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From Policy to Implementation: An In-depth Exploration of the Mahatma Gandhi National Rural Employment Guarantee Scheme in Andhra Pradesh

September 2012

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Laura Camfield and Uma Vennam

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Abstract

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was rolled out across India in 2008. Following positive appraisals of MGNREGS based on quantitative data (e.g. Uppal 2009), this paper uses household survey data from adults and from children aged 7–8 and individual and group interview data from young people aged 15 to 16 and from key informants to explore firstly whether these appraisals are confirmed by young people's accounts of the scheme's impact, and secondly whether the evidence from the three villages sub-sampled in the qualitative research suggest its success is sustainable (since instances of financial mismanagement, growing resentment among local landlords, and other problems suggest it may not be). Two positive findings are that participation in MGNREGS is high and a substantial proportion of participants are poor, which suggests that the programme is successfully targeting poor people. There are striking examples of benefits to individuals, intended and unintended, for example, some female labourers will no longer accept a daily wage of Rs 40 (US\$0.40). There may also be significant environmental benefits, although these will not be fully evident for another three to four years. However, those who are landless have not benefited as much as expected. The main beneficiaries in the three villages have been individual farmers, often from higher castes, and to some extent administering officials. So while interview and survey data demonstrate beneficial effects, the mismanagement described in this paper is having a corrosive effect on trust and social relationships. This unintended consequence threatens the sustainability of the scheme and its potential to reduce socio-economic inequalities and vulnerability across the life course.

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About Young Lives

Young Lives is an international study of childhood poverty, following the lives of 12,000 children in 4 countries (Ethiopia, India, Peru and Vietnam) over 15 years. www.younglives.org.uk

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1. Introduction: review of the Mahatma Gandhi National Rural Employment Guarantee Scheme

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), said to be the largest public works programme in the world, was rolled out nationally in India in 2008 following extensive piloting in the country's poorest districts. While MGNREGS is a high-profile scheme, there are relatively few studies assessing its effects that combine qualitative and survey data and none that use data gathered from children. Our paper demonstrates many of the benefits of the scheme reported elsewhere, but also highlights concerns that mismanagement may undermine the long-term sustainability of the scheme and therefore compromise precisely those improvements. In this section we briefly summarise literature on the operation, monitoring and impact of the scheme, before focusing on its performance in Andhra Pradesh, drawing on Reddy et al. (2010).

MGNREGS was based on the Maharashtra Employment Guarantee Scheme promoted by Jean Drèze and Amartya Sen (1989). It is open to all rural households and acts as informal social insurance. Once a household and its members have registered for a job card, MGNREGS guarantees up to 100 days unskilled manual labour per household, paid at a rate of no less than Rs 121 (US\$2.2) per day, which is pro-rata according to the amount of work completed.¹ It pays the same rate for everyone, irrespective of age, caste or gender (Johnson and Tannirkulam 2009). As participants work in groups, slower or weaker individuals are not disadvantaged by their inability to complete their share of the work. Nonetheless, the physically demanding nature of the work is less appealing to people who are older or have disabilities or health problems. For this reason Porter (2010) found that the highest coverage of MGNREGS within the Young Lives sample was in the second-poorest expenditure quintile rather than the poorest.² Although the scheme appeals to women since they have fewer opportunities to earn a good wage and work is provided within 5km of the household, female household heads prefer daily wage labour (casual labour paid by the day) as it can take up to one month to receive payment from MGNREGS (Sudarshan et al. 2010).

While the scheme has been successful in reaching marginalised groups, in many states it has attracted substantial numbers of non-poor and land-owning participants because of the favourable wage rates. These participants can better withstand the variability in wages associated with piecework (where the amount received varies according to the amount of work done) and the delays in payment (Imai 2007; Scandizzo et al. 2009). Jha et al. (2009) found that in Andhra Pradesh households with more land were participating more, possibly

1 When the fieldwork for this paper was done, the rate was Rs 100 per day, which rose to Rs 121 in January 2011. In January 2012 the Supreme Court supported the judgement in the Karnataka High Court that MGNREGS wage rates be brought into line with the State's minimum wage rate. For Andhra Pradesh this meant a Rs 4 increase to Rs 125.

2 Young Lives is a 15-year study of the changing nature of childhood poverty, taking place in four developing countries including India (Andhra Pradesh). For further details, see www.younglives.org.uk.

because the wage rate was more than twice as high as the market rate for unskilled labour. Uppal's (2009) paper noted that participation in MGNREGS is related to the number of influential relatives in the community, which suggests that some groups are getting preferential access, and Shankar et al. (2010) observed that in Rajasthan, Andhra Pradesh and Maharashtra the non-poor are more likely to have information about the scheme, acquired through social networks such as self-help groups, and via mobile phones, public meetings and the television. They are therefore more likely to join and successfully argue for their rights within the scheme.

The MGNREGS working 'day' is 7am to 12 or 1pm, which is less time than it would take to earn a similar amount as a daily labourer. Types of work include breaking or moving stones, levelling the ground, checking and repairing dams and irrigation channels, desilting tanks, digging pits around saplings and creating infrastructure for piped water. If work is not made available within 15 days, the household is entitled to unemployment benefit, although this is rarely offered (in 2009 less than 5 per cent of Young Lives sample households reported receiving it). MGNREGS departed from previous employment guarantee schemes by banning the use of 'labour displacing machinery' and excluding local contractors who have historically exploited poor rural people. It aimed to provide good-quality work with a minimum wage and good working conditions, including access to drinking water and healthcare for work-related injuries, as well as childcare if more than five children aged under 5 were on the site (Ambasta et al. 2008). Nonetheless, PACS (2008) found that work site facilities such as drinking water, shade, first aid, and a crèche were not provided in nearly half of the surveyed gram panchayats³ and in Andhra Pradesh only water was consistently provided (Reddy et al. 2010). According to Young Lives data (2006) childcare was available at less than 10 per cent of work sites. This meant that women did not participate, or took siblings out of school to care for babies at home or at the site, or left babies with pre-school children either at home or at the site (Sudarshan et al. 2010).

Almost all respondents said that wage payment was made on the basis of work measurement and had seen officials measuring the work that had been done. However, 50 per cent of respondents felt their daily rate did not reflect the amount of work they had done (PACS 2008). The reason for the lack of correspondence is that MGNREGS is using a Schedule of Rates designed for a system of contractors, who don't pay minimum wages, and machines. This schedule has not been adapted to local geology, climate, specific activities or the capacities of different types of worker, or revised in line with minimum wages (Ambasta et al. 2008; Mehotra 2008). Despite the revision of the Schedule in 2007 by the Government of Andhra Pradesh, workers found it almost impossible to earn the full Rs 100 and this created great resentment: 'While the Rajasthan model [piecework] is often flagged as "good practice" because it seeks to link earning to effort and productivity, the actual outcome of very low wage payments for very hard work is not acceptable' (Sudarshan et al. 2010: 9).

