

STATUS OF IMPLEMENTATION OF THE MGNREGA IN ASSAM : ALL IS NOT WELL

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ABSTRACT

Based on secondary and primary data, the present paper assesses the status of implementation of the MGNREGA in the State of Assam. Secondary data reveal that the implementation of the MGNREGA is poorly governed in the State which is a cause of concern. The ground level reality emerging from the analysis of primary data indicates that there are several loopholes in the implementation of the MGNREGA which needs to be urgently addressed. It has been found that although the MGNREGA was envisaged to be a demand driven programme, it has largely remained supply based in the field study location of the present study. The results of logit regression suggest that the willingness of the beneficiaries to work under the MGNREGA gets reduced due to the problems that they face while receiving wage earning either from bank or from post office. Banks and post offices being located at far off places, they have to travel a long distance to receive wages. Hence it has been suggested that the beneficiaries are encouraged to have accounts with the banks and then if the banks improve ATM density, it should allow the beneficiaries to withdraw their wages from the bank accounts much easily.

Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, earlier known as the National Rural Employment Guarantee Act (NREGA), is a unique policy intervention by the State for providing livelihood security to resource poor people in rural India. The primary objective of the Act is to provide gainful employment through creation of assets to at least one member of every household up to 100 days in a year. The MGNREGA, with its legal framework, provides a statutory guarantee of wage employment and marks a shift from a 'government providing approach' to an 'entitlement based approach' (Goswami and Bezbaruah, 2011).

A few years following the implementation of the Act, there has been a proliferation

of studies investigating different dimensions with respect to the implementation of the Act. A review¹ of these studies, conducted in the context of India as a whole and across States, leaves one with a mixed impression about how the act has been implemented on ground and its impacts on the beneficiaries.

In the context of Assam, however, there have not been many studies either at the State level or the micro level with regard to the implementation of the MGNREGA. Moreover, the existing studies have also confined themselves into certain dimensions of the Act only. For example, Hazarika (2009) examined the impact of the MGNREGA on only women empowerment. In view of the dearth of literature and the gap in research in the context of Assam, the present study was undertaken. The following

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issues have been considered as the objectives of the paper.

- To examine the trends in the number of job cards issued and work demanded against the job cards over time in Assam.
- To examine whether the required coverage of vulnerable groups in terms of employment provided is maintained over time in Assam.
- To examine the trends in fund utilisation and work completion undertaken under MGNREGA in Assam.
- To assess whether time norms for provision of employment, unemployment allowance and payment of wages are followed at the ground level.
- To assess the awareness level about various provisions in the MGNREGA among the beneficiaries.
- To assess the impact of the act on the beneficiaries.
- To know if the beneficiaries wish to continue working under the MGNREGA or find some other employment.

Methodology

The study is based on both secondary and primary data. Secondary information had been collected from the MGNREGA website of the Ministry of Rural Development. However, the available secondary data allow us to fulfill only the first objective. Hence to fulfill the remaining objectives of the study, primary data were collected.

For collecting primary data, a multistage sampling design was adopted. At the first stage, Dibrugarh district of Assam was chosen purposively². In the second stage, out of seven community development blocks in the district, two blocks namely Lahowal and Borboruah, were selected randomly. From each of these two blocks, two village panchayats had been chosen randomly in the third stage. In the next stage,

two villages from each of the selected panchayats (thus a total of 8 villages) had been chosen randomly. Finally, 15-20 per cent of the randomly selected beneficiary households from each of the villages had been interviewed and the total sample came to 168 households.

The first three objectives have been fulfilled by making use of secondary data at the State level. An assessment of whether the norms with respect to provision of employment, payment of wages and unemployment allowance have been implemented properly at the ground level, the awareness level of the beneficiaries about various provisions and the impacts of the Act on the beneficiaries has been made on the basis of the data collected from the field. A logit model has been constructed in order to know whether the beneficiaries would wish to continue working under the MGNREGA or find some other employment.

