the workers could be addressed quickly. While the intent of organising these lok adalats was to provide quick and out of the court solution to the issues coming up in NREGS implementation, the mechanism has not been particularly successful. Some of the challenges in this mechanism are as mentioned below:

- The responsibility of organising the awareness camp as well as the lok adalat was given to the Janpad Panchayat who were not very keen in organising them as the Janpad Panchayat could also be put on docks in these lok adalats. Thus people hardly got to know that such lok adalats were organised. This resulted in very low turnout in these meetings. On an average 4-5 cases used to come up in these meetings.
- Issues like non issuance of job cards, or delay in wage payment etc came up more frequently for hearing. More serious issues on misappropriation of funds, non payment of unemployment allowance, non acceptance of demand for work etc rarely featured in these lok adalats. Since the secretaries were given the responsibility by the Janpad Panchayat for mobilising the community for the Lok Adalat, there is a possibility that such issues might have been deliberately filtered.
- The complaints were accepted in a specific format and the complaints had to be given in writing. With a large section of the workers who are illiterate, could not get adequate support in filing the complaints.
- The Lok Adalat does not have punitive powers and can only ask the administration to ensure that justice is done. In case the administration does not take action, then the lok adalat can refer the case to the concerned department and the department has to take action. This takes a long time and also depends on the department on the kind of action to be taken. Thus it cannot really be ensured that justice would finally be done in the case.

6.4.3. Social Audit as a means of ensuring transparency

The MGNREGS has a mandatory provision of facilitating Social Audit by the Gram Sabhas in every six months after the implementation of the scheme. Facilitating Social Audit is an imperative tool for upholding transparency and accountability at Gram Sabhas. Despite such provision less than one percent estimated households have mentioned that social audit is

being facilitated in their village. A major reason for this lapse could be lack of awareness among villagers on social audit provision. At the same lack of willingness of the Panchayat' Sarpanch and Sachiv comes as big hurdle. They did not actively organize Gram Sabha and provide relevant information. It is surprising to note that those who are well educated and belong to large landholding were found among the most informed category. It can be conclude that majority of the social audits are conducted in presence of influential and well off villagers. Whereas poor and most vulnerable are either being ignored by Panchayts or they have lost interest in such social audit meetings.



There is a difference in the awareness on the provision of social audit in the three phases. It is progressively decreasing from villages of phase I to villages of phase III. The phase I villages saw the implementation begin in 2005 and these households are now into the 5th year of implementation. Consequently they know more about the scheme. Even then, not more than 4% of the households are aware of Social Audit in phase I & phase II villages. For phase III villages this number is limited to 2%. Negligible awareness of this important tool for building transparency is the biggest bottleneck in the effective implementation of the scheme.

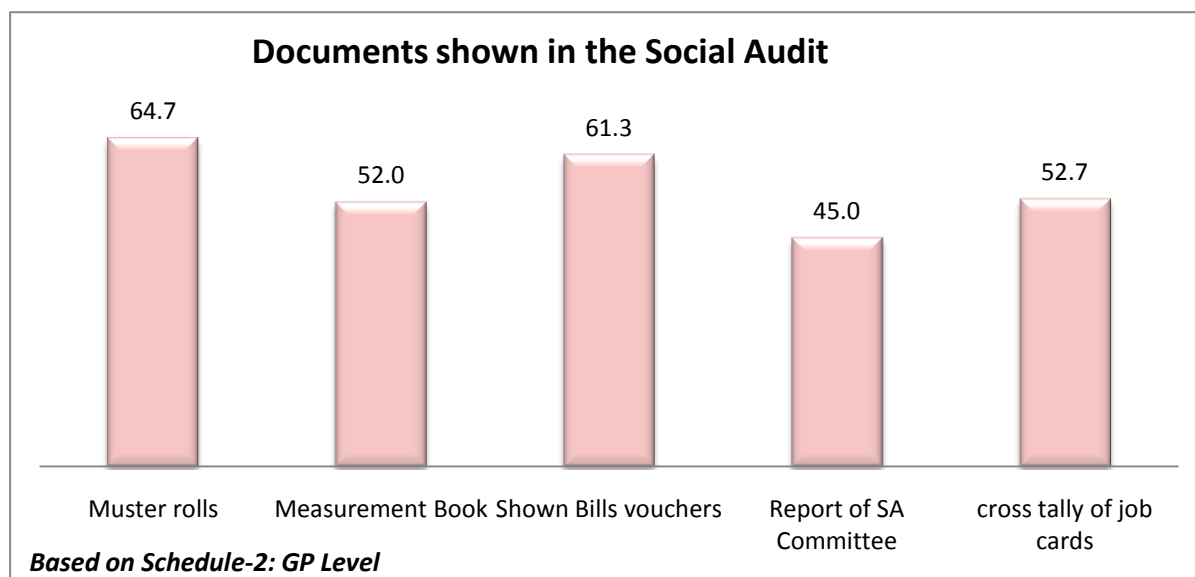
On the other hand the analysis of responses of Panchayat level functionaries and elected representatives reveals that 13% respondents stated that no social audits are being conducted in their villages. The scenario of number of social audits being conducted shows that on an average 30 percent Panchayats have conducted at least one or two rounds of social audit.

There are some exceptions where Panchayats have done more than mandatory requirement. For example *Tala gaon* Panchayat of Majouli block in Sidhi district has conducted eight rounds of Social Audit. Similarly, *Sundra devi* Panchayat of Shapur block in Jabalpur district also conducted 6 rounds of social audit. The details on numbers of social audit conducted in the sample villages are mentioned below:

Phase	Table 33. Number of Social Audits Conducted during Year 2009-10 in the Sample Villages					
	No social audit done	Single social audit done	Two rounds social audit done	Three rounds social audit done	Four rounds social audit done	More than 4
Phase I	9.01	34.23	32.43	15.32	8.11	0.90
Phase II	20.00	27.06	17.65	17.65	12.94	4.71
Phase III	11.38	24.39	35.77	13.01	13.82	1.62
Overall	12.85	28.53	29.78	15.05	11.6	2.19
Source: Schedule-2 Interview of Sarpanch/Secretary of Gram Panchayat						

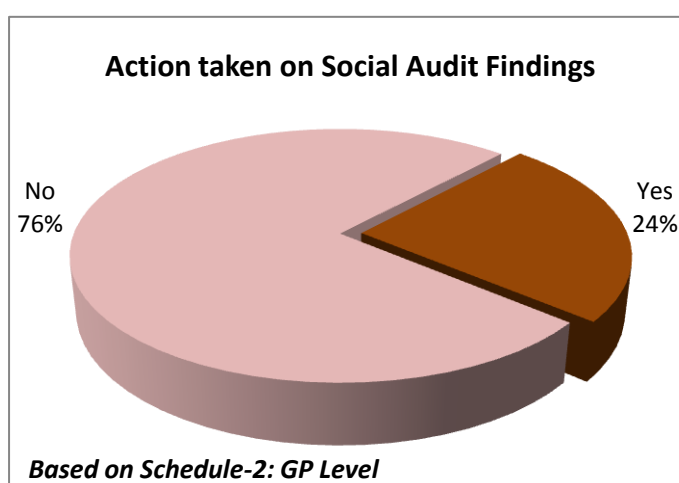
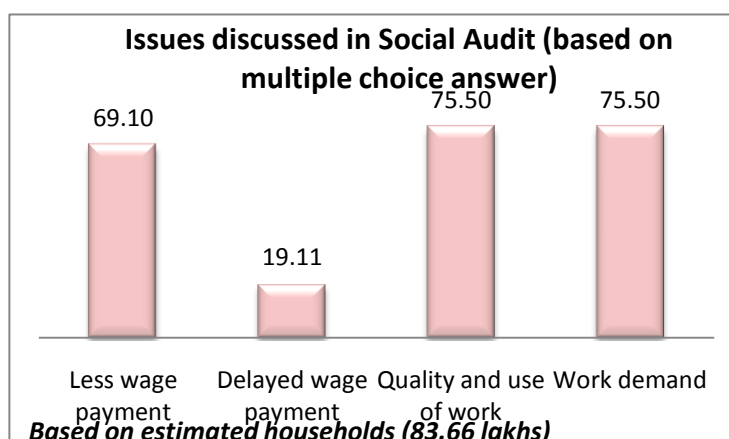
It has been noted that no specific Gram Sabhas were called for conducting social audits. It is a reality that most social audits are done in the four mandatory Gram Sabhas. In these mandatory Gram Sabhas the Panchayat has to discuss many issues according to the agenda of the meetings. It is to be noted that some times the number of issues in the agenda are more than 20, which is a serious issue as far as quality of social audit is concerned. Definitely this practice may increase numbers of Social Audit for reporting but it doesn't contribute for improvement of transparency and accountability.

In order to maintain the desirable quality of the social audit process Panchayats are expected to share relevant information and records with the public. As such it is necessary that the key information related to Activities carried out in the village, budget, expenditure, records of community assets etc must be shown publicly. The graph shows that most of the Panchayats where Social Audit has been conducted are showing required records publicly. However, there is a still large gap of around 40% where Panchayats need to be more proactive in disseminating information publicly.



As per the estimated households who have participated in social audit processes and have raised related issues, the majority of the issues pertain to work demand and quality and use of work. The issues related to less wage payment are also being discussed very frequently during social audit. However interactions with Panchayat representatives in sample villages reveal that issues such as payment lower than prescribed minimum wage

rate and delayed payment are key issues generally raised in the Social Audit processes. The variation in the issues shared by the community and the Panchayat representative reveals an interesting fact that social audit is not being able to capture the real issues and most of the Panchayat representatives are not aware of the issues related to villagers.



The analysis of responses of Panchayat representatives' reveals that only in one-fourth villages' action was taken on social audit findings, which shows that the most important tool for ensuring transparency and accountability is not applied effectively. Therefore the instrument of social audit has not being able to produce desired results. This would also be a factor in de-motivating community to

participate in Social Audit process and adversely affect their perception of it as the key tool for transparency and accountability. While asking the reasons for low Action on issues, Panchayat representatives stated that lack of technical capacity and weak coordination from the concerned officials at the district level and extra work load were the key factors delaying the process for addressing the issues.

6.4.4. Toll Free helpline

The Government of Madhya Pradesh has also initiated the Telesamadhan services for running a toll free help line (Telephone no. 155343) for getting feedback on the implementation of different government schemes from the community. Twenty one key departments and schemes of the Government of Madhya Pradesh are subscribed to this facility. Citizens can call the number to register their complaint on the implementation of the different schemes run by these departments. The citizen is allotted a complaint number and within 7 days the complaint is addressed by the concerned department. In case the complaint is not addressed in the stipulated time, it gets reverted back to the CM secretariat and the Collector has to respond to the grievance

Complaints or feedback on issues of MGNREGS can also be registered on this call centre number. The complaints pertaining to job card registration, demand for work, allotment of work, payment of wages and beneficiary sub-schemes can be registered.

Though this is a positive step taken by the government, the system is grossly underutilized as of now. People do not know about this facility so the registration of complaints has been very low. There are also issues pertaining to the response of the call centre which often refuse to register complaints and try and convince the caller to contact the concerned official at the local level.

6.5. Conclusions

Development of annual plan envisaging the community needs, scope and resources at Panchayat level is a significant step for effective participatory planning. For effective facilitation of this process, increased awareness among the people regarding their entitlements and rights in MGNREGS is highly important. In absence of such desirable awareness, current annual planning processes at Panchayat level are not viable which raise further questions on accountability and transparency. Therefore, it is very important for the state agencies to develop a clear guideline on expected processes on bottom-up planning and establish mechanisms which assure that prescribed processes are well facilitated. In particular it should be ensured that the annual plan meets the community needs and matches available resources.

Village level monitoring committees have the important function of monitoring the effective implementation of MGNREGS at Panchayat level. However, in given circumstances, these monitoring committees in the absence of any proper capacity building and support on their expected roles and responsibilities, are not able to play any meaningful role or add value to the mechanism. Therefore, it is highly important to assess the current capacities of these village level monitoring committees in the aspects of their conceptual knowledge, ability to monitor the aspects, commonly agreed indicators which are to be used for monitoring, duration, tools, documentation and effective feedback mechanism to inform Panchayats to take actions on its shared recommendations. Local CSOs or any interested and experienced agency must be engaged on such holistic process to make these committees effective.

Apart from MGNREGS, there are many other tasks that have been assigned to Panchayats which consume their larger portion of energy and over-burden Panchayats thus reducing their interest. Under MGNREGS, Panchayats are expected to maintain various registers and records which demand capacity building support and also require time to fill these forms too. Therefore, in order to reduce the work-load and maintain their interest, the state agencies should develop a succinct and user-friendly form which should cover the significant aspects of MGNREGS and take lesser time for submitting information. Such

simple and easy information would also generate interest among community to understand the MGNREGS processes and progress.

For effective application of complaint response mechanism, it needs to be designed and implemented from a very holistic perspective. Currently, the system is essentially one-way and does not help the community. To make this system effective, it should be designed from a response perspective also. Moreover, Panchayats which are engaged as key duty-bearer in MGNREGS should not be involved for receiving the complaints to make it transparent and accountable. The village monitoring committee should be given the responsibility to manage complaint response mechanism at village level. Also, in order to keep it comprehensive, respective block and district level specific authorities should also be kept on framework. The community must also be informed on such mechanism with their rights to get responses with time-limits and referrals.

Social audit is the most significant instrument proposed in MGNREGS to insure people's involvement for demanding transparency and accountability. Nevertheless, entrusting this important function to Gram Sabha which is already loaded with many pre-set agendas, does not give enough time and focus on MGNREGS thus making this instrument merely a formality of sharing some basic information. Effective facilitation of a social audit requires very comprehensive planning, focus, and attention from various stakeholders and should be facilitated separately. Panchayats should share some basic important figures related to MGNREGS particularly on budget expenditures, job provided and work done etc during the Gram-Sabhas, where proper social audit must be done separately in collaboration with local CSOs and respective government officials.