Mehotra (2008: 31) proposes either having daily wages, which reduces the need for technical input in assessing work done (this is the practice in Kerala), or involving workers in costing work to avoid the Schedule of Rates '[being] used to manufacture estimates and cheat labour'. Low wages can also be caused by misguided attempts to respond to local needs by employing more workers than are required for a piece of work in order to avoid complaints from those who are not selected. The money allocated for the work is then divided among all the participants, who therefore receive less than the minimum wage.

3 A gram panchayat is an elected local government body for villages or towns with over 300 inhabitants.

The preceding paragraphs highlight the goal of improving livelihoods through decent work; however, MGNREGS' objectives extend beyond 'enhanc[ing] livelihood security in rural areas' to include 'generating productive assets and skills, ... protecting the environment, empowering rural women, reducing rural–urban migration and fostering social equity' (CRD, no date). The Indian Government therefore expected the costs of MGNREGS to follow an inverted u-trend (contrary to other wage employment schemes) where the high initial costs of the scheme plateaued and then decreased as land productivity increased from 2 per cent to 4 per cent because of the quality of the productive assets constructed through the scheme. This would mean that marginal farmers could return to working on their own farms, leaving MGNREGS solely for landless labourers (Mehotra 2008).

1.1 Staffing and procedures

In 2006 MGNREGS had an administrative budget of 2 per cent, which has grown to 6 per cent in recognition of the enormity of its task. The limited budget at the outset caused delays in appointing block-level⁴ programme officers and field assistants: nearly a third of states had not appointed officers and half of the gram panchayats had not appointed assistants (CAG 2007). Having dedicated staff at panchayat level was important as panchayat staff currently administer over 200 different schemes for rural areas: 'In a sample study done in Madhya Pradesh and Karnataka, the World Bank found that, on average, a village *sarpanch* [elected head of the panchayat] or official has to keep track of 470 accounts and deal with 17 line departments involving 50 officials!' (PACS 2008). A third of states had not set up Technical Support Groups (panels of engineers) to cost and evaluate works. Additionally, there were only two junior engineers per 140 villages, who were also responsible for six other programmes (ibid.). The lack of engineers led to delays in wage payments as there was no-one to 'sign off' on work done. It meant that work was often of poor quality and the number of days of work generated in the second year of MGNREGS showed little increase on the first year (Mehotra 2008; Ambasta et al. 2008). Lack of staff limited attempts to involve villagers ('social mobilisation') and tailor programmes of work to local needs – public works were selected based on what had been done before and could be easily measured.

MGNREGS develops five-year district-level plans that are based on the annual plans of gram panchayats, which have been approved by specially convened gram sabhas.⁵ The reason for this is that it makes the process of selecting public works transparent – with no possibility of favouritism towards particular landowners – and means that the assets generated will reflect local needs. However, PACS (2008) found that many district plans were late, partial, not based on gram panchayat plans, or not developed through a well-publicised gram sabha (the latter was the case in over 50 per cent of panchayats surveyed). Instead districts used existing plans and depended heavily on projects such as roads that were easy to plan and build and made greater use of materials than labour, thus providing more opportunities for 'financial leakage'. Although many projects in Andhra Pradesh focused on the MGNREGS priority of water conservation, they were not always successful as communities had little experience of this, there was no budget for maintenance. They were also difficult to build within the limit of 40 per cent for material costs, and they needed to be combined with soil-conservation measures, which were not always established (ibid.).

4 The block panchayat is a local government body that works with a group of gram panchayats that form a development block. It provides a link between individual gram panchayats and the district administration.

5 Gram sabhas are meetings of all the adults who live in the area covered by a panchayat to hold the panchayat officials to account.

1.2 Accountability mechanisms

When MGNREGS started there were widespread predictions that corruption and poor service-delivery mechanisms would reduce its impact to such an extent that ‘one of India’s most well-known economists infamously suggested that the likelihood of money reaching the poor would be higher if we “simply drop the money by helicopter or gas balloon into rural areas” than route it through employment programs’ (Aiyar and Samji 2009: 5). MGNREGS aimed to combat this perception with decentralised planning and implementation (at least 50 per cent of works were organised by the gram panchayats), ‘proactive disclosure’ (e.g. display of information on gram panchayat notice boards and online), a ‘leak-proof’ wage-payment system (weekly payment of wages through individual accounts in post offices) and biannual ‘social audits’.

PACS (2008) found that in nearly 80 per cent of the blocks surveyed, some of the work was not inspected by local officials, and even fewer blocks were inspected by district or state officials. Audits also reveal poor local record keeping; for example, incomplete job-card and complaint registers in over 50 per cent of gram panchayats. Reddy et al. (2010) report higher standards in Andhra Pradesh (for example, completed and signed muster rolls [records of workers’ attendance] available for inspection in almost every site), but note that in a third of cases, workers’ job cards were incomplete, which makes it hard for them to contest discrepancies in payment. These findings suggest that even though the Government of Andhra Pradesh developed a sophisticated Management Information Systems database, this may not have resolved the problems identified in the literature as any database is only as reliable as the data it contains.

One of MGNREGS’s most distinctive features is the social audit, which is held biannually and involves 11 separate stages, culminating in a public meeting (‘social audit forum’). Aiyar and Samji (2009) report that as a result of the social audits, over 500 field assistants and 10 technical assistants have been dismissed, three mandal development officers have been suspended,⁶ inquiries have been initiated against at least six other mandal officials, and 60 lakh (Rs 6,000,000 or US\$110,121)⁷ worth of embezzled funds have been returned. (As the budget in 2009 was 39,000 crores, or 3.9 million lakh – just over 7 billion dollars – this represents a relatively small percentage, which could indicate either lack of corruption or lack of success in recovering funds.) The audit also raises awareness of workers’ entitlements, such as the 100-day guarantee and provision of shade and water at the work site. In Andhra Pradesh social audits are conducted regularly and Young Lives data suggest nearly a quarter of villagers participate. However, some studies suggest that they are conducted in a way that doesn’t enable genuine participation and that by concentrating on implementation issues, they cannot address more important concerns such as the exclusion of certain social groups or the quality of the work (PACS 2008; Gopal 2009).

Despite the challenges faced by MGNREGS, it has not followed the apocalyptic trajectory predicted by Moore and Jadav (2006: 1,293) involving ‘descent into some mixture of gross corruption, exploitation for narrow political patronage, and loss of reputation and support’. Nonetheless, numerous examples of petty corruption and more fundamental problems have been identified. For example, PACS (2008) reports complaints of non-payment or delayed payment of wages, payments below the minimum wage level, and payment to unregistered,

6 A mandal is a subdivision of a district and comprises several panchayats.

7 1 lakh is Rs. 100,000 (US\$1,835) and 1 crore is 100 lakh or 10 million rupees (US\$183,504).

fictitious, under-age or dead labourers. Gaiha (2005), Moore and Jadhav (2006) and Mehotra (2008) note a lack of enthusiasm from operational staff, especially in remote areas where Scheduled Tribes live. This is due in part to the challenges of MGNREGS implementation and limited opportunities for financial leakage. Moore and Jadhav (2006: 1,293) note that 'a programme like [MGNR]EGS is likely to remain in place and on track only if potential jobseekers are organised and mobilised to put continual pressure on the administration' as otherwise the disparate voices of the poor will be drowned out by more powerful and cohesive stakeholders such as landlords and officials. This proposition is confirmed by Shankar et al. (2010) who observed that the corollary of the low 'elite capture' in Rajasthan (relative to Andhra Pradesh and Maharashtra) was that corruption at the implementation level was higher because there was little effective monitoring. In fact, the desire of richer groups to participate may indicate the quality of the scheme and be a factor in its sustainability, so long as poorer groups continue to be over-represented.