Status of Implementation of the MGNREGA in Assam as Extracted from Secondary Information

Trends in Job Cards Issued and Work Demanded in Job Cards over Time in Assam: Table 1 shows that during 2006-07 and 2010-11, an increasing number of job cards had been issued every year. The rate of increase was faster in the initial two periods and then slowed down. In fact, in the last year, i.e. in 2011-12, the number of job cards declined. On the other hand, the number of households demanding work against job cards shows an improvement from 7.98 lakh in 2006-07 to 14.48 lakh in 2007-08 and then to 21.55 in 2008-09. Thereafter, the number of households who demanded work against job cards declined. The decline was sharp in the years 2010-11 and 2011-12. In terms of the percentage of households demanding work in job cards, after an increase from 87.1 per cent in 2006-07 to 92.5 per cent in 2007-08, it had declined continuously. In fact, in 2011-12, of the total households having job cards, only 34.6 per cent demanded job. Thus, it transpires from the

facts presented in Table 1 that demand for work under the MGNREGA in Assam has declined sharply. The implication of this sharp decline in the demand for work under the MGNREGA by

the job card holders may be that the Act has failed to meet the aspiration of the target group to a large extent.

Table 1: Trends in the Number of Job Cards Issued and Work Demanded Against Job Cards Over Time

(1) Year	(2) Number of job cards issued (in lakhs)	(3) % change in the number of job cards issued	(4) Number of Households demanded work in job cards (in lakhs)	(5) = (4)/(2)*100 % of households demanded work in job cards
2006-07	9.17	-	7.98	87.1
2007-08	15.66	70.8	14.48	92.5
2008-09	29.71	89.7	21.55	72.6
2009-10	36.12	21.6	21.39	59.2
2010-11	43.70	20.9	18.08	41.4
2011-12	39.14	-10.4	13.54	34.6

Source: Calculated by the authors from basic data taken from the MGNREGA website of the Ministry of Rural Development.

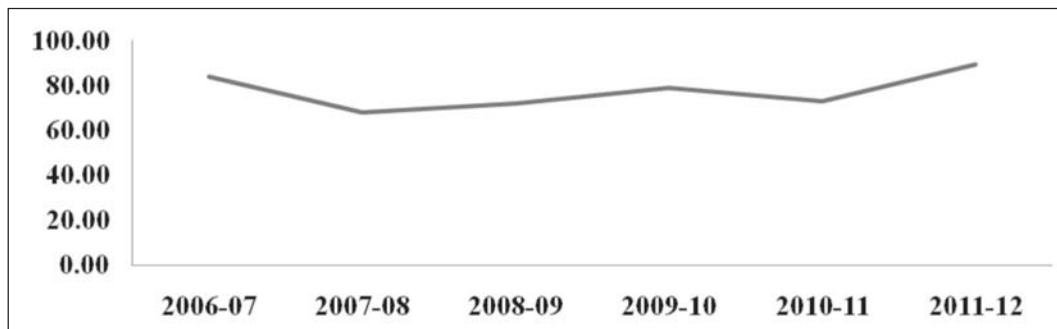
Question however remains over the fact that while, on one hand, demand for work under the MGNREGA has come down over the years, increasing number of job cards are being issued every year (barring the year 2011-12; in fact, in this year also large number of job cards had been issued and only the percentage change in the number of job cards issued over the previous year was negative). If the job card holders do not demand work, why would they like to have job cards in the first place? Do they use the job cards as buffer or insurance so that they can resort to the MGNREGA works in cases when jobs elsewhere are not available? The above question, however, cannot be answered from the secondary data and require further investigation which is beyond the scope of the present paper.