Chapter.7 Impact of MGNREGS

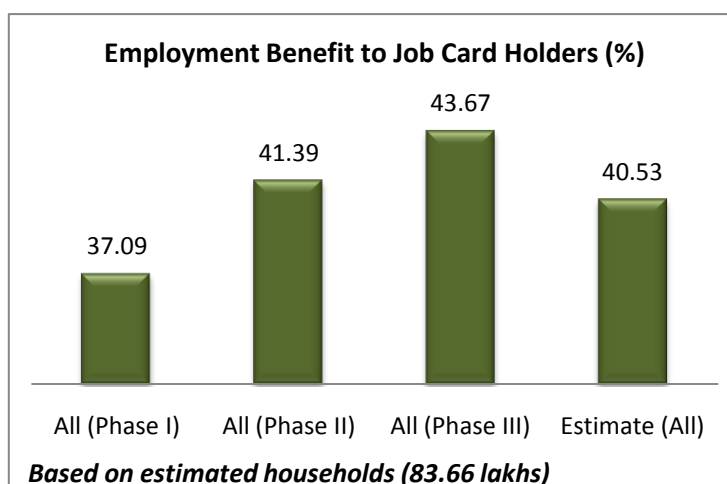
7. Impact of MGNREGS

In the rural context where the economy is largely dependent on agriculture, a large proportion of the rural population is dependent on the wages which they earn through unskilled manual labour in agriculture and otherwise. The workers in MGNREGS are largely casual workers who are vulnerable and suffer from chronic poverty when there is inadequate labour demand or when there are some calamities like natural disasters or personal crisis like ill-health or indebtedness etc. In this context programmes like MGNREGS are extremely important as they provide the community with income during critical times especially during lean agricultural seasons. MGNREGS is being projected as the largest social security scheme in the world. Huge sums of money are being spent at the village level to ensure that the poorest and the needy households get a guaranteed employment for at least 100 days in the village.

The scheme is expected to bring about radical changes in the rural economy. The scheme is poised to make a great impact on the households to bring them out of the poverty trap. This chapter explores the impact that the scheme has had on individual households as well as on the village as a whole.

Works on a large scale under MGNREGS has a potential of creating purchasing power of poor in rural India. The additional income (however meager) would create demand for commodities which in turn creates demand for capital, raw materials and workers. Thus the additional wage income boosts the entire economy. The most basic

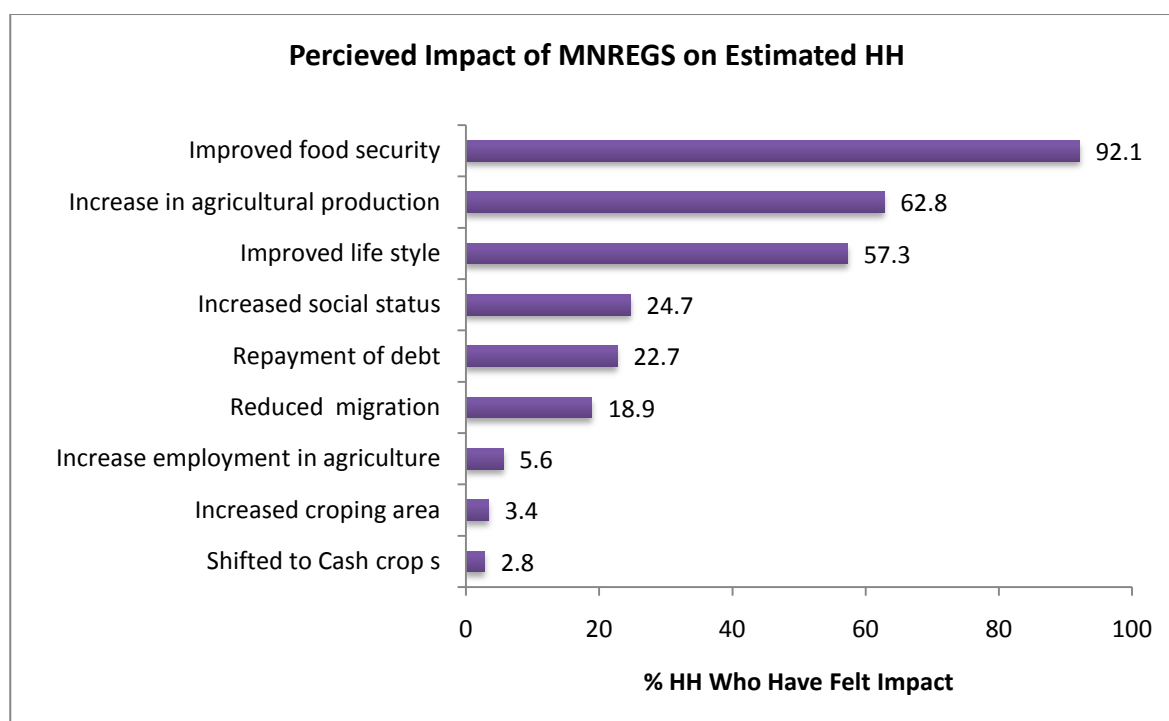
indicator of impact of MGNREGS is the employment received by the households. While job cards have been issued to 76 percent estimated households, it is seen that not all households have got work under MGNREGS.



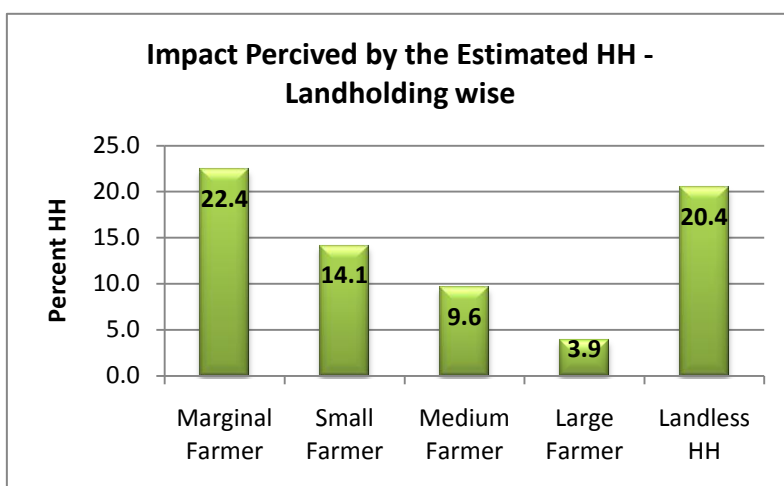
An analysis of estimates on employment benefits provided to job card holders reveals that in all 41% of the job card holders have got work under the MGNREGS during fiscal year 2009-10. The phase wise status is shown in the above graph.

7.1. Perception of Impact on Individual Household

Overall, most of the households which have worked in MGNREGS have said that they have seen some impact of the scheme at their household level. The estimates suggest that 68.3% households which have got work under MGNREGS (of the estimated 83.7 lakh households covered in the study) have felt that there has been an impact on the household because of the scheme. Perception on impact on individual households was assessed on 9 broad parameters viz. (i) improved lifestyle, (ii) increase in social status, (iii) improved food security situation, (iv) increased employment in agriculture, (v) reduced migration, (vi) debt repayment, (vii) increase in agricultural production, (viii) increase in agricultural area and (ix) production of cash crops. The perception of impact of MGNREGS on individual households is shown in the graph below.



Of the 83.67 lakh estimated household, only 16.76 lakh (20%) households have felt any impact of MGNREGS. The impact of MGNREGS in decreasing order of perception of the households (who have felt impact) is shown in the above graph. The largest impact of the scheme is seen as an improved food security in the rural areas (92.1% HH). This is followed by an increase in agriculture production (62.8%) and improved lifestyle of the workers (57.3%). Very few people (3-6%) perceive that MGNREGS has had a positive impact on agriculture. Only 18.9% feel that there is a reduction in migration because of MGNREGS.



In the estimated landholding wise households, it can be seen from the graph that the 22.4% of marginal farmers have said that they see impact of MGNREGS. Therefore, though MGNREGS impacted the food security of extremely marginalized group, it helped marginal farmers slightly more than the

landless labourers. The households with larger landholdings (small, medium and large farmers) do not see significant impact of MGNREGS. The reason for this is quite apparent as it is the marginal farmers who have directly benefited by the works on their land. Similarly the landless labourers have got work for which they are paid wages. These are the direct impact on the households. The farmers with larger landholding do not have the benefits of individual works nor are they interested in working in MGNREGS. Therefore the perception of the better off households is not very positive as far as impact of MGNREGS is concerned.

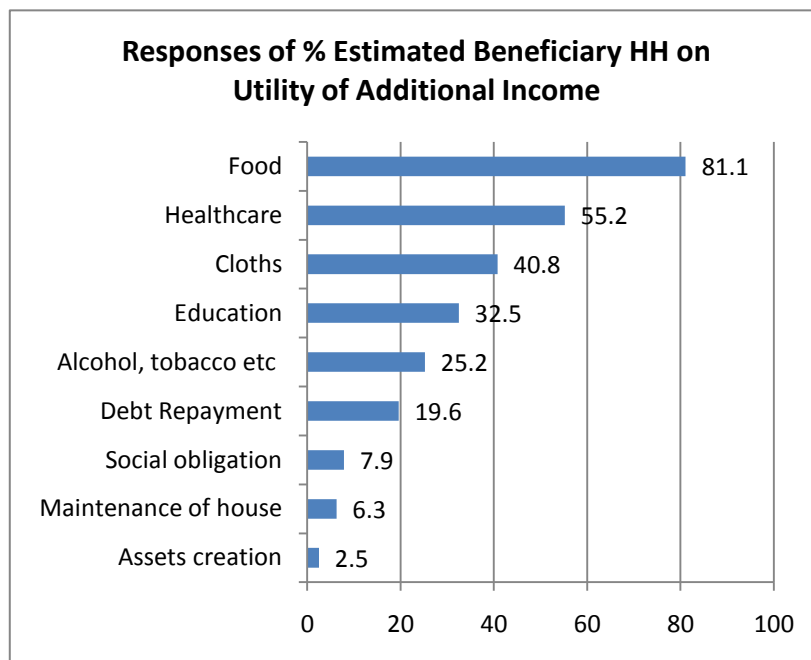
7.1.1. Impact on MGNREGS additional wage income

The direct impact of MGNREGS can be seen on the workers in the scheme who are the poorest of the poor. These households do not have enough assets or base to have sustainable livelihood. MGNREGS has provisions for providing each household with an additional 100 days of guaranteed employment. However, the estimates of the last fiscal year show that on an average the households have got 31.8 person days of work. The phase wise estimates of the additional days of work that the households have got are shown in the table below

Table 34. Estimates on employment Generation during MGNREGS in the State				
MGNREGS Phase/ Performance Level	Estimated HH Worked in MGNREGS (2009-10)	Average Employment received per HH (Person days)	Per day average wages payment	Per HH Additional Wages (INR)
Phase I	929640	29.7	56.7	1682.1
Phase II	610213	32.7	59.5	1949.8
Phase III	1021126	33.1	61.0	2021.0
Estimate (All)	25.61 lakh	31.8	59.2	1881.0
Source: Estimates of the Study				

These additional person days of work has provided an additional income to the households by working in the village itself. The estimates reveal that there has been an increase of Rs 1881 as additional income from working in MGNREGS. The phase wise average per household is also shown in the above table.

The additional income has been used for varied purposes. However the amount is so meager that most of it gets spent on food and healthcare. The estimated response of the households on the utility of additional income in decreasing order of preference is shown in the adjacent graph. It can be seen that most of the households (81.1%) have said that the additional

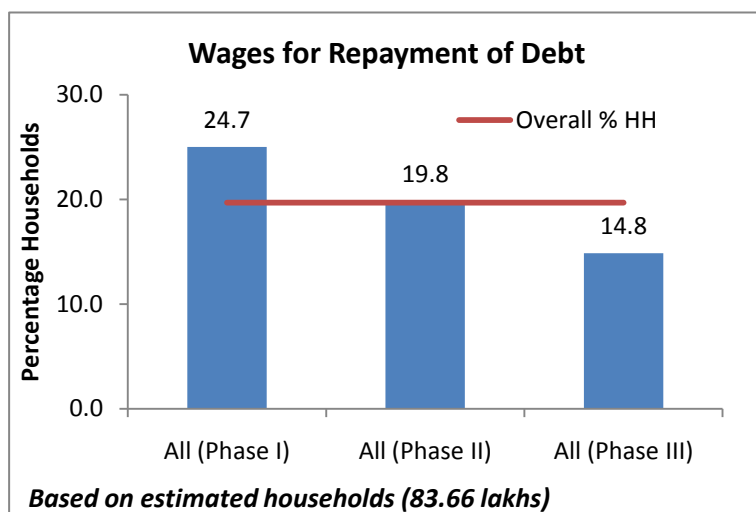


income gets consumed in meeting the food requirement of household. Healthcare expenditure was identified as the next major expenditure (55.2%) followed by clothes (40.8%) and education (32.5%). It can be seen that items like asset creation (2.5%), debt repayment (19.6%) etc are further down the order. It is evident that workers are able to get only enough money as wages to meet their regular needs. The savings of the workers are not enough to make them able to acquire or maintain assets or even debt repayment.

7.1.2. Impact on Indebtness

The estimates show that 19.7% households have been able to use the additional income in reduction of indebtedness. It is estimated that overall around 5.1 lakh households have been able to repay debts with the income that they have got as wages from working in MGNREGS in the last fiscal year. As much as Rs 16.6 crore have been the cumulative debt amount repaid by the workers. The average loan repayment per household is around Rs 328/-. The phase wise status of debt repayment is shown in the table below.

Phases	Table 35. Estimates on Indebtness Change on Individual Households			
	HH Worked in MGNREGS (in Lakh)	HH which repaid debt		Debt Repaid (in Rs Crore)
		(No in Lakh)	%	
All (Phase I)	9.3	2.3	24.7	7.3
All (Phase II)	6.1	1.2	19.8	3.9
All (Phase III)	10.2	1.5	14.8	5.4
Estimate (All)	25.6	5.1	19.9	16.6
Source: Estimates of the Study				



A phase wise analysis shows that more households in the earlier phases (I and II) have been able to use the money in debt repayment. A possible reason for this could be that gradually the workers are able to save enough money for repayment of debts. Apart from the wages, the impact of the works undertaken in MGNREGS would also show

impact in the household's overall income. The above graph shows that in Phase I, 25% beneficiaries have been able to repay some debt with the MGNREGS wages. In Phase II it has been 19.8% and in Phase III 14.8%.