1.3 Perceived impact

Many authors, e.g. Imai (2007), suggest that the greatest benefits of MGNREGS are experienced by small- and medium-scale farmers whose land is targeted for development. For this reason others believe that MGNREGS's focus should be genuinely public works that increase the economic security of the whole community. Examples of these are provided by Johnson and Tannirkulam (2009) and Scandizzo et al. (2009), who note greater resistance to the economic effects of shocks such as bad weather, which typically affect whole communities. Although one of the aims of MGNREGS was to generate work, Imai (2007) provocatively suggests that its impact may have been reduced by the strict ratio for expenditure (40 per cent materials, 60 per cent labour). This was designed to increase the benefits to participating workers and reduce opportunities for corruption; however, it may have limited the productivity of completed schemes as not enough was spent on materials. The final paragraph of this section focuses on MGNREGS's performance in Andhra Pradesh, before the rest of the paper discusses the extent to which these findings are supported by Young Lives data.

1.4 Andhra Pradesh

In Andhra Pradesh MGNREGS was introduced in the 200 poorest districts in 2006 and extended to all 615 rural districts in 2008. Participants were from the most marginal social and economic groups: 45 per cent were Scheduled Caste, 5 per cent Scheduled Tribe and 51 per cent female.⁸ By March 2010, 4.1 million works had been taken up in Andhra Pradesh and 45 per cent of them completed (Reddy et al. 2010). Reddy et al (2010) found that 100 per cent of the 481 households in the Andhra Pradesh component of their sample had job cards⁹ (the study was also carried out in Bihar and Rajasthan). Seventy-one per cent requested work and more than 90 per cent received work within 15 days. The average number of days worked per household was 74, and more than half of households claimed between 75 and 100 days. Reddy et al. (2010) note that payments were timely and higher

8 The Scheduled Castes, also known as the Dalit, and the Scheduled Tribes are two historically disadvantaged groups who are recognised in the Constitution of India, part of which undertakes to address the gap between their opportunities and those of other caste groups.

9 The equivalent figure within Young Lives sample is 80 per cent (Galab et al. 2011), which may reflect the fact that the Young Lives sample includes non-poor households, or perhaps the increase in participation in MGNREGS between the Young Lives household survey in 2009 and the qualitative research in 2010.

than agricultural wages and estimate that they accounted for 9.6 per cent of household income. 'Distress' migration had been reduced; however, male migration for higher wages continued. This was partly due to a perception of MGNREGS work as sporadic and of short duration, which arises from a history of MGNREGS projects being delayed while awaiting approval or investigation of an irregularity, or postponed to accommodate peak agricultural periods after requests from landowners.

Many studies, e.g. CBGA (2006) in Drèze (2006), have placed Andhra Pradesh at the forefront in implementing MGNREGS because of the high level of population awareness of the scheme, relative to other States such as Jharkhand, and technological innovations. Its popularity within Andhra Pradesh was evidenced by the popular distress evident when the death of the Chief Minister who started the scheme threatened its continuation. MGNREGS appears to be successfully targeting poorer people as only 3 per cent of participants in Andhra Pradesh are above the poverty line (Reddy et al. 2010). However, Reddy et al. warn that 'these very characteristics of the participating households [i.e. that they are predominantly poor and marginalised] may also create the conditions for misuse and neglect of processes, and therefore call for effective institutional and governance structures' (ibid.: 66). They observe that despite the commitment of the political leadership, the local panchayats are weak, which reduces their ability to mobilise villagers in planning and monitoring the work (a core function identified by Moore and Jadhav 2006). Reddy et al. (2010) also note some warning signs in relation to the future of the scheme: guidelines and record-keeping requirements are perceived as burdensome, there is a lack of local technical expertise which affects the quality of work, and it is hard to track the granting of unemployment allowance. While many workers enjoy the experience of working in groups, the fact that these groups are often caste- or gender-based creates potentially discriminatory dynamics, for example, risky work being given to Scheduled Caste groups, or single women struggling to find a group (Sainath 2007; Young Lives data in Poompuhar echo this finding). Finally, as the majority of work in Andhra Pradesh is land development (45 per cent), there is some resentment that the benefits accrue to landholders, not the landless. Sections 3 and 4 of this paper explore the extent to which these warning signs are apparent in Young Lives sites.

2. Methodology and communities studied

The fieldwork took place in March 2010 in three rural communities that have been part of Young Lives quantitative data collection since 2002 and were used in longitudinal qualitative research in 2007, 2008 and 2010. The qualitative data reported in this paper come mainly from young people aged 15–16;¹⁰ for further information on how they were selected, see Vennam (2009). All names of communities and respondents have been replaced by pseudonyms.

10 The respondents from the Young Lives quantitative survey sample were aged 15–16 and a few other respondents were aged 17–19.

2.1 Katur

Katur is a near-rural village in Anantapur district, 40km from one of Andhra Pradesh's major railway junctions and accessible by an all-weather road. While the majority of the population are from the Scheduled Castes or Backward Classes, there are five Other Caste households, who are the main landowners.¹¹ The main occupations in the village are agriculture, animal husbandry and wage labour. The area is drought-prone and dependent on migration, and now MGNREGS, during the dry season.

2.2 Poompuhar

Poompuhar is a near-rural village in Mahabubnagar district that is accessible by an all-weather road and public and private transport. The majority of the population is from the Backward Classes, although there is a small Scheduled Caste 'colony' (neighbourhood) at the entrance to the village. The main occupations are agriculture, predominantly cotton, animal husbandry and wage labour. Seasonal migration is common.

2.3 Patna

Patna is a remote tribal village in Srikakulam district without an all-weather access road. While the majority of the population is from the Scheduled Tribes, the community is dominated by a small number of Other Caste and Backward Class households. The main occupations are agriculture, horticulture (e.g. growing mangos and cashews), and collecting non-timber forest produce such as mushrooms. Additional employment opportunities are provided by the Integrated Tribal Development Agency (ITDA).¹² The community experiences frequent cyclones and roads can be cut off by water flowing from the hills.

The qualitative sample comprised young people who were mostly aged 15–16, as well as key informants such as the MGNREGS field assistant (administrator, one per panchayat), *meti* (work group leader) and the *sarpanch*. The study employed the same fieldworkers used in previous longitudinal qualitative research in order to build on existing relationships. They carried out individual interviews with key informants and group interviews with boys and girls to explore the role of MGNREGS in local livelihoods.