Coverage of Vulnerable Groups in Terms of Employment Provided in Assam : The shares of the Scheduled Castes (SC) and the Scheduled Tribes (ST) in total mandays generated in Assam have declined over the years (Table 2). While the share of SC declined from 8.65 per cent in 2006-07 to 5.55 per cent in 2011-12 with some improvement in the intermediate period, share of ST fell from 46.26 to 22.82 per cent during the same period. In fact, the share of SC has been relatively negligible in all the years. On the other hand, with regards to mandays generated for women, though as per the provisions in the act one-third of the mandays generated should go to the women; this objective has never been met. Rather, in recent past, the share of women in total mandays generated has come down. Thus, within the poor sections of the population, the benefits accruing to the relatively more vulnerable sections have shrunk over time.

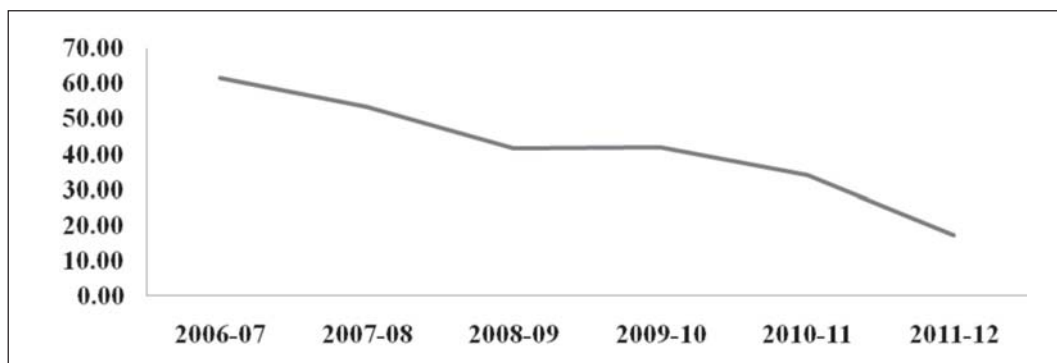
Table 2: Shares of Different Groups in Employment Generated Under MGNREGA (in %)

Year	SC	ST	Women	Others
2006-07	8.65	46.26	31.67	45.08
2007-08	7.60	39.12	30.85	53.28
2008-09	10.41	34.45	27.16	55.14
2009-10	12.15	31.02	27.70	56.83
2010-11	10.99	27.26	26.51	61.75
2011-12	5.55	22.82	24.92	71.63

Source : Same as for Table 1.

Figure 1: Fund Utilised as a Percentage of the Total Available Fund

Source: Same as for Table 1.

Figure 2: Work Completed as a Percentage of the Total Work Undertaken

Source: Same as for Table 1.

Trends in Fund Utilisation and Work Completion Under MGNREGA in Assam

Figure 1 shows a gradual improvement in the proportion of fund utilised out of total available fund after a fall in it in 2007-08. While the proportion of fund utilised has increased over time, the percentage of work completed out of the total work undertaken has declined sharply (Figure 2). In 2011-12, only 20 per cent of the work undertaken could be completed. These two contrasting trends raise serious question about the efficacy of fund utilisation and whether any asset could be created as envisaged under the MGNREGA. Thus, in view of the above findings, it becomes clear that governance in the implementation of the MGNREGA has been very poor in the State of Assam and probably is the most pertinent issue in this context.

Thus, it is evident from the discussion above that the performance of the MGNREGA in Assam at the State level has not been very encouraging, it is rather dismal. While the demand for work under the programme has declined over time, the benefits in terms of mandays generated accruing to the more vulnerable sections of the population has shrunk during the same time. Besides, all the available statistics suggest that the implementation of the programme has been poorly governed.

Analysis of the Primary Data

Socio - economic Profile of the Sample

- In terms of sex, 89.29 per cent of the sample beneficiaries are males and the remaining 10.71 are females suggesting lower level of participation of women under the MGNREGA in the field study location.
- The caste composition of the sample is - SC: 45.83 per cent, ST: 32.18 per cent, OBC: 17.86 per cent and General: 4.17 per cent. In contrast to what the secondary data presented in section 3 indicate, participation of SC and ST under the MGNREGA in the present sample is much higher. The higher level participation of the SC and ST is owing

to the fact that there is a predominance of these two groups in the field survey location. Hence, in spite of choosing a random sampling technique to interview the beneficiaries under the MGNREGA, the present sample may not be representative of the State in terms of the caste composition of the beneficiaries.