7.1.3. Impact on Asset Creation

Very few households were in a position to save enough money from MGNREGS wages to invest in creation of small assets. The estimates show that of the 25.6 lakh households who have worked under MGNREGS, 2.5% have been able to use some money for creation of assets. Overall approximately Rs 1.8 crore has been spent by the households in creating assets. The phase wise details are shown in the table below.

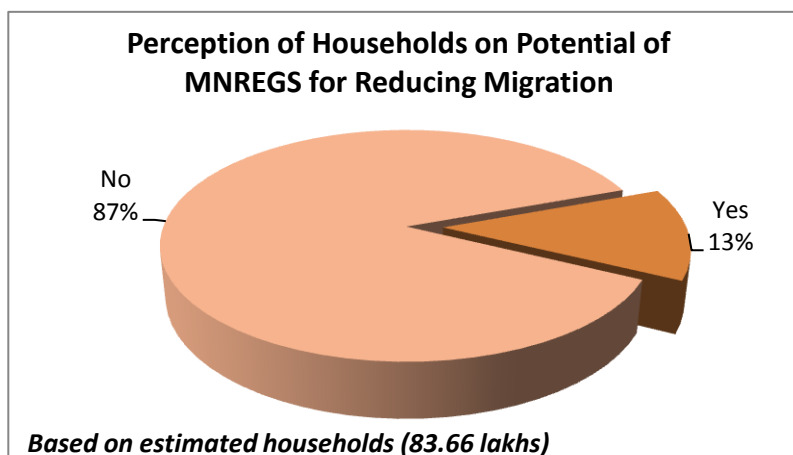
Phases	Table 36. Estimates on use of Additional Income for Assets Creation			
	HH Worked in MGNREGS (in Lakh)	HH which created Assets		Amount invested for assets (in Rs Crore)
		(No in Lakh)	%	
All (Phase I)	9.3	0.27	2.9	0.9
All (Phase II)	6.1	0.17	2.8	0.6
All (Phase III)	10.2	0.19	1.9	0.4
Estimate (All)	25.6	0.63	2.5	1.8

Source: Estimates of the Study

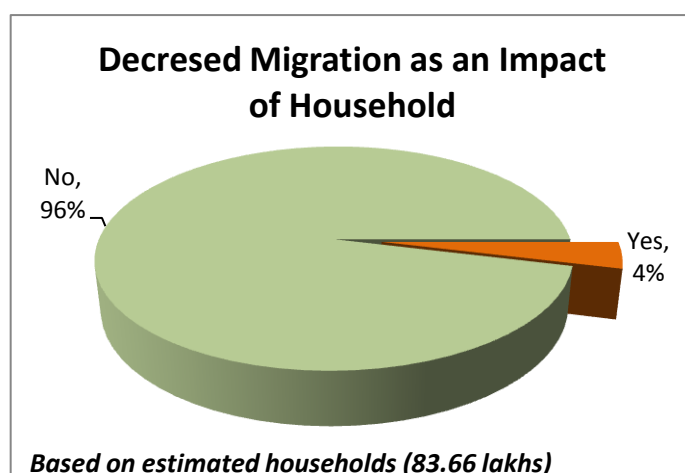
7.1.4. Impact on Migration

Due to rain fed agricultural practices in the state there is a lean season for the agricultural labourers during summer. Ideally implementation of NREGA should reduce migration as the scheme is specifically designed to provide work to the poor as per their need. The 100 days employment guarantee as a right to rural households is treated as an opportunity to check distress migration from the villages. It would perhaps never be possible to contain

migration; however schemes like MGNREGS have the potential to reduce distress migration. The perception of the households estimated to be covered under the study reveal that only 13% estimated households feel that MGNREGS has the potential to reduce migration in the villages. Though this is not a substantial figure, the scheme is having some impact in terms of reducing distress migration.



Post MGNREGS, there is a change in the migration pattern. It has been found that earlier in the village the whole family (adult male, female and children of family) members were getting migrated. However with MGNREGS providing guaranteed work to the member of the households, the entire family does not move out. Mostly the adult male members of the family are migrating in search of work. This is helping the households to avoid the other inconveniences like drop out of children from schools, harassment of women at workplaces, access to government schemes etc. The trend analysis of different phase reveals that the impact of MGNREGS on migration is decline from phase-I to phase-III districts – that is 15%, 12%, 11% in Phase I, Phase II and Phase III, respectively.



Similarly, the analysis perception of impact of MGNREGS show that around 4% of the total estimated 83 lakh households feel that decreased migration is a direct impact of the scheme. This figure of reduction of distress migration is very significant as a direct contribution of MGNREGS implementation. In order to reduce migration substantially, it is essential to

ensure that MGNREGS is able to create sustainable livelihood opportunities for the poor. There is need for effective convergence of MGNREGS with other livelihood programmes so that the rural poor could get sustainable livelihood opportunities within the villages. The state government has introduced several sub-schemes under section 4 of the Act for increasing the possibilities of convergence of other schemes with MGNREGS. However, most of these sub schemes would benefit only those households which have small land holdings. Mostly, distress migration is seen among the landless families.

Case Study-MGNREGS Curtailed Migration of Villagers to Gujrat

Village Bejda is dependent village of Gram Panchayat Sondwa. Its block head quarter Sondwa is situated at distance of 10km. whereas it takes only 2km. to cross the border of another state called Gujrat from village Bejda.

Majority of villagers from Sondwa used to migrate to Gujrat in search of work leaving village almost vacant. The villagers could return to home only to celebrate few festivals. The introduction of MGNREGS has provided opportunity to villagers to earn the livelihood in the village itself. It has curtailed the migration of almost 55-60 families who used to migrate to the city. Under MGNREGS Kapildhara scheme around 35 wells are dug in the Sondwa village. The second crop of wheat is possible for the villagers due to ample

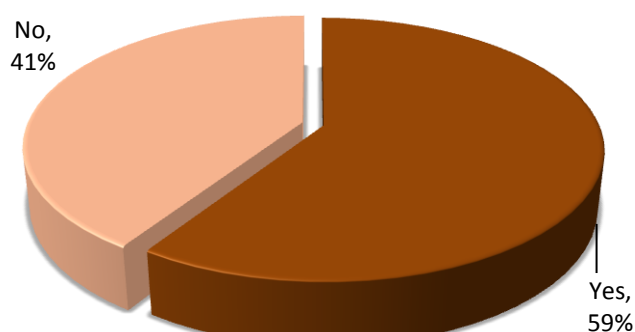


water available from these successful 35 Kapildhara wells. The increase in production has ensured food security for the people whereas the wages earned under MGNREGS are taking care of the other needs of the villagers. As a result migration from village Bejda to Gujrat in search of work has almost stopped.

Due to increased availability of water villagers are experimenting in agriculture and trying to make it profitable. Many farmers have started growing vegetable in their farms. Villagers are hoping that in coming 2-3 years MGNREGS will help to stop migration of each and every family of the village. The stability and security of the villagers will also help them to be sensitive and concentrate on the issues of health and education which are neglected so far. For villagers of Bejda MGNREGS has proved to be a blessing which had curtailed the exodus of villagers to Gujrat.

Looking to the performance of the MGNREGS it has been noted that currently percentage of getting 100 days of employment in a fiscal year is very low in the state. Impact on migration may be much visible if every rural household could get guarantee of 100 days of employment. In fact the remaining 59% of the estimated households also agree that if 100 days of employment is available within the village, it will definitely check distress migration.

Response on 100 days of Employment check the Migration



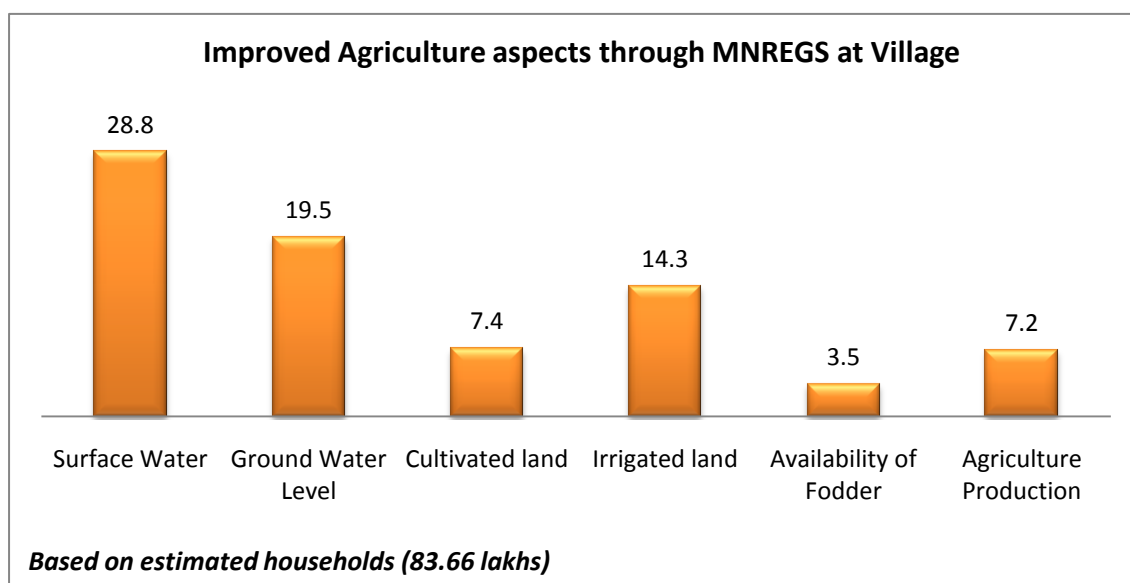
Based on estimated households (83.66 lakhs)

7.1.5. Impact of MGNREGS on agriculture

The small landholding and rainfed agriculture are key constraints in agriculture growth in a state like Madhya Pradesh where the economy is predominantly based on agriculture. However, several efforts have been made for improving the agriculture practices in the state. MGNREGS has immense potential to contribute to and expand opportunities for improved agriculture especially for the small and marginal farmers. The design and provision of providing unskilled employment has directly and indirectly contributed in the development of the agriculture sector. During the course of implementation of MGNREGS in the state several earthen structures have been constructed. These earthen works are related to the land development, water harvesting & conservation, plantation & afforestation etc. which have resulted into marginal increase in the cultivable area. It is also intended to improve access to irrigation facilities thus, improve the production and overall yield of the crops. Other significant factors which have contributed for improved agriculture sector are adequate and timely rainfall, micro-finance, quality and availability of agriculture equipment and materials. Under this study, impact of MGNREGS on agriculture sector is being analysed on following three key aspects:

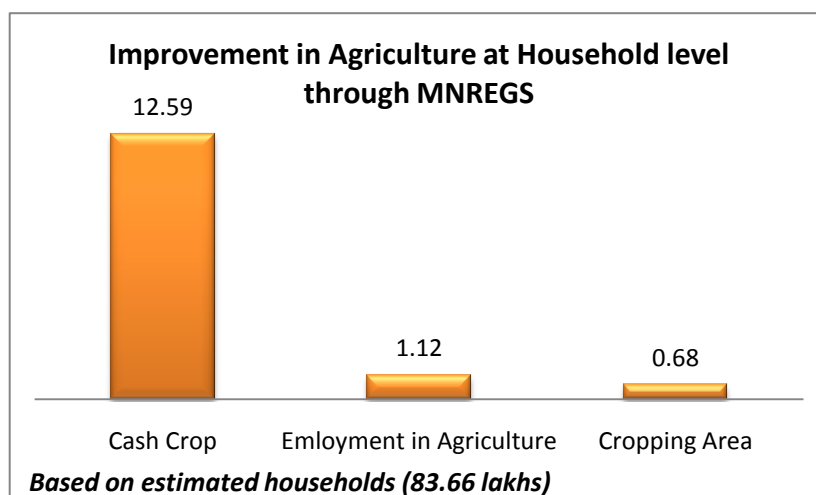
- Change in Irrigation facilities (ground, surface water and improvement in irrigated land)
- Change in Agriculture and cropping practices (production, changing cropping pattern eg cash crop cultivation etc.)
- Change in Agriculture wages and labour engagements

Overall, as per the estimates respondents believe that MGNREGS has been successful in bringing about some changes at village level in the agriculture sector. Around 29 percent estimated households feel that due to various MGNREGS works undertaken within the village, there has been an increase in the availability of surface water. Similarly, ground



water also improved as told by the 19.5% estimated households. Around 14 percent also perceived that MGNREGS activities related to earthen work have improved the irrigated land within the village. However, very limited percent of households (3.5%) see the contribution of MGNREGS activities on availability of fodder. The graph shows that only a few percentage of households perceive that MGNREGS has contributed in the improvement of cultivated land as compared to the irrigation land.

A significant change in cropping pattern has been noted due to the direct impact of MGNREGS at households' level. Around 13 percent of the estimated households claimed that they have shifted to growing cash crop due to MGNREGS



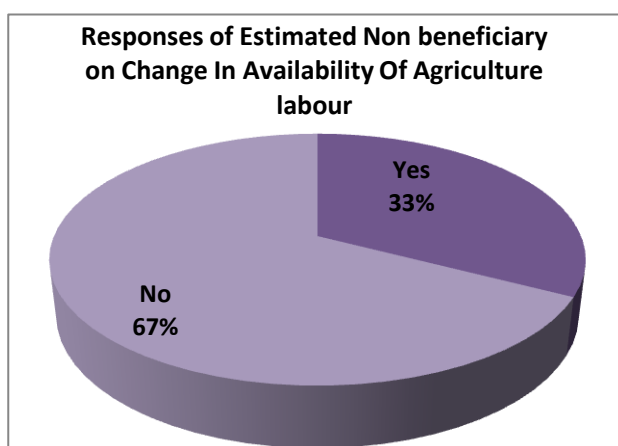
activities on their land or within village. While less than a percent believe that MGNREGS has created direct impact on their cropping area. The reason could be that construction of water harvesting and water conservation related works rather than land development under MGNREGS and secondly it could be that the results of large water harvesting are more visible as compared to small land development activities. Above 7 percent of the estimated households claimed that MGNREGS has improved the agriculture production in their villages.