Table 1. Respondents who provided qualitative data used in this paper

	Patna	Katur	Poompuhar
Group interviews with young people	1 (girls), total n=5	2 (girls & boys), total n=10	2 (girls & boys), total n=10
Individual interviews with young people	4 girls, 1 boy	4 girls, 4 boys	3 girls
Key informant interviews	<i>meti</i> <i>sarpanch</i> panchayat secretary assistant project director	field assistant <i>sarpanch</i> technical assistant	<i>meti</i> <i>sarpanch</i> <i>sarpanch's</i> brother

11 Other Castes are historically privileged groups who do not qualify for any of the Government's positive discrimination schemes in employment or education. Backward Classes (or Other Backward Classes) is a flexible designation for caste groups that are not Scheduled, but are nonetheless disadvantaged.

12 The ITDA is a government agency that aims for socio-economic development of tribal communities through income-generating schemes combined with Infrastructure development.

3. Results overview: quantitative research

3.1. Staffing and procedures

The quantitative analysis considers data gathered from the rural households in the Young Lives Younger Cohort (1,466 children). These children were aged 7–8 in 2009, when the survey was done. All the statistics in this section come from analysis of this 2009 dataset. Within this sample, 76 per cent of households had a job card, compared with 54 per cent of the households in Patna and 95 per cent in Katur. Households from the Scheduled Castes and Scheduled Tribes were most likely to have cards (85.5 per cent and 83 per cent respectively) and households classified as Other Castes ('Forward' Caste groups and Muslims) were least likely to have them (54 per cent). Sixty-seven per cent of the households had had someone working for the scheme in the last 12 months, suggesting that the cards were not merely being taken as insurance. (Analysis of data from 2006 shows only 19 per cent of rural households working in the scheme in the last 12 months.) In the three villages studied, even better-off households had worked for up to one week while MGNREGS was operating on their land. When this question was analysed by caste, Scheduled Tribe and Scheduled Caste households were most likely to have had a member working in the past 12 months (both 77 per cent) and Other Caste households were least likely (42 per cent).

A total of 23 per cent of respondents said that there were childcare facilities at their last work site, although this was only relevant to 28.5 per cent of them as the other households did not have children under 5. Some 3 per cent of households reported that single female household members had been refused employment because they were single and this rose to 5 per cent among Scheduled Caste households. Only 7 per cent of households had had to work outside their community and these had mostly received extra wages. However, the scheme was less good at providing employment within 15 days of registration: 36 per cent of respondents said this hadn't happened, ranging from 0 per cent to 40 per cent in the three sub-sampled villages. Despite this, only 5 per cent of respondents reported receiving unemployment allowance. Payment for work was generally fairly prompt: 77 per cent of respondents reported receiving it within the recommended 15 days, although the qualitative data suggest payments are less regular. While these indicators are not perfect, Table 2 shows that there have been improvements from the situation in 2006 while the scheme was still being rolled out.

Table 2. *Operational indicators from 2006 and 2009*

Year	Median no. of days worked	Median household income from MGNREGS	Work sites with childcare (%)	Work available in the village (%)
2006	6	Rs 1,500	8	44
2009	15	Rs 3,521	23	93

Source: Young Lives household questionnaire 2006 and 2009, rural Younger Cohort only (n=1,466 in 2009).

3.2 Accountability and monitoring

Of those who did not have a job card, 40 per cent believed that they were not eligible or did not know how to apply, which suggests that despite wide publicity and the high priority given to the scheme in Andhra Pradesh, information about MGNREGS entitlements has not reached everyone. Awareness was similarly low about the social audit, which has been heavily promoted in Andhra Pradesh: only 47 per cent said they were aware of it being conducted in their village and this figure was as low as 20 per cent in Poompuhar. Overall, only 23 per cent of respondents had participated in the social audit (only 8 per cent in Poompuhar). A positive finding was that those in MGNREGS target groups (Scheduled Castes and Scheduled Tribes) were more likely to be aware of the social audit being conducted in their community than those in the Backward Classes or Other Caste groups, and Scheduled Caste groups were more likely to have participated (see Table 3).

Table 3. *Awareness of and participation in social audit by caste (%)*

Child's ethnic or caste group (n)	Aware of social audit being conducted in their community	Participated in social audit in their community
Scheduled Caste (n=303)	55	34
Scheduled Tribe (n=266)	56	22
Backward Classes (n=694)	41.5	20
Other Caste (n=203)	39	22.5
Total (n=1,466)	47	23

Source: Young Lives household questionnaire 2009, rural Younger Cohort only.

3.3 Perceived impact

The median annual household income from MGNREGS in 2009 was Rs 3,521 (US\$64.5), although the mean was much higher (Rs 5,018 – US\$92). The variation in income reflects differences in household size, days of work offered, access to more appealing economic opportunities than MGNREGS, etc. The median number of days worked per person between July 2008 and June 2009 was 15 (see Table 4). When these figures are broken down by caste, those from the better-off Other Caste group are working fewer days than the median (9 days rather than 15) and earning just under the median (Rs 3,507 – US\$64.3). Scheduled Tribe households are working longest (19 days) and earning slightly more than the median (Rs 3,650 – US\$67). While households from Scheduled Tribes are working more than as twice as long as those from Other Caste households (19 days versus 8 days), this is not reflected in the difference in median household income from MGNREGS between the caste groups (Rs 3,160 versus 3,897 – US\$60 versus US\$71). The difference in income is unlikely to be due to differences in household size between the caste groups as this only ranges from 5.49 to 6.32 persons. If we divide the individual income by the number of days worked (Table 4), Backward Class and Other Caste households appear to be getting the highest wage rates and Scheduled Tribes the lowest, although these differences are not statistically significant. As we know from the literature, there is variation in rates paid because of location, but not caste (Johnson and Tannirkulam 2009). However, the two variables may be difficult to separate; for example, as tribal households live mostly in remote areas with few economic opportunities, they may receive a lower daily rate, owing to lack of competition from other employers. This did not appear to be the case in Patna, the tribal village within the qualitative sample, so there may be other explanations such as fewer adult household members in tribal households or higher levels of migration. Overall the data suggest that the programme is

reaching the poorest groups, but also benefiting wealthier households (or poorer households within wealthier caste groups), which may be necessary for the programme to maintain popular support.

Table 4. *Days worked and household income from MGNREGS by caste*

Child's ethnic group	No. of households	Median income from MGNREGS (per household, Rs)	No. of individuals	Median no. of days worked (per individual)	Median income from MGNREGS (per individual, Rs)
Scheduled Caste	224	3,160	463	15.2	1,570
Scheduled Tribe	207	3,650	396	19.4	1,750
Backward Class	432	3,897	961	14.8	2,219
Other Caste	81	3,507	193	8.8	1,569
Total	944	3,521	2,014	15.2	1,848

Source: Young Lives household questionnaire 2009, rural Younger Cohort only.

