

Chapter 8

The Mahatma Gandhi National Rural Employment Guarantee Act, India

8.1 Context

In the mid-1980s and 1990s, an era of liberalisation and market reforms, India's GDP growth rate was consistently above 5 per cent (Nagaraj 2012). This was matched by a corresponding reduction in the share of income poor, though the measured extent of this reduction varies (Alkire and Seth 2015). The reduction, however, has not been uniform across different population subgroups. Although, the rate of rural poverty has decreased faster than that of urban poverty (Förster 2010), poverty in India still continues to be predominantly rural; 70 per cent of India's poor live in rural areas (World Bank 2012). Furthermore, women face specific gendered risks and vulnerabilities: they receive up to 30 per cent lower wages than men in casual labour, and 20 per cent lower for the same task (World Bank 2009). Women constitute two-thirds of the agricultural workforce, but own less than one-tenth of agricultural lands (National Alliance of Women 2008).

The National Rural Employment Guarantee Act (NREGA), launched in February 2006 and renamed the Mahatma Gandhi NREGA (MGNREGA) in October 2009, is a development policy response of the Government of India to a situation of poverty and inequality that focuses on inclusive growth.¹ The Act was operationalised through the National Rural Employment Guarantee Scheme (NREGS, renamed MGNREGS). The scheme was rolled out in three phases: in financial year 2005–06, it was launched in 200 districts; an additional 130 districts were covered in 2007–08; and the scheme went on to cover all districts in 2008–09, making it the largest employment programme in the world.

8.2 Key institutional actors

The Ministry of Rural Development is responsible for implementing the MGNREGA and both central and state governments are accountable: the central government for presentation of an annual report on the outcomes of MGNREGA to parliament and likewise the state government to the legislature (MoRD 2013b). There is an emphasis on strengthening the process of decentralisation through giving a significant role to local governance institutions or *Panchayati Raj* Institutions (PRIs) (The PRS Blog 2013); the village council (gram panchayat) is the pivotal body for planning and implementation (MoRD 2013c). The operational guidelines also outline an important role for grassroots civil society organisations and self-help groups in spreading awareness regarding the scheme, and capacity building of PRIs and state governments in the planning, implementation and social audit of MGNREGA (MoRD 2013c).

8.3 Theory of change

Besides recognition of the need for social security to mitigate unexpected and seasonal shocks in agriculture, the MGNREGA sought to provide resources to generate employment opportunities in rural areas. In this regard, the Act goes beyond providing a social safety net and towards guaranteeing the right to employment, which has a dual implication: work that helps earn wages and work that creates durable productive assets. Its primary objective is to augment wage employment for the poorest; it also aims to strengthen natural resource management through works that address the causes of chronic poverty, like drought, and thus encourage sustainable development (MoRD 2012). MGNREGA is unprecedented in the manner in which it takes a rights-based and gender-sensitive approach in the design and implementation of a public works programme. Employment under the Act is particularly important for women, who often have fewer opportunities for non-agricultural work.

8.4 Social institutions and discriminatory norms

Formal laws, policies and accountability: MGNREGA takes a rights-based approach and legally guarantees employment for 100 days a year to any adult in rural areas who is willing to do casual manual/unskilled labour. The Act mandates that women make up at least one-third of the beneficiaries, and it also encourages prioritisation of employment for single women and disabled women. Furthermore, it has a legal provision for claiming unemployment allowance if a household does not receive employment within 15 days of applying for a job. The Act also mandates the creation of necessary institutions to carry out systemic monitoring and assessment at different levels. This is buttressed by social audits that are expected to bring transparency and accountability to implementation. Information is collated in the form of an annual report to the people by the Ministry of Rural Development and detailed village level information is also available on a special programme website. Information and communication technology has been used for data management, to increase efficiency and for citizen feedback to increase transparency in all stages (Sharma 2010).

Consciousness of women and men: The emergence of rural women in non-agricultural paid work was expected to have had significant empowerment effects, such as a greater decision-making role in the family, discretion to spend and control the use of earnings, and increased self-confidence. Research suggests that access to paid employment opportunities outside the household increases the bargaining capacity of a woman, by giving her a better fall-back position (Agarwal 1994).

Informal cultural norms and exclusionary practices: It is expected that the increased wage employment of women under the MGNREGA may bring with it longer-term changes, in terms of greater social acceptance of women's role in the economy, and may allow their entry into domains of employment that have been traditionally considered male. The introduction of the female supervisor (or 'mate') system has allowed women to challenge the prevailing gender bias that only men can take on leadership roles. For male workers, working under a female mate is a new experience. This is likely to have a definite impact on gender relations in the long run.

Access to resources and opportunities: Although MGNREGA does not exclusively target women it has sought to increase paid work among rural women. In the context of rural India, which is marked by stark inequalities between men and women and between individuals from different castes, access to opportunities for paid employment for poor women, particularly those belonging to the Dalit and Muslim communities, are limited. For the first time, a scheme has provided opportunities for paid employment for rural women, as well as equivalent wage rates between men and women. More importantly, it includes several provisions that specifically target constraints faced by women in accessing and retaining paid employment in rural India. For example, one of the provisions under the operational guidelines is the direct payment of wages into a bank account. This not only increases the chances for greater control over earnings, but also leads to a habit of saving and women withdrawing money as per their needs. Women have also been seen to invest in fixed-deposit schemes in banks (Pankaj and Tankha 2010).