- In terms of education level of the beneficiaries, 14.88 per cent are illiterate, 20.83 per cent of them have education up to primary level and 39.29 per cent have education up to 8th standard. Only 25 per cent of the beneficiaries are matriculate.
- Average family size of the sample household is 5 and average number of dependent persons in a household is 3.
- While employment under the MGNREGA provides additional income, the primary sources of income of the sample beneficiaries are as follows – cultivation: 42.86 per cent, daily wage labour: 22.02 per cent, agricultural labour: 26.19 per cent and petty business: 8.93 per cent. It transpires from the occupational structure of the sample beneficiaries that they lack access to non-farm employment and majority of them are directly or indirectly engaged in farm sector. This in turn speaks for the relevance of the MGNREGA as a source of additional income.

Whether the Time Norms for Provision of Employment, Unemployment Allowance and Payment of Wages have been Adhered to at the Ground Level?: Information from the field study locations shows that more than 40 per cent of the beneficiary respondents had not been provided with works within 15 days of demanding for it. Again, none of the respondents, who were not provided with work within 15 days of demanding for it, was found to have received unemployment allowance. On the other hand, about 20 per cent of the respondents did not get wages within 15 days from supplying labour. All these areas require immediate attention.

Besides the time norms with regards to provision of employment, unemployment allowance and payment of wage, information on certain other dimensions of the implementation of the MGNREGA at the ground level is provided in Table 3.

Table 3 : Certain Other Dimensions of the Implementation of the MGNREGA in the Field Study Location

Parameters	% of respondents
Job cards verified at Gram Sabha	66.07
Received job cards within 15 days of registration	73.21
Job card entry made in front of the card holder	77.38
Job cards not available with the card holders at the time of interview	7.74
Respondents who did not make any application for work	55.36

From Table 3 it may be inferred that there is still scope of improvement in certain cases in so far as implementation of the MGNREGA is concerned. For example, only 73.21 per cent of the beneficiary respondents received job cards within 15 days of registration for it. Another point to be mentioned in this context is that it had been found that 55.36 per cent of the beneficiary respondents did not

make application for work on their own. Rather they were provided with works by the concerned authorities as and when the works were available. This implies that though the MGNREGA was envisaged to be a demand driven programme, it has largely remained supply based, at least in the context of the field study location of the present study.

Table 4 : Awareness Level of the Beneficiary Respondents About Certain Provisions of the MGNREGA

Parameters	% of respondents
% of respondents who knew about unemployment allowance	14.88
% of respondents who knew about the grievance redressal mechanism	21.43
% of respondents who knew about the worksite facilities for women	52.38
% of respondents who knew that disabled and old persons can apply for work under the MGNREGA	62
% of respondents who heard about the fact that NGOs can conduct social audit of works undertaken under the MGNREGA	14.29

Awareness Level of the Beneficiaries Regarding Various Provisions of the MGNREGA : The awareness level of the beneficiaries about different facilities and entitlements under the provisions of the Act as can be inferred from the information presented in Table 4 cannot be termed as satisfactory. While only 14.88 per cent

of the respondents knew that they were entitled to unemployment allowance in case of the failure of the authority to provide work within the stipulated time after demanding for it, only 21.43 per cent of the respondents knew about the provision of grievance redressal mechanism. Further, it was found that most of the

beneficiaries were oblivious of the fact that NGOs can conduct social audit of works undertaken under the MGNREGA; only 14.29 per cent of the respondents heard about it. The ignorance of the beneficiaries about different provisions of the Act may be one reason as to why the Act has largely remained supply based in the field study location.