The physical and educational outcomes for rural Young Lives children aged 7–8 (the age of the Younger Cohort in 2009) in households participating in MGNREGS are notably poorer, which suggests that the programme is successfully targeting the poorest households. For example, 32 per cent of children aged 7–8 from MGNREGS households could not read anything versus 20 per cent from non-MGNREGS households. Similarly, 36 per cent of children aged 7–8 from MGNREGS households were stunted, versus 26 per cent from non-MGNREGS households. Participants from MGNREGS households who had worked in the last 12 months were more likely to have experienced a range of environmental problems, the most common of which was crop failure (6 per cent of the sample, 79 per cent of which came from MGNREGS households). This suggests that work on MGNREGS is providing some protection against food insecurity in the face of shocks.

4. Performance of MGNREGS within the communities studied: qualitative and quantitative findings

4.1 Katur

In Katur, 95 per cent of households in the Younger Cohort rural sample had a job card and had worked in the last 12 months, which is higher than the other two villages and the Younger Cohort rural sample as a whole. Seventy-five per cent of households said that the social audit had been conducted in their village and 63 per cent had participated in it, which was also higher than the sample as a whole. According to the *meti*, the community is ready to question any delay or discrepancy: 'They call either the concerned official or the press reporters. They have the telephone numbers of the press reporters and the officials.'

Few respondents reported not receiving payment within 15 days (15 per cent), all of which suggests that within this community the programme is relatively well run. The median number of days worked per person between July 2008 and June 2009 was 18 (range = 0–172) and the median individual income was Rs 3,541 (US\$64.2) (the median household income was Rs 10,889 – US\$197), which is much higher than for the sample as a whole.

The impression of a well-run programme is confirmed by the interviews with the *sarpanch* and the field assistant, who has been employed since the start of the scheme in 2006. MGNREGS involves 85 per cent of households, almost all of which work regularly. The scheme has brought 60–70 acres of private land under cultivation and the community has received drinking water storage for animals and water from rainwater harvesting. Nonetheless, there has been some resistance from landlords who say they are ‘spoiling’ the labourers with better wages and working conditions. The landlords also determine the timetable, as during peak agricultural work ‘the important elders in the village will ask [MGNREGS] to stop the drought works for some time. Then they will stop the work’ (Revanth, a young respondent).

4.1.1 Staffing and procedures

The field assistant is paid Rs 2,200 (US\$39.9) per month, which is based on the number of days worked by MGNREGS labourers. In 2008 a block system was introduced which divided the village into four 250-acre sections; work could only be carried out in one section at a time so that the field assistant could supervise. The *metis* work alongside their labourers and receive an additional payment of Rs 1 per labourer per day for supervision (i.e. Rs 20 per day). Katur is the only one of the three sub-sampled villages to compensate the *meti*, which may reduce the motivation for fraud.

Workers apparently receive Rs 100 per day and a travel allowance of Rs 10 if they have to travel more than 3–4km to the work site. First aid kits and water are provided on site, plus an *ayah* if there are children under 5. In each work group there are 11 women and nine men, and men receive an extra Rs 2 because their work is heavier. One girl, Janaki, described how ‘it is really difficult for people like my father as they have to dig the stones, move them aside, break them into smaller pieces and lift them’. Nonetheless, the women’s work of passing baskets of stones and mud along a line for emptying is also hard. Another girl, Triveni, described having pain in her legs for several days as ‘when they remove mud [and put it in the baskets] they don’t check whether there are any children or not’, even though the workers loading the baskets with mud know that the mud is too heavy for children to carry. (Triveni and other participants aged under 18 should not have been working as the minimum age is 18; however, this was tolerated, as described below.) Children and adults were given equally heavy loads. One or two people have been injured lifting or carrying stones and their medical bills were paid by the mandal development officer. They were paid compensation of Rs 1,800 (US\$32.6) and Rs 1,400 (25.3) respectively and received a proportion of their wages (20–50 per cent) while they were recovering.

If families have a child aged 16, the child’s name is written on their parents’ job card, which allows them to occasionally substitute for their parents in case of illness. When they turn 18 or marry they can have their own card. Age is certified with a photocopy of the ration card to prevent children working. Nonetheless, some children are regularly working on their parents’ job cards and in these cases the fieldworkers will conceal them when “higher officials” arrive (Mamatha). The young people’s focus groups confirmed that children worked in place of their parents during the holidays: Triveni said they would substitute for their parents if they couldn’t

attend, even during term time, and Mamatha explained that because people needed to turn up on the first day of the week in order to be allowed to work for the rest of the week, parents had to send their children.

Three of the participants in the boys' focus group (Revanth, Reddy and Govindh) said that they were pressurised by their parents to attend MGNREGS. Triveni also described how she wasn't able to go to school when there was a lot of work and as a result fell behind in her schoolwork. Govindh combines MGNREGS with college, which he is able to do because he works from 7am to 11am and starts college at 1pm His wage enables him to pay 'for my college fees and institution fees ... [it] purchases all my stuff like pens, clothes'.

The *metis* are sympathetic to young people who are at school or college and send them home during lunch break when there is little more work to do. As the supervisors are rarely at the site, they don't know that students go early; if they did they would reduce the amount the students were paid to Rs 50–60. The work groups know when supervisors are coming as the field assistant calls the *meti*. This happened two months ago and all the students had to come back to work, although in the end the supervisors didn't turn up. Manoj and Vishnu, two boy respondents who also combine MGNREGS and studying, said that because the work was physically demanding, it was hard to go from one to the other.

The number of workers and amount of money earned is calculated by the field assistant and entered into the computer system within three days so that workers receive the money in their Post Office accounts within four to five days. The process depends on the information submitted by the field assistant, which, according to the young people's focus groups, is not always accurate. For example, Tejaswini claimed that members of her work group bribed the field assistant to record that they had worked when they had just attended the field site. Govindh, Reddy and Manoj said the field assistant expected each work group to pay him a weekly 'retainer' of Rs 100 to ensure his records were correct. If they did not, 'he will not calculate properly in metres. And he will not write our bills clearly and somehow or the other he will cause us trouble, madam' (Reddy).

4.1.2 *Accountability mechanisms*

A *gram sabha* is held once or twice a month to address any problems relating to workers and materials. The *gram sabhas* also identify and prioritise work for the next year. Panchayat meetings are held once a month and according to the *sarpanch* these are challenging because 'during meetings [panchayat representatives] are asked questions and have to answer them properly, have to prove that, people are benefiting by these schemes'. For example, the field assistant describes how he 'dreads' these meetings as 'some person who is politically influential turns up and questions about the irregularities [in the wage payments]. He openly confronts me, saying why is a person being paid more and why is the other being paid less? Then there develops a tension between both the groups, each blaming the other for making more money.'

In addition to *gram sabhas*, the village has had a social audit which involves a team of eight to ten literate people checking door-to-door whether people have received their wages. Mandal officials visit every first or second Saturday of the month, primarily looking for absenteeism, although as work groups usually know in advance when they are coming, they can avoid scrutiny. For example, Reddy and Govindh explained that when people came to check if children were working, the field assistant or the *meti* were warned by mobile phone and the children would join the shepherds grazing near the workplace until it was safe to

return. Revanth also described how his work group leader would get a call to send workers from his group to another one which was being checked at that time:

There was mutual understanding between groups for exchange of workers for the purpose of showing a greater number of workers to the checking officers. For example, if in his group 40 workers are working, the checking officers will count the 40 workers and they record accordingly. When the checking officers went to verify another group, some of the workers from this group will go to join that group in case there is a shortage of workers.