8.5 Strategies

MGNREGA incorporates a number of features that explicitly tackle some of the challenges women face in the rural economy and, to some extent, women's differential experiences of poverty and vulnerability. Its gender responsive aspects are as follows (MoRD 2013a):

- Promoting women's participation in the workforce through a one-third quota in each state.
- Stipulating that wages will be equal for men and women under the provisions of the Equal Remuneration Act of 1976.
- The nature of work targeted under the scheme is primarily unskilled work, which makes it easier for women, who are often illiterate and untrained, to be considered employable.
- Mandatory provision of work locally (within 5 kilometres of one's residence), which facilitates women's access to paid employment as they do not have to travel too far.
- The availability of childcare facilities (if more than five children younger than age six are present at a worksite).
- Suggesting that banks or the panchayat (local government) should consider both individual and joint accounts (where household members are co-signatories), to avoid crediting household earnings solely to the male household head; it also mandates that wages are directly credited to a woman's own account for the number of days worked.
- Identifying widowed, deserted and destitute women, who qualify as a household under the Act, so as to ensure that they are provided with 100 days of work.
- Stipulating that at least 50 per cent of the worksite supervisors (mates) on all worksites are women.

- Giving pregnant women and lactating mothers (at least up to eight months before delivery and ten months after delivery) work which requires less effort and is close to their homes.
- Providing women- and child-friendly worksite facilities such as crèches, drinking water and shade, through convergence with schemes like Integrated Child Development Services.
- Encouraging participation of women's groups, including self-help groups, in awareness generation, securing demand, planning, implementation, monitoring and maintenance of works.
- Recommending that women be present in village assemblies (*gram sabhas*).
- Conducting time and motion studies to formulate wage rates (Schedule of Rates) that are sensitive to gender, age, level of disability, terrain and climate, so as to ensure accurate capturing of work done by women at worksites.

8.6 Outcomes to date

Despite a number of now identified loopholes, a large body of research shows that MGNREGA has wide-ranging social benefits, including the creation of productive assets. On average, 50 million households have been provided with employment every year since 2008. Furthermore, evidence suggests that from the perspective of women, MGNREGA has made a significant difference. Qualitative studies have suggested that Scheduled Castes, Scheduled Tribes and women – groups that have traditionally been excluded – have benefited disproportionately from the scheme (Drèze and Khera 2011). Moreover, a majority of MGNREGA workers are women, and close to half are Dalits or Adivasis (or tribal people). In fact, women's workforce participation under the scheme has surpassed the statutory minimum requirement of 33 per cent. At the national level, it increased significantly from 46.41 per cent in 2010–11 to 53.01 per cent in 2012–13. This share is very high for a country in which a minority of women participate in the paid labour force; for example, it is about twice women's share of other (non-public works) casual waged work (Dutta, Murgai, Ravallion and van de Walle 2014).

The implementation of MGNREGA has expanded choices for rural women in two ways: it has opened up an entirely new avenue for paid employment and it has enhanced their ability to exercise choices regarding a range of household decisions (Pankaj and Tankha 2010). An important fact is that a large number of women have decided independently to work under the MGNREGA. Drawing from various studies, including government reports, the various impacts of MGNREGA, particularly on women, can be broadly summarised as follows:

Increased income generation: MGNREGA has increased the participation of women in household income generation. It has been a critical source of income for female-headed households, providing as much as 15 per cent of the household income in some states (The Hindu 2015). In a survey conducted among women participants, half said that had they not worked on MGNREGA worksites, they would have

worked at home or remained unemployed (Khera and Nayak 2009). This suggests that MGNREGA has given a large number of women their first opportunity to earn cash income (Desai, Vashishtha and Omkar Joshisai 2015), which has created a greater degree of economic independence among women and has increased their purchasing power.

Consumption smoothing: According to the Ministry of Rural Development (2012), women's earnings through MGNREGA, besides increasing their contribution to household income, has also contributed to ensuring greater food security, monthly per capita expenditure, savings, etc.

Enhancing community-level participation: After joining MGNREGA, women's participation in gram sabhas (village assemblies, consisting of all adults in the village) or village-level meetings has gone up (Pankaj and Tankha 2010). There are also studies that suggest women speak in these gram sabhas about the availability of jobs, wage payment and other related issues of personal interest, but not on community interests like the selection of work, social monitoring, etc. In addition, more women MGNREGA workers now meet and interact with government officials and representatives of PRIs institutions.