Case Study-Kapildhara Enhance Annual Income Up To 5 Times

Mr. Phul Singh son of Mr. Nahar Singh belongs to the village Aspuri of Kukshi block in Dhar district. He owns 3 acres of agricultural land in the village. Before the implementation of MGNREGS the field was not so fertile and cultivable because of which he was only able to cultivate maize and cotton as the main crops. After his registration in the Employment Guarantee Scheme, Phul Singh was benefited through the provision of a well under Sub-Scheme of MGNREGS - Kapildhara. As per the statements of Phul Singh, 15-to-20% of the construction expenditure was paid from his side apart from sanctioned amount under Kapildhara. After that only he started to get the profit and currently one acre of his land gets irrigated through the well.

According to him, earlier the yield of cotton was 2 quintals and maize was 4 quintals. The income from cotton was Rs. 3000 while from maize around Rs.2000. Thus the total annual income from their agriculture was only Rs.5000. But construction of well on their farm land increase their production and last year his income was more than four times. Because of irrigation facilities available in one acre, he started to cultivate wheat crop as well. According to Phul Singh, last year he received a yield of around 6 quintal of cotton and 8 quintal of maize, apart from that 5 quintal of wheat. He earned around Rs.12000 from cotton, Rs.6400 from maize and Rs.5800 from wheat, which made a total annual income of

around Rs.24000. According to Phul Singh, Employment Guarantee Scheme has helped him a lot in farming as his annual income rose four times which was far better than his previous annual income. In addition he is also getting Rs.1500 wage employment under the MGNREGS. This change increased their social status and quality of life and also ensured food security with in the village.



Besides the direct impact of the MGNREGS it has also impact on agriculture wages and availability of labour in the village. From the responses of the estimated 58.05 lakh non beneficiary HH majority of the households (67%) felt that there is no significant direct impact of MGNREGS on availability of agriculture labour. The phase wise distribution shows an even trend across all the three phases. The

kind of changes and the percent HH perceiving changes in availability of agricultural labourers is shown in the below table. It can be seen that the biggest change perceived by the non beneficiaries is the increased wage rate (77.6%) and the non availability of labourers for agricultural work (72%). This shows that there has been an increase in the bargaining power of the workers.

Table 37. Changes in Availability of Agricultural Labourers							
Phase	Estimated Non-beneficiaries	HH perceiving changes in availability of labourers		Kind of Changes perceived by HH			
				unavailability of labourers		Increased wages paid to labour	
		No	%	No	%	No	%
Phase I	2396463	768545	32.1	554019	72.1	640185	83.3
Phase II	1286686	448822	34.9	338912	75.5	358249	79.8
Phase III	2122568	677772	31.9	471351	69.5	472981	69.8
Total	5805717	1895138	32.6	1364282	72.0	1471416	77.6
Source: Estimates							

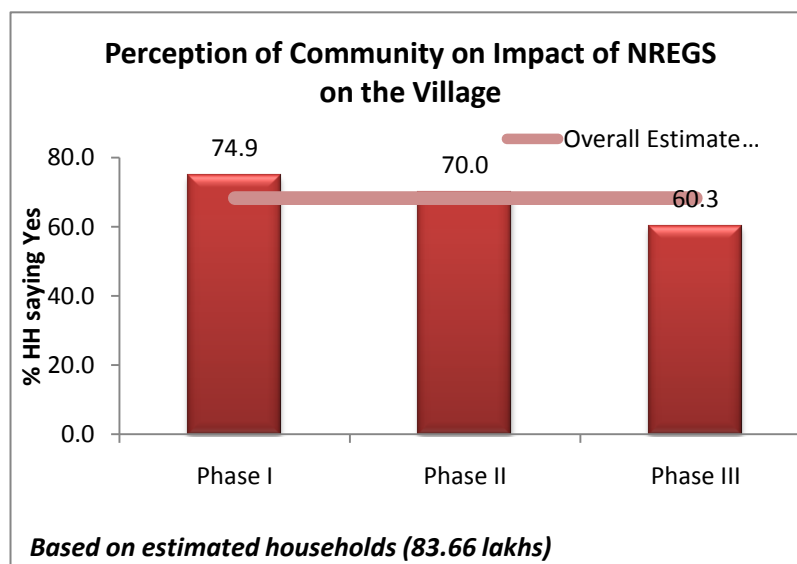
The increase in the agriculture wage rate after the implementation of MGNREGS is significant. There is an increase of 59.5% in unskilled agriculture wage rate. Similarly there is an increase of 52.2 on skill agriculture wage rate.

Table 38. Change in Agriculture Wage Rates					
Unskilled Agriculture Wage Rate			Skilled Agriculture Wage Rate		
Before MGNREGS	Current wage rate	% Increase	Before MGNREGS	Current wage rate	% Increase
47	76	59.5	72	110	52.5
Source: Schedule-3 Household Interview					

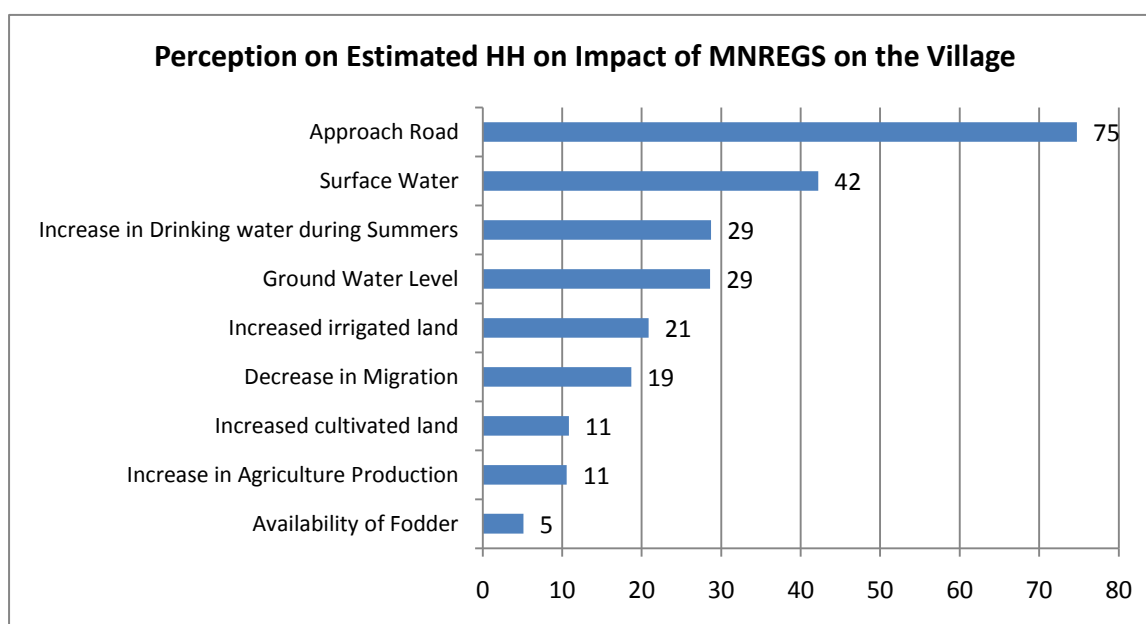
However, it is difficult to attribute this rise in wages to MGNREGS. It indicates towards possibility of significant contribution of other factors, such as inflation, district economy or even rise in wage rate due to high labour demand in infrastructure development in cities.

7.2. Contribution of MGNREGS in Village and Community Development

With the mandate and the kind of investments made in the scheme, MGNREGS is poised to have a substantial influence on the village. Overall it is seen that 68% of the estimated households say that MGNREGS has had larger impact on the village. The impact is seen in terms of 9 broad indicators viz. (i)



increase in surface water, (ii) increase in ground water, (iii) improved connectivity, (iv) increase in drinking water, (v) increase in agriculture production, (vi) availability of fodder, (vii) decrease in migration, (viii) increase in cultivable land and (ix) increased irrigated land. The perception of the community on the impact in order of its importance is shown in the graph below



The largest proportion (75%) of estimated households feels that the most visible impact of MGNREGS is the development approach roads in the village. This trend is seen across all the three phases. However, a phase wise analysis shows that from phase 1 to phase 3, less people feel that development of approach road is the most visible impact. In Phase I as high as 80.6% households felt approach road as the most significant impact, in phase II this reduced to 73.4% and in Phase III only 68% felt so. In the other parameters, the phase wise difference is not very significant. Since Phase I districts are the oldest as far as MGNREGS implementation is concerned, therefore it is obvious that greater impact is seen in these districts. The phase wise percentage of estimated households which feel that there was an impact at the village level on the 9 indicators are shown in the table below.

Table 39. Phase Wise Percent of Estimated Households Which See Impact on the Village									
Phase	Increase in Surface Water	Increase in Ground Water Level	Approach Road	Increase in Drinking water during summers	Increase in Agriculture Production	Fodder Availability	Reduced Migration	Increase cultivated land	Increase irrigated land
Phase I	42.7	30.1	80.6	29.2	10.5	7.4	19.8	11.4	19.2
Phase II	42.1	28.6	73.4	29.1	11.1	3.5	17.4	10.2	20.6
Phase III	41.6	26.6	68.0	27.8	10.3	3.4	18.2	10.5	23.3
Overall	42.7	30.1	80.6	29.2	10.5	7.4	19.8	11.4	19.2
Source: Estimates									

7.3. Perception of Panchayat head/secretary on MGNREGS impact

Elected Panchayat representatives, usually the Sarpanch of the village were interviewed for gauging their assessment on Impact of MGNREGS. Substantial numbers of Panchayat representatives perceive that MGNREGS has had a positive impact on the village. Significantly, the impact has been highest for Phase -2.

There is significant rise in impact in the second phase and a dip in the third phase. The dip in the third phase may be due to the fact that the new districts are not geared up enough as these are recently or lately covered districts. It may also be due to 'non-actualization' of the potential /benefit from the asset and infrastructure created under MGNREGS. Owing to relatively late initiation of the schemes, it is likely that low number of person days created under the scheme, is also contributing to the perception of low impact

Significantly, Panchayat perceive the impact, more in terms of generation of employment and wages paid under the scheme. As far as improvement in water availability or road connectivity goes, Panchayats do not claim any significant achievement. Above table shows that 21% of elected Sarpanch stated that MGNREGS improved the availability of water.

An extremely, low numbers (5%) feel that the scheme contributed to improved road connectivity. Panchayats themselves being the implementing agency, the facts stated by them assume significance.

Table 40. Panchayats perception on MREGS impact at the village level				
Phase	No Impact	Additional wages or employment	Improvement in water availability	Improved Road Connectivity
Phase I	6%	58%	24%	7%
Phase II	2%	69%	19%	6%
Phase III	10%	65%	18%	2%
Average performance	7%	64%	21%	5%

Source: Schedule 2- GP

7.4. Efficacy of assets created for sustainable livelihood

One of the key focuses of MGNREGS is to develop assets which can ensure sustainability in the livelihood of the rural poor. The success of MGNREGS would be judged on the basis of the schemes ability in graduating from mere wage employment to ensuring sustainable livelihood by creation of durable assets. In the long term only sustainable livelihood would help address poverty and deprivation in the rural India.

Different types of community and individual assets have been created under the scheme in Madhya Pradesh. These assets were to be developed as per the needs of the Gram Sabha. This also gives an opportunity to the community and the Panchayats to plan for the economic development at the micro level based on the local needs. The assets that can be created under MGNREGS fall under the following 9 categories

1. Water conservation and water harvesting;
2. Drought proofing, including afforestation and tree plantation;
3. Irrigation canals, including micro and minor irrigation works;
4. Provision of irrigation facility to land owned by households belonging to the
5. SC/ST, or to land of the beneficiaries of land reforms, or to land of the beneficiaries under the Indira Awas Yojana;
6. Renovation of traditional water bodies, including de-silting of tanks;
7. Land development;
8. Flood-control and protection works, including drainage in waterlogged areas;
9. Rural connectivity to provide all-weather access. The construction of roads may include culverts where necessary, and within the village area may be taken up along with drains

The Madhya Pradesh government has introduced 14 sub schemes under which MGNREGS works can be implemented. The sub schemes may be broadly classified as community works and individual works. The list of various sub schemes and the kind of work that are done in these sub schemes is given in the table below

Type of works Implemented in MGNREGS in Madhya Pradesh		
Classification of works	Name of the Sub Scheme	Type of Work
Community Works	Shail Poorn up yojana	Watershed works – Contour trenches, bolder checks, gully plugs etc
	Resham up yojana	Plantation of Mulberry (Sahtoosh) trees for production of silk
	Sahastra Dhara up yojana	Construction of water course and field channel for irrigation through canals
	Series of water harvesting structures	Structures like check dams and stop dams on non perennial sources of irrigation (rivulets and rivers)
	Playgrounds	Development of playgrounds in rural areas
	Barah massi Sadak upyojana	Construction of roads which can be used throughout the year
	Nilrma neer up yojana	Water harvesting structures and wells for use by the community
	Vanya up yojana	Forestation and Plantation works
Individual Works	Bhumi Shilp up yojana	Developing Farm Bunds
	Kapil Dhara up yojana	Well construction as source of irrigation
	Nandan Falodyan up yojana	Plantation of fruit bearing trees,
	Nirmal vatika up yojana	Construction of toilets for needy households
	Meenakshi up yojana	Construction of Small ponds (0.5 -1.0 Hec) for fisheries and smaller ponds (0.1-0.2 hec) for fish seed production

7.4.1. Efficacy of Large Structures – Community's perspective

The large community works like the water harvesting structures, forestation works, and structures for improving connectivity were implemented in MGNREGS with the view that such structures would play an important role in developing opportunities for sustainable livelihood in the villages. The Nirmal Neer, Barah Maasi Sadak, Vanya and Sahastra Dhara sub schemes are specifically meant for creation of durable infrastructure. The secondary data of the state suggests that during the first phase, the focus of the scheme was largely on creation of large structures like ponds, stop dams, roads etc. There has been a decline in the number of such works each year. By its 4th year of implementation, the largest proportion of works under MGNREGS is the work on the farm lands of individual farmers.