The young people's focus groups described a range of other dubious practices which included marking attendance in someone else's work book and sharing the profits within the work group, paying Rs 500 (US\$9) to the field assistant to get job cards for under-18s (apparently 20 children in the village have done this), marking people present when they are absent or when they are present but not working, inflating the measurement of work done, and allowing older relatives of the work group leader to attend, but banning other old people. The latter is an example of how people don't seem to resent corruption per se, just when it leads to inequality. In fact, when one of the fieldworkers suggested reporting the field assistant, Revanth was quick to observe that 'if we report to higher officials, they will dismiss this person. He has a daughter, a son and all the family members'.

4.1.3 *Perceived impact*

The *sarpanch* claims that the scheme has had a positive impact on participants and increased both the numbers who send their children to school and those who send their children 'to good schools in the towns'. He maintains that families are eating better and drinking has reduced (although the boys' focus group attributed this to a preference for more expensive branded liquor). Families are also strengthening their economic position, which should enable their eventual 'graduation' from the scheme:

Suppose husband and wife are working under this scheme. They both can earn say up to Rs 1,200 to 1,300 [US\$21.7–US\$23.5] per week and if they add Rs 200 or 300 to it, they buy a goat and if they rear it well, they can sell each goat for Rs 3,000 to 4,000 [54.4–US\$72.5] and get twice the amount in a short time.

(*sarpanch*)

MGNREGS had also raised local wages, which was why Tejaswini said that only the *kammas* (landlords) had not benefited as no-one was prepared to work for Rs 40 per day any more.

The girls' focus group perceived the main benefit as reduced migration as families are now able to work in MGNREGS rather than needing to migrate to Bombay or to Gunthakal (40km away) to work in the concrete factory. The boys' focus group felt the benefits were fewer working hours: 'We go to work in the morning and work for some time and we are able to make Rs 100, madam. Everything just in a jiffy' (Reddy). This meant that participants could work in their own fields or for other employers in the afternoons. However, small families benefited less than large ones as they had fewer household members to work.

Specifically in relation to young people, the benefits were greater availability of cash to meet their needs (Tejaswini, Mamatha and Govindh). For example, Triveni described how 'previously when there was less money, I used to buy fewer notebooks and used to write two subjects in one book only, madam. Now after the drought works came, I am able to keep one book for each subject'. The boys' focus group provided a long list of goods purchased by

households: mobile phones, fans, clothes, utensils, satellite TV, sheep, gold for a dowry, and materials for house construction. However, Vishnu was the only person who mentioned saving, which supports the feeling of participants in the girls' focus group that MGNREGS only provided enough for daily necessities ('small helps').

An indirect impact, also observed in Patna, was an increase in social cohesiveness through working together in groups, as Triveni describes:

[In other work] support is not given if someone falls behind as the one who supported may fall behind ... Here all of them work equally and go back home at the same time, but there after their work is over they just sit aside and don't even enter the field. But here they cannot sit like that, all have to work and all have to go [at the same time].

4.2 Poompohar

In Poompohar, although 93 per cent of households had a job card, only 57 per cent had worked in the last 12 months. This could be because households are holding cards as a form of insurance; however, taken in conjunction with data indicating that only 20 per cent of respondents were aware of social audits being conducted in their village and 8 per cent said they had participated, it suggests there are some problems with the scheme. A quarter of respondents reported not receiving payment for work done within the recommended 15 days, which is slightly higher than the sample average. The large proportion of children aged 7–8 in MGNREGS households who cannot read (56 per cent) or are stunted (37 per cent) suggest that in this village the programme is effectively reaching the poorest.

The median number of days worked per person between July 2008 and June 2009 was 14 (from a range of 0–73) and the median individual income was Rs 1,693 (US\$30.7) (the median household income was Rs 4,058 – US\$73.6).

4.2.1 Staffing and procedures

The scheme started in 2007 and in Poompohar it was initially for Scheduled Caste households only. According to the *meti*, four times as many women as men were interested in working, which affected the types of work that could be carried out. Suitable work was identified initially by asking Scheduled Caste landowners what they needed done. This offer has now been extended to landowners from Backward Classes (e.g. from the *Vadda* and *Boya* castes), which is how they came to receive the majority of the orange trees, water feeders and pipelines in the distribution of equipment and assets which took place shortly before our fieldwork in 2009. This year MGNREGS is concentrating on jungle-cutting and maintenance of the roads to the wells, even though roads are covered by other government schemes and provide work to fewer labourers. One participant in the girls' focus group, Sahithi, suggested they should construct dams instead, because they would benefit the whole of the village during the rainy season.

According to the *meti*, there is little work available at the moment (the *sarpanch* and the young people's focus groups said that work had been on hold for over four months): 'When the work was done three months ago, there were 150 persons. Now 20 or 30 persons go. Yesterday nearly 300 people came to me but there was not so much road work.' Participants work from 9am or 10am till 3pm or 4pm (six to seven hours). Each work group has one water pot and members take turns to keep it full. Labourers collect weekly payments from the Post Office, which requires up to one day's travel. The payments are made in exchange for slips provided by the field assistant, who calculates them after measuring the work done.

While the MGNREGS guidelines are clear about procedures if people are injured (for example, their treatment is provided and paid for by the Government, see sub-section 4.1), the girls' focus group maintained that these were not being followed and workers had to make their own way to the doctor (Sahithi). The *meti* suggested that this was the workers' preference, even in one case where someone was injured with a crowbar:

[I] offered to take him to the hospital and get the dressing done and told him that the bill would be paid by [me]. But he said 'nothing will happen; it's nothing' and took some local leaves and got a bandage.

Rupesh was the only boy in his focus group who had worked in MGNREGS; he did so when his mother was ill. He said that schoolchildren did work in the scheme although they did not work alongside adults. Nonetheless, he preferred not to work because MGNREGS paid piece-rates, which meant wages varied greatly and could not be relied upon. Sahithi maintained that no children worked on MGNREGS because if they were found, the work would be stopped for everyone (although she had worked on MGNREGS). She recounted a visit from an inspector who warned the villagers that this was a punishable crime and told the *metis* that they would be removed from their positions if it happened again. (In fact work in this site was stopped during our fieldwork because children were found on site.)

4.2.2 *Accountability mechanisms*

While monitoring is meant to happen at many levels, both within MGNREGS (e.g. *meti*, field assistant, mandal development officer) and outside it (e.g. *sarpanch*, panchayat secretary), respondents in Poompuhar felt there had been failures at every stage. As a result, some maintained that the quality of the assets created was poor:

[The pond] should be useful to the farmers by allowing the water to stagnate and thus be of use [as fertiliser] to the farmer. But it is not going on like that. Three hundred persons go as a ritual, dig the trench and come back. They are not piling up the earth systematically. The trenches are also not deep enough so as to allow the stagnation of water.