Change in intra-household status: MGNREGA has resulted in a substantial increase in women's control over resources including cash in hand and the likelihood of having a bank account. A survey found that the proportion of women who had bank accounts had increased to 49 per cent in 2011–12 from 9 per cent in 2004–05 (when compared across the same group). This reflects a tremendous increase in women's financial inclusion (Desai *et al.* 2015). As wages are paid through formal institutions, the intra-household status of women increases with regard to cash resources (because they alone can make withdrawals). Improvements have included women's ability to make independent decisions about their health: in 2011–12, women from MGNREGA-participating households were the most likely to feel free to visit a health centre alone (Desai *et al.* 2015). Similarly, women are able to visit their relatives as per their wish; previously, their visits were controlled both by the need for permission and the money required for the visit (Pankaj and Tankha 2010). Women are also able to use their earnings for household food and consumption needs, and the healthcare and education of children (Kelkar 2010).

Increased self-confidence: With some cash in their hands, women 'feel empowered' as earning members of the family (Jandu 2008). Underlining the significance of paid work and its effects on self-perception, women reported a feeling of self-worth and importance when they handed over either part or all of their earnings to the head of the households or any other male family member (Pankaj and Tankha 2010).

Lower indebtedness: Although the amount earned through MGNREGA is not sufficient to repay debts, nevertheless it helps to reduce the burden of debt for women to some extent, including helping women to keep away from local moneylenders.

Enriching literacy: Another outcome of MGNREGA implementation has been improved education and literacy levels in some areas. One study found that a significant percentage of women workers (almost 34 per cent) spent MGNREGA

wages on their children's education (Borah and Bordoloi 2014). This corresponded to an increase in female literacy rates of those districts. Another study found that children from MGNREGA households were more likely to attain higher education levels and improve their learning outcomes than children from non-MGNREGA households (PACS 2015).

8.7 Lessons learned and the way forward

The MGNREGA is one of the few policy initiatives with unprecedented potential for mass empowerment, particularly of women, and a guarantee of rural employment that is sustainable, leading to a real transformation in rural peoples' lives. The idea of using a government scheme on this scale to support women's empowerment offers some lessons for other governments.

On developing a strong rights-based scheme that provides social protection and livelihood security:

- Enshrining an 'employment guarantee' in the Indian Constitution has ensured MGNREGA's sustainability and demonstrates that strong political commitment is needed.
- Decentralised institutions, such as the village council, can help support mobilising and empowering communities to participate in programme governance structures.
- The design of MGNREGA has important innovative features, including the provision of an 'unemployment allowance', while its demand-driven nature acts as 'insurance' for poor households.
- Incentives help improve implementation, such as a financial penalty at the state level if work is not allocated on time, and institutionalised mechanisms to encourage transparency and accountability (and reduce corruption).
- On-going communication efforts inform communities of their 'right to work'.
- Significant investment in administrative capacity building overcomes challenges in programme delivery in terms of technical expertise to plan and carry out public works, while awareness raising and sensitisation help overcome sociocultural attitudes that perpetuate institutional discrimination (e.g. towards Scheduled Castes, Scheduled Tribes and women).
- The role of civil society is crucial in ensuring the scheme realises its potential: for example, grassroots activists assisting PRIs in social mobilisation; development NGOs building the capacities of panchayats to implement MGNREGA; academic institutions helping to improve evaluation standards; or eminent citizens acting as ombudsmen. Yet there is a need to mandate civil society action in strengthening the programme. For its part, civil society needs to adopt a strategy of dialogue and support to make MGNREGA a success.²
- Creative use of information technology can greatly strengthen social audit and reduce chances of fraud and leakage.

On increasing women's participation in MGNREGA:

- The direct bank transfer of wage payments encourages the participation of women and allows them greater control over earnings.
- Gender-sensitive wage rates – Schedule of Rates under the MGNREGA – have been introduced in a few states, demonstrating that time and motion studies can be conducted in determining such wage rates under similar employment schemes.
- Working conditions need to be made more conducive for working women in the informal sector, such as provision of crèches.
- Women's organisations, civil society organisations and self help groups can play a key role in increasing awareness, building the capacity of local governance institutions and social mobilisation to increase women's participation in MGNREGA. For instance, in Kerala, the decision to put Kudambashree – a state government initiative for poverty eradication through networking of women's groups – in charge of MGNREGA implementation made a significant difference. Meanwhile in Rajasthan, youth groups and other social movements have been deeply involved and have encouraged women's participation in MGNREGA (PACS 2015).
- Including a provision stipulating the hiring of women as supervisors was a remarkable innovation, helping break deep-rooted discriminatory practices and stereotypes about women and work (PACS 2015). In areas where this was implemented, because of civil society pressure on local governance institutions, it has helped to shift social and cultural norms about women's leadership roles and capabilities, and to build women's confidence and self-esteem.

Notes

- 1 What makes the MGNREGA distinct from previous public employment programmes is that it is a universal and enforceable legal right concurrent with some of the provisions of Article 39 and Article 41 of the Directive Principles of State Policy in the Indian Constitution, which enshrine the ideals of the Right to Work. Effectively implemented, the employment guaranteed under MGNREGA has the potential to transform the geography of poverty.
- 2 In this regard, the reversal of the amendment to section 13(d) of MGNREGA has been sought so as to again allow civil society organisations to play a prominent role in the social audit process. Easing access to official records is a crucial prerequisite for ensuring meaningful participation of workers. This would make the social audit a more transparent and accountable process.

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