The estimates on primary data shows that 49.0% households have said that water harvesting structures have been created in the village. A phase wise analysis shows that 52.7% respondents from Phase 1 and 51.5%

Table 41. Estimated Phase wise Water Harvesting Works Constructed in the Village in the year 2009-10		
Phase	Water Harvesting Structures Constructed	No Water Harvesting Structure Constructed
Phase 1	52.7%	47.3%
Phase 2	51.5%	48.5%
Phase 3	43.4%	56.6%
Total	49.0%	51.0%

Source: Estimated from Schedule-3 HH

respondents from villages in Phase 2 districts say that such structures were created in their village in the year 2009-10. In the 3rd Phase districts only 43.4% households have said that water harvesting structures were created in their village. This shows there is a decline in the number of large works being implemented in the scheme.

The impact of the large water harvesting structure is seen only by the households which have their farms around these structures. Of the estimated households that say that large water harvesting structures were created, it is seen that only 1.2% have said that there is any utility of these structures. 98.8% say that they did not see any significant impact of the water harvesting structures on their farms. It indicates that the large structures are not able to provide sustainability of livelihood to the community.

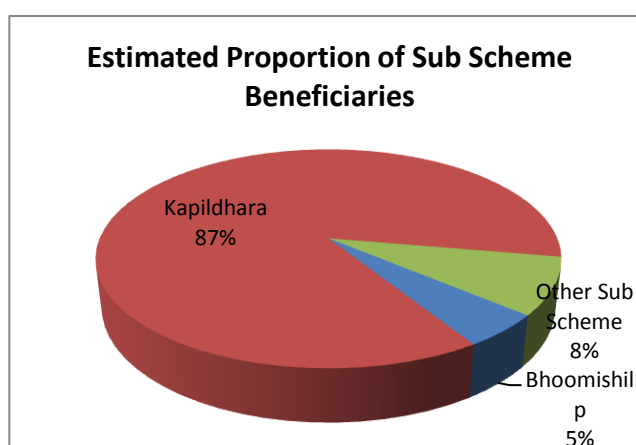
Table 42. Perception of Estimated HH with landholding on Utility of Large Water Harvesting Structures					
Phase	Estimated Households saying that Water Harvesting Structure was Constructed	See utility		Do not see any utility	
		Numbers	%	Numbers	%
Phase 1	1753150	9418	0.5	1743732	99.5
Phase 2	977574	13665	1.4	963909	98.6
Phase 3	1365149	27046	2.0	1338103	98.0
Total	4095873	50129	1.2	4045744	98.8

Source: Estimated on Schedule-3 Household Interview

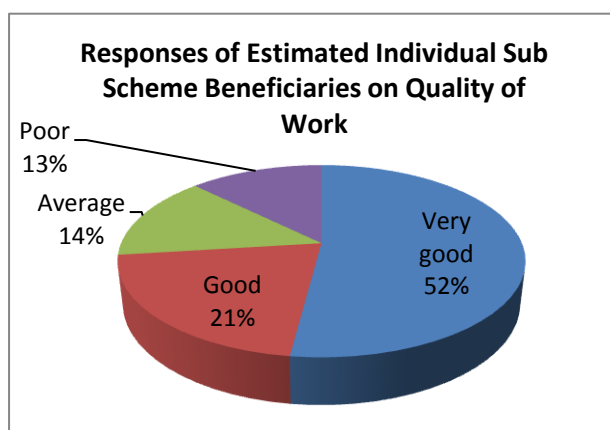
The phase wise break-up of the perception of the community on the utility of large water harvesting structures is as shown in the above table.

7.4.2. Efficacy of Individual Works implemented by MGNREGS

In terms of number of works, the focus of the scheme has shifted from large infrastructural works to small works on individual farms. The sample of households which received individual benefits under the sub schemes of MGNREGS were interviewed in-depth in the study. Of the estimated 21.61 lakh beneficiary households, 51527



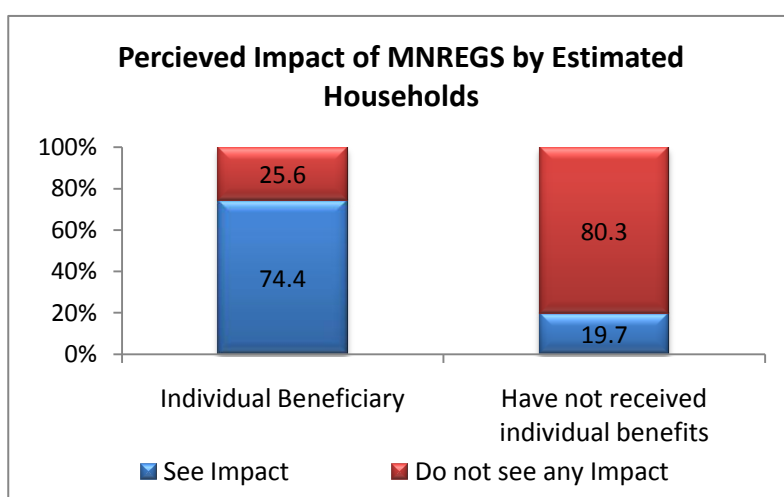
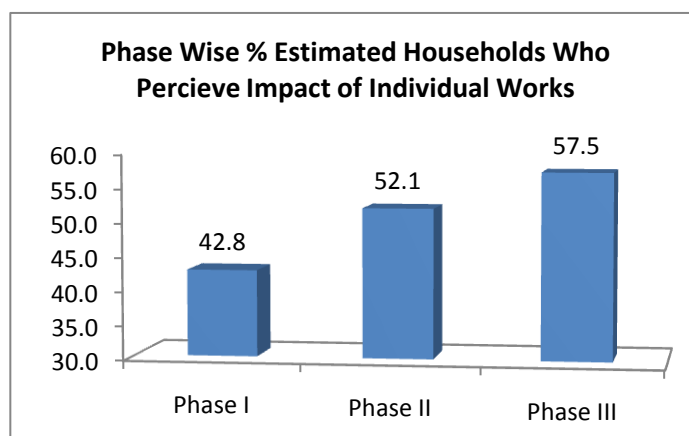
households (2%) have been benefited by various sub schemes. The proportion of households which have got benefits under different sub schemes is shown in the above chart. Among the five sub schemes for individual works, the maximum number of works were for Kapildhara (well construction). It was seen that 86.7% individual beneficiaries were provided kapil dhara works. This was followed by Bhoomi Shilp works which was 4.9%. The other works under individual benefits were negligible. All the other sub schemes put together constituted 8.4% of individual works.



Overall there is a sense of satisfaction among the beneficiaries with the quality of the works done on individual land. 52% of the estimated 51527 households have said that the quality of these works is very good. 21% say that it is good, 14% say the quality is average but acceptable. However it is also estimated that there are around 13% beneficiaries which have felt that the quality could

have been better. The respondents who feel that the quality was not up to the mark cited non completion of work as the most important reason. With the kapildhara (well construction) beneficiaries, the issues of quality included overshooting of budget, failure of getting water after digging the wells.

The adjacent graph shows that with each phase the perception of the community on impact of individual works have increased. Only 42.8% individual beneficiaries of Phase I say that there was an impact of the work. In Phase II this has increased to 52.1% and in Phase III it has again increased to 57.5%.



The sub-schemes such as Kapil dhara, Nirmal neer, Bhumi shilp targeted individual beneficiaries from scheduled castes, scheduled tribes and below poverty line households. The adjacent graph shows that the perceived impact of MGNREGS is higher among the households which have got individual benefits.

74.4% of households which have got benefits under any individual sub scheme have said that they do see an impact of MGNREGS on their lives. Among the non beneficiaries of individual sub schemes only 19.7% feel that there is an impact of MGNREGS.

Case Study: Individual Benefit under Sub-Scheme switch Labourers to Owners

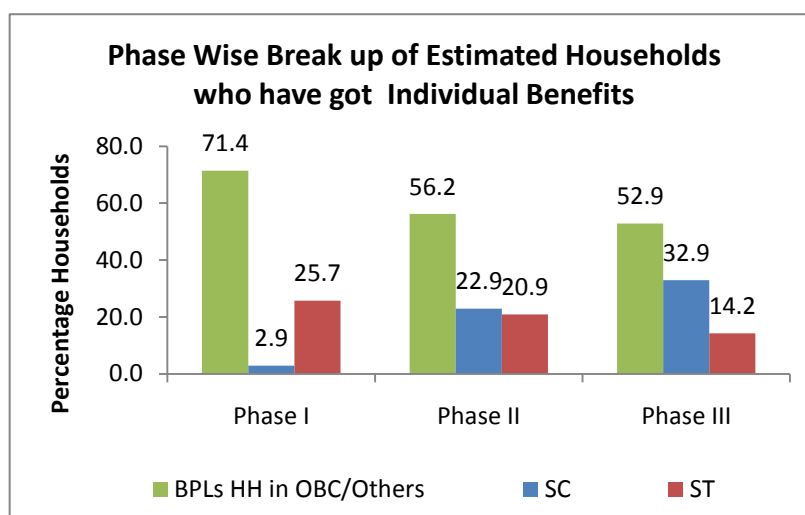
The family of Mohan Nath Tanya/ Dhanna Nath reside in the Champaner village of Khachrod block in Ujjain. This is a family of the Dalit caste and owns about 3.5 acres of agricultural land. Prior to the NREGS act the family was entirely dependent on the monsoon for their irrigation and cultivated corn and soybean with much difficulty. As the NREGS Act was established, Mohan Nath Tanya/ Dhanna Nath were chosen as a beneficiary of Kapil Dhara well construction project. For this, Rs. 145000 was made available. Mohan Nath had to put in some payment and much of his labour too. In conversation he also spoke of the extra money it had cost him as the labourers found the wages too low or the payment was not being made on time. After the well was constructed, Mohan Nath said as most of his agricultural land now had water his produced had increased marginally.

During the discussion Mohan Nath admitted that before the well was created he had no proper means of irrigation and as a result had to work on other people's field to make ends meet. But after the construction of the well, he can now work much better on his own field and the final product had improved too. His family is very happy with the NREGS scheme for constructing the well. He says that as a poor and illiterate farmer he did not have the means to build his own well, nor to take a loan for the same.

Because of the well, the entire family now works on their own crops and overall production has increased. They do not need to work as labourers on others fields anymore. The family feels self sufficient.

In this way, in the last year Mohan Nath's family earned about 25000 rupees. Thus through the NREGS scheme, the family has benefitted a lot and they now feel like owners, not workers!

A phase wise distribution of households who have received individual benefits is given in the adjacent chart. It can be seen that the individual benefits across all phases have gone largely to the BPL households from OBC and general category. In Phase II and Phase III there has been an increase in the SC households in getting



individual benefits. However the proportion of ST households getting individual benefits has been quite low. In the Phase I districts of all the households which have got individual benefits, only 25.7% households belonged to the Scheduled Tribes. In Phase II the proportion of ST was 20.9% and in Phase-III it was 14.2%. There is a strong possibility that the better off OBC and General category households may get BPL cards and get the benefits of MGNREGS instead of the SC and ST households.

7.4.3. Own Contribution in individual works

It was observed that in most of the sub schemes people said that they had to make certain amount of own contribution. Among the

Table 43. Own contribution for Individual Works			
No. of estimated individual works	Up to 10%	11 to 20 %	21 to 30 %
51527	32.0	19.3	34.6
Source: Estimated on Schedule-3 HH			

beneficiaries of different sub-schemes interviewed, it is observed that 32% beneficiaries have contributed upto 10% of the total cost of the work. 19.3% beneficiaries said that they had contributed 11-20% of the cost and 34.6% beneficiary households said that they have contributed 21-30% of the cost of the work.

7.5. Conclusions

With 4 years of its implementation, the impact of the scheme is slowly starting to show in the state. People have started to feel that there is some level of impact at the individual household level as well as at the panchayat level. An estimated 25.61lakh households have worked under MGNREGS. Of these 68% feel that there is an impact of MGNREGS on the quality of life of the poor. Some of the emerging trends in impact of MGNREGS in the state are as follows.

- The average household income from MGNREGS is only Rs 1881 per year per household. Whereas with the minimum wage rate of Rs 100 per day and a guaranteed 100 days of work, each household has a potential to get an additional Rs 10000 per annum. The study shows that there is a huge potential for workers to demand more work under the scheme.
- The increase in income through additional wages is very little. The meager increase in income does not contribute much in the economic condition of the households. The largest proportion (81%) of households' feel most of the money is used for food, medicine, and clothes for the family members. People are actually not able to save enough money with this additional income to improve their economic condition in a major way.
- Increased savings will help the households in reducing indebtedness. It can be seen that larger proportions of people from the earlier phase feel that MGNREGS has helped them in repaying their loans. In Phase III only 14.8% households have said that they are able to repay their loans, whereas in Phase II this figure stands at 19.8% and in Phase I at 24.7%.
- Apparently implementation of MGNREGS has not really affected the migration situation significantly. Only 4% of all estimated households feel that reduced migration is an

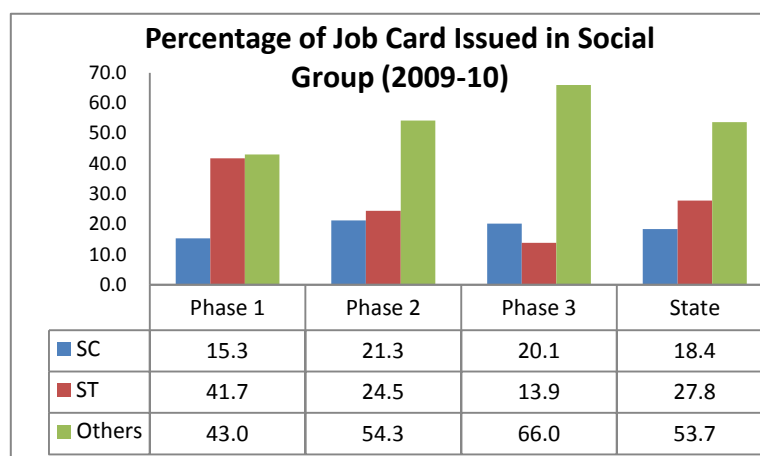
impact of working in MGNREGS. The main reason for such low perception is that MGNREGS is not providing enough income to the households to discourage them from migrating in search of work. The only changing pattern in migration is that now mostly male members are migrating instead of the entire family. The other family members stay back in the village and work in MGNREGS.