(*sarpanch's* brother, retired government clerk)

The irregularities start with the *meti*, a role that was established relatively recently. Despite this they have considerable power: 'Whatever the *meti* writes is the law and whatever the *meti* assigns is the work' (*sarpanch's* brother). The *meti* registers workers, ensures they have a Post Office account, marks attendance and takes this information to be entered, and allocates work, but despite this receives no pay. The lack of pay may partly explain the high incidence of financial mismanagement, which is made possible by lack of supervision – currently Poompuhar doesn't have a technical assistant – and lack of complaints from workers, who do not know about their entitlements. The brother of the *sarpanch* maintains that '[the *metis*] do not provide any facilities like water or for care of children. Nor do these people ask. The main problem is that officers do not come to inspect the work'.s

The types of mismanagement that occurred include increasing the number of days worked, misappropriating the identities of workers so even if someone only worked one day in a week, they would be put down for the whole week and the money taken on their behalf, and adding 'ghost workers' where the *meti* doubles the number of his work group and takes the pay of half the declared workers. This means that his work group only get half the payment that they would have received because the payment for work done is divided between twice the number of workers. Following the discovery of these practices before our fieldwork took

place, the mandal development officer was removed because he could not control the *metis*. In this mandal the *metis* seem to have responded to the expectation that they would do the work of the *meti* in addition to the work of a labourer with no compensation by inflating the number of workers in their group and taking the difference.

The irregularities continue with the field assistant who is responsible for, among other things, submitting applications from farmers to have work done on their land and measuring the area of work carried out to calculate payment. In Poompuhar the field assistant was replaced by the Superintendent because he was paying workers less than what was due for their work and the *metis* informed the mandal development officer (the field assistant is responsible for calculating workers' pay, supposedly on the basis of information provided by the *meti*). According to the *sarpanch*, 'There were complaints from all the villages that he was showing more numbers of labourers, and that he was himself pocketing the wages of four or five labourers'.

Supervision at higher levels is apparently cursory: 'The officers also come in jeeps ... they just ask one or two persons if the work is going on well. The moment they say yes, these officers go away' (*sarpanch*). While the *sarpanch* was critical of the mismanagement of the scheme, he was criticised in turn by the girls' focus group for not providing oversight and only seeming to care about the problems of his neighbours rather than the village as a whole (for example, by refusing to countersign official documents for the villagers) (Sarada, Vasudha and Jayanthi). The young people's focus groups, however, argued that the problem was systemic rather than the fault of individuals. People were being cheated because they were illiterate and powerless – 'If you complain they say, 2If you don't like this then stop coming'" (Sarada and Sahithi) – or because other members of the work group were benefiting financially from these practices (Rupesh and Rahul). Jayanthi maintained that:

MGNREGS is a very good programme, but [because of] the influence of politicians and leaders of our village, it was spoiled. The Government is giving better wages, but the labourers are not getting the whole amount [because of] cuts by the *metis* and field assistants.

4.2.3 Perceived impact

There have been environmental benefits from the programme; for example, the water table has risen, increasing agricultural production from 10–15 to 40 bags. Additionally, following the construction of the *bunds* (embankments), the village has always had water in the wells and the crops have not dried out. Some 125 farmers have had their land levelled and supplied with water, which means they can grow paddy, onions and seed cotton. This may be why Jayanthi argued that those who had benefited the most were the politically influential who used MGNREGS labour to level their lands and dig ponds. The benefits to landless households are less obvious and the *sarpanch* argues that this is because households would need to work for 100 days to benefit and because of the problems with the scheme they haven't even been able to work for 20 days. The *meti*, however, locates the problem with the villagers: 'If they start coming daily, then it will amount to 100 days. But in practice people come one week for this work and go for other work the next week and again come for one week here. ... As of now no one is coming continually, neither the poor nor the rich.'

The experiences of Vasudha's father suggest a possible reason for irregular attendance: it is difficult to predict how much will be earned through MGNREGS. For example in one 15-day period her father earned Rs 500–600, in another Rs 300. Additionally, her father is now able to find agricultural work easily, with higher wages than before, which is an indirect benefit of

MGNREGS: 'If [the wages] are not raised, they do not come ... they demand more now' (Vasudha). The greater availability of work locally has also reduced migration, which previously left children without any caregivers (Sahithi and Sarada).

When asked what people would do in a crisis, only one person in the girls' focus group mentioned MGNREGS (Sravanthi) and it was not mentioned by the boys' group at all. When the facilitator asked the boys' group about government services, MGNREGS was the sixth programme mentioned after old age pensions, health insurance, mobile health vans, health emergency services, and the Public Distribution System food security programme, suggesting that in this community it may be perceived as playing a minor role in people's livelihoods relative to other services.

4.3 Patna

In Patna, located in a remote, tribal area, only 54 per cent of households had a job card, all of whom had worked in the last 12 months. Of those without a job card, 70 per cent believed that they were not eligible or did not know how to apply. This suggests that knowledge about MGNREGS is not reaching the most marginalised, possibly because tribal communities are small and dispersed. Nonetheless, 75 per cent of respondents were aware of a social audit being conducted in their village although only 23 per cent had participated. Almost all respondents had received payment for work done within 15 days and none had waited longer than this for work. The majority of children aged 7–8 from MGNREGS households were stunted (57 per cent), which reflects the poverty of this community. The median number of days worked per person between July 2008 and June 2009 was 16 (from a range of 0–90) and the median individual income was Rs 2,960 (US\$53.8) (the median household income was Rs 5,432 – US\$98.6).

4.3.1 Staffing and procedures

The scheme has been in operation since 2007 and originally targeted households that were officially below the poverty line. Scheduled Tribes are still the main users of the scheme as according to the panchayat secretary they are 'hard workers', earning Rs 70–100 per day. Nonetheless, the assistant project director complained that people come irregularly owing to bazaars, festivals, marriages, funerals, etc. and implied that prior to MGNREGS they had not had a strong work ethic.

MGNREGS work begins at 6am and is scheduled in two phases, morning and evening, to avoid the heat. There is some flexibility about when people arrive and leave as long as they stay for a full day and the work is completed. (According to the girls' focus group, work patterns were flexible enough to allow people to return the following day to complete work they had not finished.) The *meti* is required to recruit 40 members into the work group, not 20, as in the other villages. If he can do this, he gets paid a daily rate without working; if not, he needs to work to make up the numbers. Workers receive payment from the local Post Office after 14 days, although according to the *sarpanch* it can take up to one month. The delay makes MGNREGS less appealing than daily labour for the poor as 'after working, they have to buy household needs, but [MGNREGS] are paying once in 15 days or even one month also' (*sarpanch*). The delay means that they need to take loans and are getting 'cheated again from outside' (*sarpanch*). Workers receive an extra 20 per cent wages between March and May when the soil is comparatively dry and hard.