Impact of the MGNREGA : The impact of the MGNREGA on the living standard of the beneficiary households as captured in terms of certain indicators is not very encouraging. In case of only 42.86 per cent of the beneficiary households (BHs), wages earned against works rendered under the MGNREGA contributed towards meeting expenses on children's schooling. While income earned under the MGNREGA helped only 20.83 per cent of the BHs in purchasing household assets, viz., radio, bicycles, electric fan and such items, only 24.40 per cent of the BHs could widen their livestock asset base. On the other hand, only 45.24 per cent of the BHs could improve their institutional savings (mainly savings with the post offices and the banks) with the income earned under the MGNREGA. It is hardly surprising that the impacts of the MGNREGA on the standard of living of the beneficiary households in the location under consideration are merely visible. Given the fact that the average number of mandays generated through the schemes under the MGNREGA in the field study location during the financial year (2009-10), preceding the year in which the survey was conducted, was only 38 days, it is all but obvious that the MGNREGA could not contribute substantially towards improving the standard of living of the beneficiary households.

Would the Beneficiaries Like to Continue Working Under the MGNREGA? – The Logit Analysis

Given the limited access of the beneficiary respondents to non-farm employment and the fact that the farm sector usually does not provide gainful employment throughout the year, the question that assumes

importance is would the beneficiaries like to continue working under the MGNREGA. In other words, were the beneficiaries satisfied working under the MGNREGA? In order to answer the above questions and also to identify the factors that might influence the decision of the beneficiaries regarding whether they would continue working under the MGNREGA or not, a binary logit regression model has been constructed. The binary logit regression model has been chosen as the dependent variable is a dichotomous variable. Thus, letting Y = 1 if the beneficiary is not willing to work under the MGNREGA anymore and 0, otherwise, the logit model to be estimated may be expressed as in equation (1).

$$\ln(P_i/1 - p_i) = Z \dots \dots \dots (1)$$

in which P_i = probability that the beneficiary will not continue working under the MGNREGA

where, $Z = \beta_0 + \beta_1 \text{ AGE} + \beta_2 \text{ SEX} + \beta_3 \text{ EDU} + \beta_4 \text{ HS} + \beta_5 \text{ DTOWA} + \beta_6 \text{ MDA} + \beta_7 \text{ PRWFI} + \beta_8 \text{ SW} + \beta_9 \text{ IW} + u$, in which

- AGE = age of the beneficiary in years
- SEX = 1, if male and 0, if female
- EDU = number of years of schooling of the beneficiary
- HS = household size of the beneficiary
- DTOWA = number of days after which the beneficiary received work after application
- MDA = mandays availed by the beneficiary in the financial year preceding the year in which survey was conducted
- PRWFI = 1 if the beneficiary had problems in receiving wage from bank/post office and 0, otherwise.
- SW = 1, if the beneficiary expressed that wage under the MGNREGA was not justified given the work and 0, otherwise.

IW = 1, if the availability of works under the MGNREGA was irregular according to the beneficiary and = 0, otherwise.

u = random disturbance term.

The results of the regression analysis have been summarised in Table 5.

Table 5: Results of the Logit Regression

Variables/Constant	Estimates of the Coefficients	Standard Error
AGE	-.010	.040
SEX	1.398	1.878
EDU	-.096	.475
HS	.025	.264
DTOWA	-.016	.025
MDA	.007	.017
PRWFI	1.863*	.902
SW	6.494**	1.317
IW	23.888	6.081E3
Constant	-61.660	1.216E4
Log Likelihood [9]	49.856***	
Cox & Snell R ²	.623	
Nagelkerke R ²	.866	