- As the nature of works taken under the MGNREGS are of earthen, study reveals that there is significant increase in the irrigation land as compare to the cultivable land at both levels i.e. at individual households level or at village level. Thus, there is shift in growing of cash crops rather than old or normal crops, therefore a significant number of
- People do see an impact of MGNREGS at the village level. As high as 68% households have said that there is an impact of MGNREGS on the village. Most of the people (75%) see development of approach roads as the most important impact followed by increase in surface water (42%). People also see ground water (29%) and drinking water (29%) as important impact of MGNREGS in the village.
- There is a stark difference in the perception of the community and the perception of the Panchayat representatives. The panchayat representatives feel that the most direct impact of MGNREGS is additional income (64% responses) that the workers are getting through MGNREGS. This is followed by their perception that there is an increase in availability of water in the village (21%).
- It is seen that people who have actually got individual benefits see greater impact than those who have only worked as a labourer. Most of the individual benefits are in Kapil Dhara and Bhoomi Shilp sub schemes. Among those who have been benefited under sub schemes, those who have got bhoomi shilp works are more satisfied with the quality of the work.

Chapter.8 Performance of the State

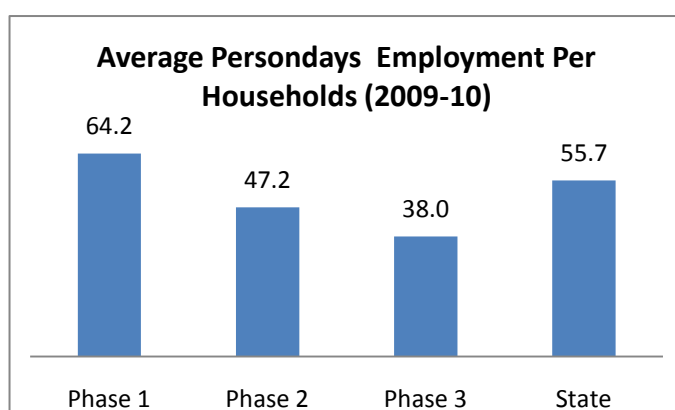
8. Physical and Financial Performance of State

In Madhya Pradesh up to the March 2010 the state has issued 112.92 lakh cumulative Job Card to rural households. These number of Job Card issued is more than 140% of rural households population of Censes 2001. It is encouraging that around 46% Job Card issued to the Schedule Caste and Scheduled Tribe



households of the society. The Phase 1 covers high tribal dominant districts, thus in Phase 1 highest Job Cards were issued to tribal households.

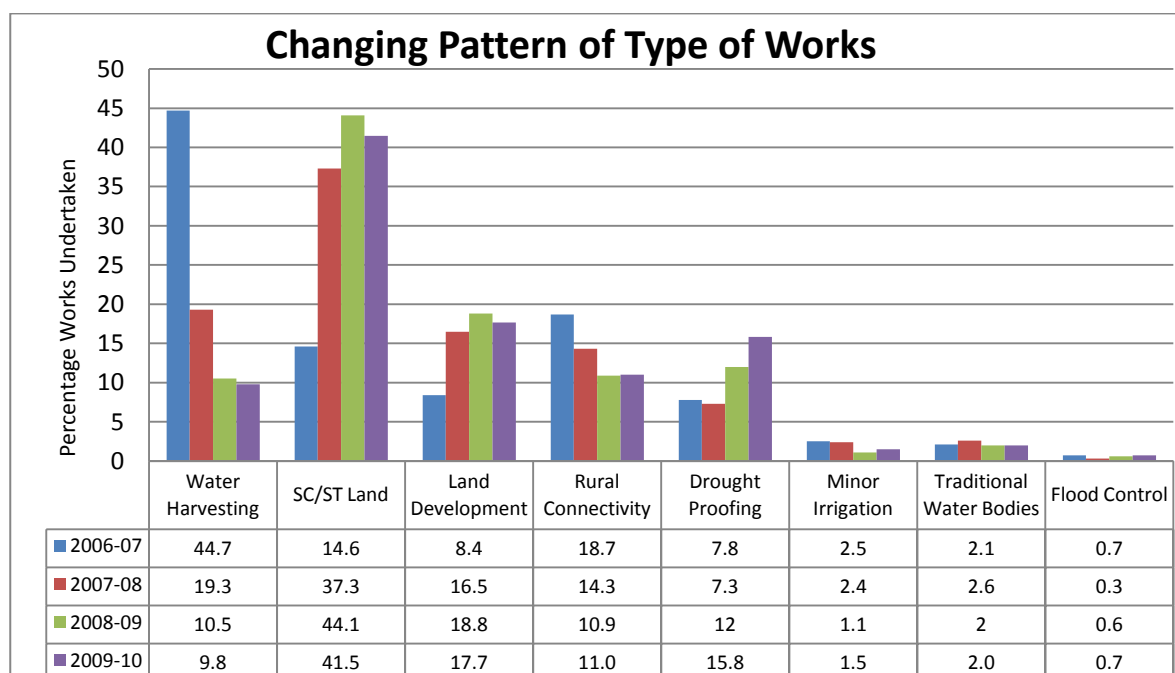
8.1.1. Physical Performance under MGNREGS



It is discouraging that only 47% household who have Job Cards demanded for work but on the other hand cent percent households who had demanded for work got the employment as per online MIS. On an average these households receive annual employment of 55.66 days per households.

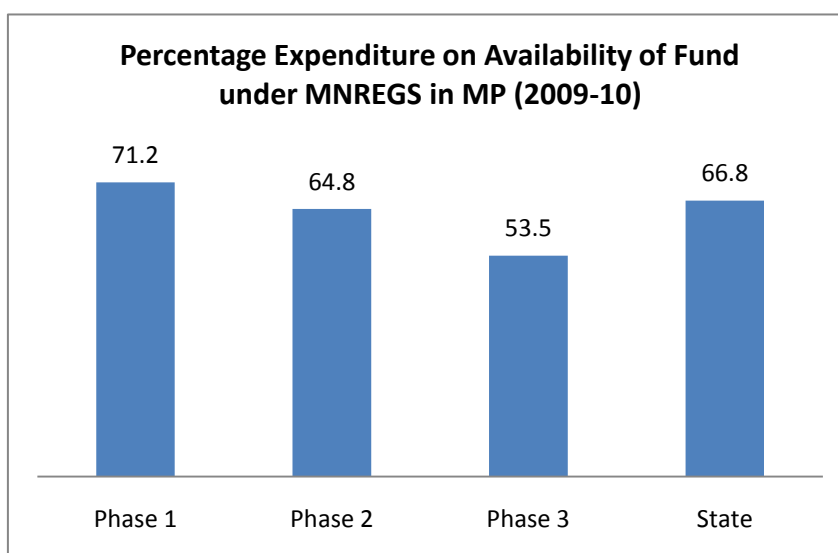
While the basic principle of NREGA is provision of guaranteed employment to people willing to do manual labour, it also envisages creation of sustainable village assets which would in the long term improve the overall economy of the villages. Over the past four years there has been a changing pattern in the types of works being undertaken under the scheme. The first year, focused majorly on Water Harvesting structures (44.7%) and Rural Connectivity (18.7%) works. During the 2nd, 3rd and 4th year, there has been an increased focus on providing works on the lands of SC/ST and BPL families. During the 3rd year

(2008-09) more than 44% works are the works done on the SC/ST and BPL families' land while in year 2009-10 it was slightly decline as compare to last year. In year 2009-10 the focus of work is increase in Drought Proofing and Minor Irrigation works.



8.1.2. Financial Performance under MGNREGS

Madhya Pradesh is one of the better performing states under the MGNREGS. The coverage of funds available under NREGA was different in different districts (fiscal year 2009-10). Overall state has reported total availability of Rs. 5568.69 crore during 2009-10, out of which



66.8 percent was spent. The Phase wise pattern of percentage expenditure reveals decline trend in Phase 1 to Phase 3 districts.

- In the first phase, the lowest coverage was in Sheopur district where only Rs 98.44 crore were available while the highest coverage was in Barwani and Sidhi where the coverage exceeded Rs270 crore. Of the 18 districts covered in phase I there

were 7 districts whose available balance exceeded Rs200 crore. There were 10 districts whose available funds were between Rs100 and Rs200 crore. The only district below Rs 100 crore was Sheopur.

- In phase II, the lowest coverage was in Ashoknagar district where only Rs 24.23 crore were available while the highest coverage was in Chhindwara where the coverage was Rs 164.37 crore. Of the 13 districts covered in phase II there were 7 districts whose available balance exceeded Rs 100 crore. There were 3 districts whose available funds were between Rs 50 and Rs 100 crore. There were 3 districts whose available funds were below Rs 50 crore.
- In phase III, the lowest coverage was in Bhind district where only Rs 18.54 crore was available while the highest coverage was in Sagar where the coverage was Rs 126.88 crore. Of the 17 districts covered in phase III there was only one district whose available balance exceeded Rs 100 crore. There were 8 districts whose available funds were between Rs 50 and Rs 100 crore. There were 8 districts whose available funds were below Rs 50 crore.

In phase I the district with the highest proportion of expenditure was Dindori district where over 92% of funds were spent while the poorest performance was from Chhatarpur where only 42% was spent. There were 5 districts where over 80% of fund were spent, 4 districts where over 70% was spent, 3 districts where over 60% was spent, 2 districts where over 50% was spent and 3 districts where the proportion spent was between 40% and 50%.

In phase II the district with the highest proportion of expenditure was Anuppur district where over 84% of funds were spent while the poorest performance was from Harda and Datia where only 22% and 23% was spent. There were 2 districts where over 80% of fund were spent, 2 districts where between 70% and 80% was spent, 3 districts where between 60% and 70% was spent, 3 districts where between 50% and 60% was spent, 1 district where between 30% and 40% was spent and 2 districts where the proportion spent was between 20% and 30%.

In phase III the district with the highest proportion of expenditure was Indore district where over 74% of funds were spent while the poorest performance was from Bhind where only 22% was spent. There were, 3 districts where between 60% and 70% was spent, 5 districts where between 50% and 60% was spent, 4 districts where between 50% and 40% was spent, 3 districts where between 30% and 40% was spent and 1 district where the proportion spent was between 20% and 30%.

8.2. Performance of MP compared to other states under MGNREGS

The performance of Madhya Pradesh in relation to other states can be compared on the following parameters:

- (i) Proportion of households that demanded employment
- (ii) Proportion of households that received employment under NREGA
- (iii) Number of person-days generated
- (iv) Proportion of households that completed 100 days employment

On the basis of the proportion of households that demanded employment the graph shows a varied picture. Andaman and Nicobar islands are on the top with 161% which shows that employment was demanded by more people than the job cards. The north eastern states of Manipur, Nagaland, Mizoram and Tripura have over 95% of those who were issued job cards demanding employment. Meghalaya and Lakshadweep have between 80% and 90% households demanding employment. Sikkim and Rajasthan have between 70% and 80% demanding employment. Karnataka, Tamil Nadu and Puducherry have between 60% and 70% demanding employment. The states of Assam, Uttarakhand, Chhattisgarh, Arunachal Pradesh, Jammu & Kashmir, Andhra Pradesh and Himachal Pradesh have between 50% and 60% demanding employment. The states of Madhya Pradesh, Uttar Pradesh, Goa, Jharkhand and Gujarat have between 40% and 50% demanding employment and Madhya Pradesh is the last state in this category with 41.7%. There are only 10 states and Union Territories whose performance is poorer than Madhya Pradesh.

On the basis of the proportion of households that received employment (in comparison to those who demanded employment) a similar pattern unfolds with the north eastern states of Mizoram, Manipur, Nagaland and Sikkim leading the other states with nearly 90% of households receiving work. The states of Meghalaya and Tripura have a success rate between 60% and 70%. The states of Himachal Pradesh, Haryana, Andhra Pradesh and West Bengal have between 50% and 60% households receiving work. The states of Uttar Pradesh, Jammu & Kashmir and Punjab have between 40% and 50% households receiving work. The states of Andaman & Nicobar, Dadra & Nagar Haveli, Goa, Arunachal Pradesh and Assam have between 30% and 40% households who demanded work actually receiving it. The states of Tamil Nadu, Maharashtra, Jharkhand, Madhya Pradesh, Chhattisgarh, Kerala and Karnataka have between 20% and 30% households receiving work. Madhya Pradesh thus stands with the near bottom tier of states which were able to provide work to a very low proportion of the households.

In terms of the person days generated Madhya Pradesh is in the top most tier which is a welcome change. While Rajasthan and Andhra Pradesh have over 4000 persondays generated Uttar Pradesh is the third at 3559 persondays while Madhya Pradesh is fourth at over 2600 days. Most states have less than a thousand persondays.

The fourth parameter of comparison is the proportion of households who received 100 days employment in comparison to those who received any employment. Madhya Pradesh did reasonably well on this indicator as well. The top position went to Tripura and Nagaland with between 30% and 40% households completing 100 days work. This is calculated keeping in mind the total number of persons who demanded work. In the next rank are the states of Sikkim, Rajasthan and Andhra Pradesh with about 23% of the households receiving 100 days employment. In the third category are the states of Tamil Nadu, Uttar Pradesh, Madhya Pradesh and Karnataka with 10% to 20% households receiving 100 days employment. The rest of the states have much lower scores.

8.3. Convergence and Innovations

The ability of MGNREGS to provide sustainable livelihood options to the community depends on the effectiveness of convergence of the scheme with other development programmes being implemented in the state. Madhya Pradesh has undertaken several initiatives to converge MGNREGS with various centrally sponsored as well as state sponsored schemes.

Eleven districts of the state have been identified for piloting convergence initiatives with MGNREGS. The departments with which MGNREGS works are being converged in the state is shown in the table below :

Districts	Water Resources department	Krishi Vikas Kendras	Forest Department	PMGSY	Agriculture Department	SGSY
Mandla	✓	✓		✓	✓	✓
Jhabua	✓	✓		✓	✓	✓
Betul	✓			✓	✓	✓
Sehore			✓	✓	✓	✓
Panna				✓	✓	✓
Dewas				✓	✓	✓
Chhatarpur				✓	✓	✓
Tikamgarh				✓	✓	✓
Damoh				✓	✓	✓
Datia				✓	✓	✓
Sagar				✓	✓	✓

Several sub schemes under MGNREGS have also been converged with various departments. The sub schemes and the kind of convergence being done in the state is shown in the below table.

Table 45. Sub Scheme wise Convergence	
Sub Schemes	Kind of Convergence
Vanya Sub scheme	Focuses on promotion of Kosa Sericulture on community land, wherein plantation of Arjun & Saja is done using NREGS funds and onward sericulture development is proposed to be promoted using Sericulture Dept., SGSY, MPRLP, DPIIP etc. funds.
Resham Sub scheme	Focuses on promotion of mulberry Sericulture on individual as well as community land, where plantation of Mulberry is proposed through NREGS funds and onward sericulture development is proposed to be promoted using Sericulture Dept., SGSY, MPRLP, DPIIP etc. funds.
Lac Sub-scheme	Focuses on promotion of Lac development on individual as well as community land, where plantation of Ber and other plants is proposed through NREGS funds and onward Lac development is promoted using SGSY, MPRLP, DPIIP etc. funds.
Meenakshi Sub Scheme	Focus on creation of Fisheries related livelihoods by promoting construction of Tanks using NREGS funds and onward fisheries development using Fisheries dept., SGSY, MPRLP, DPIIP etc. funds.
Nirmal Vatika Sub-scheme	Health and livelihoods are closely linked. Better health not only increases a person's productivity but reduce a person's expenditure on the same. Nirmal Vatika focuses on increasing outreach Total Sanitation Campaign by promoting digging of pits from NREGS funds.
Shastra Dhara Sub-scheme	Construction of water course and field channels in command area of the irrigation projects of Water Resource Department. Overall 3325 project get completed with an expenditure of Rs.39 crore and 6340 project are ongoing.

In Mandla the Madhya Pradesh Rural Livelihood project has provided irrigation pumps, Nepsek pumps bullocks etc to the beneficiaries of kapildhara and bhoomi shilp sub schemes. There were also examples particularly in Mandla. Anuppur, Dindori, Dhar and Jhabua districts where the project has facilitated convergence with MGNREGS by facilitating in providing vermi compost, NADEP tanks etc from the ATMA programme of agriculture department. Convergence has also been done in Sericulture, Management of Nursery, Rainwater Management, Training for Field officer & workers with Technical input from Krishi Vikas Kendras. MGNREGS and KVK have demonstrated convergence of their activities for Fruit Crop Production, Seed Production Vermi Compost, Recharging of Wells, Water Conservation, promoting poultry (kadaknaath), Feed and Fodder Management etc in Jhabua district.

Convergence of MGNREGS with Department of Water Resources has been done in renovation and de-silting of existing irrigation tanks under the Repair, Renovation and Restoration of water bodies programme in Mandla. Under the Accelerated Irrigation

Benefits Programme (AIBP) Major, Medium, and Extension, Renovation & Modernization irrigation projects (other than earthwork and de-silting) have been undertaken in the district. In the Flood Control and River Management Works programme convergence with MGNREGS has been done for Flood Management Works like construction/ raising and strengthening of embankments, anti-erosion works drainage development and flood proofing, etc. In Jhabua, the Water Resources Department has converged with MGNREGS for conducting Survey and Planning of OFD works under the Command Area Development and Water management programme.

In Sehore, Aided Natural Regeneration and artificial regeneration works have been undertaken by the forest department in convergence with the scheme. Similarly dry stone fencing, ditch cum bund and chain link fencing has also been undertaken by the forest department under convergence. Contour bunding works, construction of check dams, ponds and tanks are the other activities that the forest department has undertaken under convergence with MGNREGS.

8.4. Intra district Performance

Intra district comparisons have been done using the MIS data for the year 2009-10. The primary data has shown that there are very few households which are actually demanding work. However, the MIS shows a different picture altogether. In most of the districts, the MIS data show that people are formally demanding work. The top ten districts and the bottom ten districts as far as work demand are as shown in the table below. The details of all the districts are given in the Annexure.

Table 46. %age Job Card holder Demanded for Work					
Top 10 districts			Bottom 10 Districts		
Rank	District	Value (%)	Rank	Districts	Value (%)
1	Umaria	90.1	48	Bhind	2.8
2	Barwani	84.4	47	Ashok nagar	11.0
3	Anuppur	82.9	46	Shajapur	12.0
4	Mandla	79.9	45	Vidisha	12.2
5	Shahdol	79.5	44	Raisen	12.2
6	Sidhi	73.7	43	Nimach	12.8
7	Khandwa	68.2	42	Ujjain	13.0
8	Balaghat	65.4	41	Datia	13.8
9	Rajgarh	61.6	40	Morena	15.1
10	Betul	61.2	39	Hoshangabad	15.5

The primary data shows that on an average the households have got only 31.8 days of work whereas the secondary data shows that an average of 55.5 days of work are provided to the households. Several districts of Phase I show very high average number of days of work. In Anuppur the households have been provided with as high as 95.8 days of work. The districts with the highest and lowest number of work days provided to the households are shown in the table below.

Table 47. Person-days of Employment Provided to a family in FY 2009-10					
Top 10 districts			Bottom 10 Districts		
Rank	District	Average days per hh	Rank	Districts	Average days per hh
1	Anuppur	95.8	48	Hoshangabad	17.5
2	Dindori	89.7	47	Harda	25.4
3	Mandla	89.0	46	Vidisha	28.0
4	Barwani	82.7	45	Datia	28.3
5	Dhar	81.6	44	Morena	31.4
6	Khandwa	80.7	43	Katni	31.9
7	Jhabua	75.1	42	Burhanpur	32.5
8	Shahdol	71.3	41	Ratlam	33.0
9	Umaria	70.0	40	Damoh	33.6
10	Sheopur	60.3	39	Sagar	33.7

The table below shows the top 10 and the bottom 10 districts as far as proportion of SC and ST in getting work is concerned. The detailed table with inter district comparison for all the 48 districts is given in the annexure.

Table 48. %age Share of SC and ST Community in Getting Employment 2009-10					
Top 10 districts			Bottom 10 Districts		
Rank	District	Value (%)	Rank	Districts	Value (%)
1	Jhabua	92.3	48	Morena	24.9
2	Barwani	89.2	47	Rajgarh	28.6
3	Umaria	82.5	46	Indore	36.3
4	Dhar	81.0	45	Guna	40.6
5	Anuppur	76.0	44	Nimach	40.7
6	Chhindwara	73.7	43	Sheopur	44.1
7	Betul	73.4	42	Chhatarpur	44.1
8	Mandla	71.4	41	Balaghat	44.3
9	Shivpuri	71.0	40	Vidisha	45.6
10	Bhind	69.0	39	Mandsaur	46.8

While the NREGS has a lot of resources for providing work, the utilisation of the funds varies significantly between the districts. The percentage utilisation of resources is a good indicator to gauge the effectiveness of implementation of the scheme. It is apparent that the tribal dominated and backward districts have been able to utilise larger proportion of the allocated funds. The districts which are agriculturally rich like Bhind, Harda, Hoshangabad etc have shown lesser utilisation. The low utilisation may also indicate other

reasons like lesser demand for work or non availability of workers as they get better opportunities elsewhere. The top ten districts and the bottom ten districts in utilisation of the NREGS funds is given in the following table.

Table 49. Status of Resource Utilisation					
Top 10 districts			Bottom 10 Districts		
Rank	District	Value (%)	Rank	Districts	Value (%)
1	Dindori	92.7	48	Bhind	22.0
2	Jhabua	88.1	47	Harda	22.3
3	Barwani	86.7	46	Datia	23.7
4	Balaghat	86.6	45	Vidisha	33.7
5	Anuppur	84.9	44	Hoshangabad	34.4
6	Sidhi	81.3	43	Nimach	34.8
7	Shahdol	80.9	42	Burhanpur	36.0
8	Rajgarh	80.0	41	Morena	40.2
9	Mandla	78.9	40	Chhatarpur	42.9
10	Umaria	78.4	39	Shivpuri	44.5

The physical progress (percentage of work completed against sanctioned works) is shown in the table below. The top ten and the bottom ten districts as far as physical achievements is concerned is shown here. It can be seen that tribal and backward districts have been able to complete larger proportion of works. The districts with lesser demand have not been able to complete the activities sanctioned in the year. It is essential to look at this from the kind of planning that is being done in NREGS. There are districts where the demand is low (like Neemuch, Vidisha, Bhind etc) yet funds are allocated to these districts. This shows that the plans and the sanction of budget is not based on the actual demand for work. At the same time, several panchayats in the districts with high demand may not be getting adequate or timely resources for implementation of the programme.

Table 50. %age of work completed under MGNREGS in FY 2009-10					
Top 10 districts			Bottom 10 Districts		
Rank	District	Value (%)	Rank	Districts	Value (%)
1	Mandla	76.5	48	Nimach	9.8
2	Dindori	75.3	47	Ujjain	13.0
3	Umaria	72.1	46	Narsinghpur	15.4
4	Barwani	72.0	45	Vidisha	15.4
5	Khargone	71.0	44	Sagar	16.8
6	Balaghat	62.4	43	Ratlam	18.7
7	Khandwa	62.1	42	Ashok nagar	19.3
8	Rajgarh	58.6	41	Sehore	19.8
9	Sidhi	53.6	40	Bhind	22.2
10	Jabalpur	43.3	39	Harda	23.2

8.5. Comparative Performance

Some of the key indicators which show wide gap between the MIS data and the study is shown below. If we look at the job cards issued to Rural households, it appears that whereas the study shows that only 63 lakh households have got job cards, the MIS figure shows that 112 lakh households have job cards. Since study shows that there were several households which did not have job cards, therefore it is possible that a lot of job cards are prepared and are still not distributed to the households. It is also interesting to note that the state claims to have distributed 112 lakh job cards. However the number of rural households as per census 2001 is only 79 lakh. An increase of 41% households (from 79 lakh to 112 lakh) does not appear feasible.

The status of demand for work in MIS as well as from the study appears low. While the MIS data shows that 41% job card holders have demanded work, the study shows that only 22.36% households have demanded work. The MIS shows that every household which has demanded work have got work. Whereas the study shows that only around 50% of households which have demanded work has actually got work.

Table 51. Performance of MGNREGS in Madhya Pradesh			
S. No.	Particular	Study Figure	Online MIS
1	Rural Households in the State	83.66 Lakh (Estimates)	79 Lakh (Census 2001)
2	Job Card Issued to Rural Households	63 Lakh	112 lakh
3	Percentage Job Card issued to the rural households	76%	141%
4	Households having Job Card demanded for work	17 Lakh (22.36%)	47 Lakh (41.96%)
5	Employment Provided to households demanded for work	8.7 Lakh (50%)	47 Lakh (100%)
6	Percentage of Job Card holders having Bank Account	38%	63%
7	Average employment provided to per households in a year (person days)	31.8	55.5
8	Average wage payment per day	Rs.59.2	Rs.83.7
9	Number of households have completed 100 days of employment	18000	6.7 lakh

The status of bank accounts also differs in the comparison with the MIS data. The MIS data shows that 63% job card holders have bank accounts or post office accounts whereas the study shows that only 38% of the job card holders have accounts with banks or post offices.

As per the MIS data the workers have received an average payment of Rs 83.7 per day in the year 2009-10. The study however shows that the per day payment is much lower than the wage rate which was prevalent in the year. As per the study the per day payment was only Rs 59.2 per day.

The number of households which have got 100 days of work also appears very high as per the MIS. It shows that 6.7 lakh households have got 100 days of work. Whereas the study shows that only 18000 households have got 100 days of work in the year 2009-10.

Chapter.9 Conclusions and Recommendations

9. Conclusions and Recommendations

9.1. Conclusions

Out of an estimated 83.67 lakh households only 75.5% numbers of household have access to job cards in rural area. Nevertheless, more than 25% households are still left out. During the study it emerged from the households that preparation of job cards is not an ongoing activity. In absence of job-cards, these left-out community members are not able to demand for work under the scheme. Out of those who have job cards only about 50% have custody of their job cards.

MGNREGS is a demand driven scheme and every job card holders has to demand work through written application. However, very few people are actually demanding work. The estimates show that out of the households that have job cards, only 28% have demanded work and of these only half have received work within 15 days. Very few households have actually got 100 days of work. The estimates show that of more than 25 lakh household (beneficiary households) who have got work under MGNREGS only 18684 households (less than 1%) have got 100 days of work. Similarly on an average these beneficiary households secure employment 31.8 person days annually on an average wage payment of Rs.59.2 per day.

Despite mandatory provisions of wage payments through banks, there are cases where the payments are reportedly made in cash. Nearly one-third (18.12 lakh) of the estimated workers (25.61 lakh) have reported that they do not have bank accounts.

MGNREGSMGNREGS

Of an estimated 83.671 lakh households in the study, around 46% household are found somewhat aware on any MGNREGS provisions. Awareness on key provision among the estimated households reveals that the highest level of awareness (31.6%) among people is on the facility / provision like their entitlement for drinking water at work place. This is followed by the awareness on the provision of 100 days of guaranteed employment in the scheme (21.7%) and minimum wage rate (20.3%). It is interesting to note that despite a basic knowledge among respondents about their entitlement for 100 days of work, a very little information is found in relation to their awareness on the right to demand the work (12.6%). For remaining features of NREGA, the level of awareness is found extremely poor. The awareness level on different work site facilities including Crèche, first aid facilities etc are also very poor. It is also seen that the community is not well aware on the

accountability and transparency issues like participation in planning, social audit, facilities for filing complaints etc.