Figure within [] is the degrees of freedom

**, * indicate significant at 1 and 5 per cent, respectively.

The results of the logit regression as presented in Table 5 show that the test statistic for the likelihood ratio test is significant at 1 per cent. Besides, the Cox & Snell R² and the Nagelkerke R² are .623 and .866, respectively. The results of the likelihood ratio test and the higher values of the Cox & Snell R² and the Nagelkerke R² imply that the model is a good fit. The results show that only two explanatory variables, viz., PRWFI and SW have significant influence on the decision of the beneficiary respondents whether they will continue working under the MGNREGA or find some other employment. While the coefficient of PRWFI is significant at 5 per cent, that of SW is significant at 1 per cent. Thus, it can be inferred from the results that the perception of the beneficiary respondents that that wage received under the MGNREGA is not justified increases the possibility

that they would no longer work under the MGNREGA. Further, problems faced by the beneficiary respondents while receiving wage earning under the MGNREGA from bank or post office increase the possibility of them not working under the MGNREGA. The main problem faced by the beneficiary respondents, as reported by them, was that the banks and post offices being located at far off places, they had to travel a long distance to receive the wages. Consequently, they had to incur higher transportation cost besides the cost of time. These findings may, at least partly, indicate as to why the demand for work under the MGNREGA has come down in the State of Assam. The problem of higher transportation cost faced by the beneficiary, however, can be overcome by encouraging the beneficiaries to have accounts with the banks and then by increasing the ATM

density which will improve the access of the beneficiaries to the ATM services of the banks within a short distance from home. Such an arrangement should reduce the transportation cost and the costs of time as well incurred by the beneficiaries and allow them to withdraw their wages from the bank accounts much easily.

Conclusion with Implications for Policy

The secondary data as well as the ground level reality reveal that all is not well with the MGNREGA. It has been observed that demand for work under the MGNREGA in Assam has declined sharply over time implying that the Act has failed to meet the aspiration of the target group to a large extent. Secondary data further revealed that within the poor sections of the population, the benefits (in terms of employment provided) accruing to the relatively more vulnerable sections have shrunk over time.

The most pertinent issue, however, that emerges from the analysis of the secondary data is that of the poor governance in the implementation of the schemes under the MGNREGA. While the utilisation of funds has increased over time, percentage of work completed out of the total work undertaken has declined sharply pointing to the serious problem of governance.

The field level data also suggest that there is significant scope for improvement with regard to the implementation of the provisions of the Act especially with respect to the provision of unemployment allowance to the job card holders who were not provided with work within fifteen days of demanding for it. It has further emerged from the analysis of the primary data that although the MGNREGA was envisaged to be a demand driven programme, it has largely remained supply based, at least in the context of the field study location of the present study. Further, impacts of the MGNREGA on the standard of living of the beneficiary households in the location under consideration have been found to be merely visible. All these aspects

require immediate attention of the concerned authority.

The results of the logit regression reveal two factors, such as - i) the perception of the beneficiaries that the wage received under the MGNREGA is not justified and ii) higher transportation costs incurred by the beneficiary respondents while receiving wage earning from bank or post office, increase the possibility of the respondents not working under the MGNREGA. In order to overcome the second problem, the present paper suggests improvement in ATM density which will allow the beneficiaries to withdraw their wages from the bank accounts much easily.

In view of the fact that most of the findings of the present study are not encouraging, one may raise the question whether the government should augment yearly budgetary allocation under the MGNREGA. We would however, argue that given the limited availability of non-farm employment and the fact that the farm sector cannot provide gainful employment throughout the year, the MGNREGA has the potential for uplifting the condition of the rural poor. The problem is in the implementation of the Act and not with the Act itself. All it requires for the MGNREGA to deliver the desired outcomes are good governance in the implementation of the Act and fulfilling the supporting conditions like improving ATM density.

Notes

1. See Haque (2011), Mukherjee and Ghosh, (2009), Jha et al (2008), Roy (2010), Jha and Raghav (2012), Bhatti (2012) and Nair et al (2009).
2. The present study not being sponsored by any agency, the cost of field investigation had to be borne by the authors themselves. Hence in order to minimise the cost of data collection, primary data had been collected from the district in which the authors were located.

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