There are issues of transparency and accountability of the implementing agencies (mainly Panchayats). Annual plan has to be approved by the Gram Sabha for timely and effective implementation but less than 1 % estimated households reported that the Annual Plan of their village was approved in the Gram Sabha. Some of the transparency and accountability mechanism like complaint mechanism, social audit etc are not found up to the mark. As per the estimated households less than 1 % households have lodged complaints. Similarly, less than 1% of the estimated households have mentioned that social audit are organised in their village.

The impact of the scheme is not apparent for the wage earners. The amount received by the households working as labourers is very negligible to have a major impact on the households. Majority of the respondents (30% of estimated households) suggested that prescribed rate is not sufficient and does not meet their requirements fully. At the same time 13% of the estimated households believe that effective implementation of MGNREGS can be effective in curbing the rural migration and minimize vulnerability.

An analysis of estimates on employment benefits provided to job card holders reveals that in all 41% of the job card holders have got work under the MGNREGS during fiscal year 2009-10. The estimates suggest that 68.3% households which have got work under MGNREGS (of the estimated 83.7 lakh households covered in the study) have felt that there has been an impact on the household because of the scheme. The estimates also reveal that there has been an increase of Rs 1881 as additional income from working in MGNREGS. It is estimated that overall around 5.1 lakh households have been able to repay debts with the income that they have got as wages from working in MGNREGS in the last fiscal year. As much as Rs 16.6 crore have been the cumulative debt amount repaid by the workers. Similarly, 2.5 percent benefited households have been able to use some money for creation of assets which is approximately Rs1.8 crore.

The impact however on the households which have got individual works on their farm is much more. Around 29 % estimated households said that due to various MGNREGS works undertaken within the village, there has been an increase in the availability of surface water. Similarly, ground water also improved as said by the 19.5% estimated households. Around 14 % also perceived that MGNREGS activities on related to earthen work have improved the irrigated land within the village. However, very limited percent of households (3.5%) see the contribution of MGNREGS activities on availability of fodder. While 3.4% believe that MGNREGS have contributed as direct impact on their cropping area.

Overall it is seen that 68% of the estimated households say that MGNREGS has had larger impact on the village. Most of the people (75%) see development of approach roads as the

most important impact followed by increase in surface water (42%). People also see ground water (29%) and drinking water (29%) as important impact of MGNREGS in the village. It is seen that people who have actually got individual benefits see greater impact than those who have only worked as a labourer. Most of the individual benefits are in Kapil Dhara sub schemes (87%) beneficiary households. Generally there is a sense of satisfaction of the community with the quality of work. More than 73% estimated beneficiary households have expressed that they are satisfied with the quality of the work. It is also observed that individual benefits are generally going to the OBC and general category households (with BPL cards) as compared to the SC and STs.

9.2. Recommendations

9.2.1. Large scale awareness campaign on specific issues

Over the last 5 years of implementation of MGNREGS, every rural household is familiar with the name of the scheme and basic guarantee of 100 days of employment. However, most of the workers or potential workers do not know that the payment of wages is based on the work done. Similarly, there is a weak awareness around the issues of demand for work or provision of social audits.

The communication strategy should focus on taking any specific messages which will enhance guarantee for employment and promote transparency and accountability. The efforts of wall writing, posters, hoardings and national level advertisement have not targeted the genuine MGNREGS workers or potential workers. Therefore, different communication strategy needs to be evolved. Engagement of Civil Society organizations could help the state in increasing the awareness on various provisions.

Action points

- Identify district and block wise NGOs and engage them through the Zilla Panchayats for spreading awareness on the various provisions of MGNREGS.
- Hire a professional communication agency to prepare a detailed strategy and implementation plan for engagement of multiple agencies

9.2.2. Simplify job card application/ preparation process

There are about 16% households without job cards and many of them are willing to work under MGNREGS. The process of card preparation has been stopped or deferred for some reason. It was informed by many poor households that due to lack of job card or due to losing their job card, they have to hire card from other families agreeing for lower wage payments. The following may be considered:-

- (i) Bring MGNREGS card preparation under service Guarantee Act so that within a fixed time any one applying for job card is guaranteed to get it.
- (ii) All SC/ ST families who have been benefitted under the Forest Rights Act or any other scheme meant for the poor tribals or Dalits should be automatically granted job cards. The PTGs and untouchable SC groups should be taken on priority basis.

9.2.3. Enhance demand for work by efficient management of payment

There is a decrease in demand for MGNREGS work across all the districts as workers are finding it economically unviable to work under MGNREGS. There is a low measurement of work to adjust work of many dormant workers. Moreover, the average delay in payments is more than 3-4 weeks. Therefore, opportunity cost of working for MGNREGS is very high. The poorest of the poor have high cash crunch for daily living and high vulnerability due to insufficient food security. Therefore, it is imperative that MGNREGS workers get payments within 15 days to keep them engaged in MGNREGS. The following need to be considered:

- Strong monitoring at the district level on the muster roll and payment gap analysis to identify villages having delayed payments
- Enhanced availability of civil engineers for verification of muster rolls and work measurement. In certain districts where there is an acute shortage of civil engineers, a panel of professionals or retired civil engineers can be identified. These empanelled civil engineers can be hired for by the Panchayats for verification of records and measurements.
- Support village Panchayats in preparing participatory annual plans and effective labour budgeting so that the most deserving cardholders may get maximum number of days' employment. Similarly, the individual benefits may also be planned openly so that the priority list of the beneficiaries may be developed in a participatory environment.

9.2.4. Enhance engagement of Gram Sabha for effective accountability and transparency

Gram Sabha is the most important institution for demanding accountability and transparency from the implementing agencies. It is found that Sarpanch and Secretary are the key sources of information or information providers. It is natural that the Sarpanch and Sachiv would never prefer to enhance transparency and self accountability. Therefore, there is a weak knowledge and awareness on social audit and complaint register. Similarly, Gram Sabha is not actively engaged in undertaking annual planning. The following need to be considered:-

- Large scale awareness campaign with Gram Sabhas to understand their role in social audits. The campaign need to be organized in collaboration with local NGOs
- The social audit is done in a ritualistic manner as the quality of information provided on social audit format is very rudimentary. In each block or district, a person should be appointed/ assigned to review the social audit reports and ask for feedback on the non-compliance.
- Gram Sabha actually is not held to conduct social audits. Therefore, a random check of the social audits by the civil society organization/ review agencies for identifying the quality of processes and participation of the workers in social audit
- It should be mandatory to mentioned on the Panchayat Bhawan wall complaint register is available with the Panchayat for the public to lodge any complaint. Greater transparency will encourage many workers to lodge complaint.
- Encourage Panchayats to prepare self disclosure document as prescribed in section 4(a) of the RTI. Greater transparency will lead to move effective information sharing and reduced grievances.
- It is essential to have mentors for facilitating the social audit process. The mentors can be active educated youth from the village or civil society representatives. The state will have to ensure that these mentors are adequately oriented and capacitated so that they are able to facilitate the process effectively.
- Provisions for some honorarium (as for mate) should be thought of for the social audit committee members for conducting the audit. This will serve as a motivation for them to contribute to the process.
- Local citizens leaders (preferably those who have contested panchayat elections in the past), should be identified for strengthening the committees.
- The vigilance and monitoring committees need to be strengthened. There were detailed instructions from the state on the structure and roles of the Vigilance and monitoring committees. Adequate capacity building of the committees must be ensured so that they are able to monitor the ongoing works in MGNREGS.
- Adequate role of panches should be thought out for ensuring transparency and accountability in the implementation of the scheme.

9.2.5. Invest in improving bank payment system

It was found that there are households which are reporting that their wage payment are being realized in cash. A lot of this has to do with the inconveniences in accessing banking services by the workers. Banks are relatively away from the villages/ workers. Moreover,

banks have operational difficulties in dealing with large number of small accounts who are unlettered and unfamiliar with formal banking system. Therefore, it is suggested that:-

- Workers are oriented on the procedure of banking so that they feel comfortable to visit bank by themselves and understand their entries. This will reduce use of agents who mostly cheat the unlettered workers.
- There is a need to engage with the banks for the provision of ATM machines at a cluster of villages/ block headquarters. The workers thumb impression can be the basis of identification. The ATM supported bank payment will reduce the workload of the less staffed rural banks. Moreover, the ATM machines will also help reduce the difficulty of distances of the banks and fixed timings and fixed days for the payments of the MGNREGS wages.
- Since the banking infrastructure (branches as well as ATMs) are not available at the Panchayat level, other modes of wages payment through bank needs to be promoted. Bio-Metric cards can be an effective technology for disbursement of wages at the village level itself. This has been done quite successfully in Andhra Pradesh. Assam has also made plans for wage disbursement through Bio-Metric ATMs in the villages. The banks can appoint agents for carrying these ATMs to the village for wage distribution. There is also a need to explore the possibilities of paying the honorarium / salary of these agents through MGNREGS. This can become a potential area where the educated unemployed youth can be engaged.

9.2.6. Integrate Plans under MGNREGS with Integrated District Planning

It was seen that the level of engagement of the Gram sabha is very low as far as planning for MGNREGS is concerned. Nevertheless plans are being prepared for the scheme in each panchayat. Inadequate planning is leading to inability of the panchayats to take up more activities resulting deficient response (in terms of number of days of work provided or delay in providing works) to the demand for work raised by the community. There is also a need to look at the plans from an integrated perspective where the works of MGNREGS can be converged with other line departments. As of now, convergence is driven only by the directives from the state government. There may be several opportunities for converging of different departments locally. The following may be considered

- MGNREGS should instruct all district level officials to derive the plan from the integrated plan document being prepared for the district
- At the beginning of each year, plans thus derived should be painted on the walls of the panchayat so that people are aware of the works that will be done in the scheme with proposed months, budget etc. This would also fall in line with the provision of self disclosure under RTI Act.
- Any farmer in SC/ST/BPL category who demands MGNREGS work on their land (as per the minimum requirement of sub scheme) should be provided the work in a

guaranteed manner. This will increase the number of activities which can be taken up in the village and the panchayats will be able to respond adequately to the demand.

- Plans should essentially focus on converging with activities of some key departments like Agriculture and water resources.
- Promote greater number of activities and convergence around strengthening agriculture. Most of the MGNREGS workers are directly or indirectly dependent on Agriculture. Focusing on agriculture would help in making sustainable opportunities of livelihood for the workers.

9.2.7. Speedening up measurement of works

Delay in wage realization and lack of transparency in measurement is resulting in a drop of enthusiasm of the people in working in MGNREGS. Often wages are cut based on the measurement of work. Almost 30% estimated households who have worked in MGNREGS have stated that they get delayed wages. The poorest of the poor who work in MGNREGS cannot practically afford this delay. The absolute wage realisation is also lower than what is guaranteed by the Act. The average wage per day realized in the state is estimated at Rs 59.20 . Which is 40% less than the prescribed norm. This results in the workers to look for other livelihood options available and also migrate in search of work. To cap this gap, the following suggestions may be considered:

- The huge gap of sub engineers needs to be filled on an urgent basis. In case, hiring of sub engineers is not feasible quickly, the government should adopt measures for hiring local educated youth as barefoot engineers. Proper orientation of these youth should be undertaken and they should be given the task of measurement of simpler works like farm bunds, ponds, road. The sub engineers may be given the task of measuring more complicated tasks like well construction, large ponds etc. Stringent measures to curb any element of misappropriation of funds should also be built in such a system.
- Simple learning material should be prepared by the state to understand measurements. This can be used as a ready tool by the barefoot engineers, Panchayat representatives, vigilance and monitoring committee members and the social audit team members.

9.3. Action Points for implementing recommendations

1. On a priority basis, the state should engage a professional communication agency to redesign the communication strategy. The cues from this report should be explored further to identify the areas in which communication needs to be strengthened and the strategy should be developed accordingly.
2. The state should issue instructions to the districts to identify and engage civil society organisations for awareness generation.

3. Initiate discussion with the Chief Minister's secretariat on including MGNREGS in Service Guarantee Act. This can be done in a phased manner. In the first phase basic entitlements like Job cards, recording of verbal applications, opening of bank accounts, etc may be included.
4. The NREGS cell should seek the list of all SC/ ST families (from Tribal welfare department) who have been benefitted under the Forest Rights Act. The list should be forwarded to the Zilla Panchayats for verifying that these families have been provided job cards.
5. Panel of retired civil engineers should be identified and be engaged for measurement of works.
6. NREGS cell should push forward a proposal of increasing the age limit for retirement of the civil engineers working in the district and block locations.
7. Private engineers and architects may be engaged to do the basic measurement and filling of formats for measurement which can then be verified by the appointed civil engineer. This will ease the load on the existing technical staff.
8. Intensive capacity building should be organised through the SIRD/ and Civil Society organisations for the Panchayat representatives and sachivs on preparation of labour budget.
9. State MGNREGS council should engage with the State Information Commission and to ensure that instructions are sent to each Panchayat to display information on wage payment to individuals, beneficiary list, budget etc under the section IV of the RTI Act 2005.
10. Provisions should be made for making payment to the Social Audit Committee members for conducting Social Audits. The payment can be a part of the budget of the work so that it can be booked as wages to workers.
11. The Social Audit Committee should be strengthened by including non workers and mentors in the committee.
12. The state should issues guidelines / instructions for engagement of NGOs/ mentors for facilitating Social Audits. The state or the districts may empanel credible organisations with experience in conducting social audits for providing facilitation support in the villages during the social audits
13. The state should conduct a study on the effectiveness of Convergence approach in MGNREGS. The study should highlight the challenges emerging in the approach and how to make convergence work for the state.
14. A state level high powered committee should be made under the chairmanship of the Chief Secretary to monitor the convergence of various schemes. The committee should organise quarterly meetings to push forward the convergence of various departments with MGNREGS.
15. The state should conduct the time motion study and review the wage rates for different works undertaken in the scheme.