The main priority for MGNREGS work is developing plots of land, typically 4–5 acres in size, which have been identified as dry, fallow, or low-yielding. The work is done on small farmers'

lands, *patta* (titled) land and wasteland. The field assistant can potentially act as a patron, as in other communities, because he decides which landowners are put forward for work on their lands. Currently, 30–40 farmers have had work done and have benefited doubly as their households were paid for their labour as well. The scheme has also increased storage in 16 ponds, constructed 100 check dams, which drain into the fields and increase the fertility of the soil, and dug three-foot pits around trees which are lined with stones to protect them during dry and rainy seasons (the pits collect water and leaves which decompose as fertiliser). This meant that ponds that used to dry up in January now last until March or April, which enables a second crop. During the rainy season farmers planted mango, guava, cashew and sapota, which were provided free from the Department of Horticulture. The planting was an example of the ‘convergence approach’ taken in tribal areas where the programmes of a number of departments are brought together and MGNREGS is used to pay for the wage component. This enables more ambitious programming; for example, this year they plan to dig trenches that will divert water from the hills into the cashew nut plantations, and repair the roads. Despite these benefits, farmers have petitioned the organisers over the shortage of labour during the peak agriculture season:

We farmers are losing because of this. In this work, we give Rs 100 as wages. Even if we offer much money, we won't get labour, madam. We told about it to our mandal development officer in the meeting. We need 20 or 30 days for sowing, 30 days for cutting [harvesting] the crop. We collect cashew crop in the months of April and May. We ask them to break the work in these four months.

(*sarpanch*)

Farmers have also complained about the escalation of wages, particularly for women: ‘for weeding they gave Rs 100 to women. ... The women say that they are getting Rs 100 in government work even [though] they don't do anything. They ask, 2How much can you give us, if we come to your work?’” (*sarpanch*). In addition to its effects on existing labourers, MGNREGS has encouraged women into the paid workforce who weren't participating previously. For example, Trisha's mother feels that ‘MGNREGS works are easy ... [as] they can go early and come back early’. She now has income that she controls to spend on school materials and gifts for her daughter and repay a loan taken for her son's healthcare.

The organisers check the age of participants from their job card, student record or birth certificate and if these aren't available they estimate it from their ‘physical status’. Only people who are ‘physically sound’ are recruited, which excludes the over-50s: ‘As they are aged people, they can't do work’ (*meti*). The rules are now stricter about employing children: ‘Previously when parents are unable to do work, then the children of 15 or 16 years will do and it is managed by the team. But now they are being told that children should not be included and that that is an offence’ (panchayat secretary). The girls' focus group confirmed this, describing how one girl tried to work, but was sent home by the field assistant. Nonetheless, according to Anita, adults will let others work on their books in exchange for half of the wage, although this seems to be a private arrangement.

The authorities are encouraged to deter even older students from working – one student described as ‘tribal poor’ was refused because ‘every student has to study without fail; his total career must not get affected’ (assistant project director). Another was told, ‘If you go to the work, who will go to college on behalf of you?’ (*sarpanch*). However, some students work for a couple of weeks in the summer to support their education and this is considered to be beneficial, even for those who had previously dropped out:

With [the money from] this work, children are sent back to schools, as some of them have discontinued. So, they are encouraged in their studies. Previously, they had financial problems. Now, whenever there is a need, they are going for work and some have bank accounts.

(panchayat secretary)

According to the assistant project director, the way MGNREGS work is organised has increased social cohesion as well as economic security:

The work has helped to grow collectiveness. Before, all were doing their respective works; but since MGNREGS started they have [been formed into] groups of 20, and they come together and work, and if they have a problem they all respond [together]. For some issues [because of work in MGNREGS] the money is ready; so if they have a problem in a financial or social aspect they respond very well [to each other's needs].

MGNREGS has provided work for people with physical disabilities, for example, as water carriers, and for older people, who sometimes take care of workers' children.

If anyone is injured on a work site, a range of measures apply: for minor injuries, first aid; for major injuries, treatment costs at the local hospital and 50 per cent wages for the first week, decreasing percentages thereafter; for disabling injuries, Rs 50,000 (US\$917); for death, 1–2 lakhs (US\$1,800–US\$3,700). This provision is important because 'so many people are hurt, while they are using the instruments and by hitting the stones' (*sarpanch*). In the same way as the scheme has strengthened social networks and provided resources for them to share at times of crisis, the responsibility for people's health on site appears to have extended to a more general responsibility, which reflects the integrated approach of the ITDA:

[Recently] they had a health problem where there was epidemic, they had all sorts of diseases like cholera, vomiting, loose motions, then malaria and other fevers struck. During [the epidemic] they [the State Health Department] responded immediately. Where they cannot reach by helicopter and in the most remote village ... our local [MGNREGS] *meti* or field assistant will immediately admit them into the hospital and cover their expenses.

(assistant project director)

4.3.2 Accountability mechanisms

As in the other villages, one of the main complaints from participants is the level of wages and the way these are affected by the measurements. The panchayat secretary acknowledges that there is variation in payment, e.g. from as little as Rs 50 to Rs 120, but says that this depends on the level of work done: 'If they do according to the measurements, each will be paid Rs 100.' He described an incident the previous day when

[students] come for work in a hurried way and do the work. They got only Rs 35. The other batch got Rs 110 in the same village. They came to him and asked about variation. Immediately, they went there and measured. It is not as per norms. Then they kept quiet. Always, the money they get is according to their work.

However, the *sarpanch* described an occasion when 250 people only got Rs 20 for a day's work when they should have got at least Rs 40–50, 'even if the work hadn't been done well', which resulted in the *meti* responsible being replaced. He also said that field assistants were inflating the number of workers – 'If 100 people go to daily labour, they are adding 25 to that' – which reduced the wages for the others. This was confirmed by the girls' focus group; for

example, Gayatri described an occasion on which the wrong figure was entered into the computer so they only got Rs 60. This example illustrates the dependence of technological solutions on information collected by humans. Despite this, the village apparently emerged well from the social audit, which 'only' identified 1.6 lakh (2,936) fraud and 4 lakh (US\$7,341) delayed payments (assistant project director). This success was attributed by the key informants to frequent monitoring by the ITDA project officer.

4.3.3 *Perceived impact*

The main impact of MGNREGS in this community is a reduction in migration; previously families migrated for six months to Hyderabad, Madras, Vizag and Vijayawada, which disrupted children's schooling and exposed them to exploitation from urban employers. The *sarpanch*, for example, described how 'a lady had come in a costly car. She called the boys for mason work. She offered them 250 rupees [US\$4.6] wages per day and requested them to come.' Even though no 'elders' went because '[they] know the truth, that they will get work in the village', some young people went and 'after getting the work done with these labourers for five or six months, they hit them when they asked for their wages'.

MGNREGS also provides a form of weather insurance for small farmers (c.f. Johnson and Tannirkulum 2009); according to the *sarpanch*, farmers invested Rs 10,000 (US\$181.7) per acre in their crops this year and lost this because of lack of rain, which meant that they also needed to work. Rajesh described how despite the destruction of his family's crops, the MGNREGS income meant that they could still afford to buy rice (four of Rajesh's household members work in the scheme). The following year Rajesh's household was able to buy 'good food', clothes and school materials, and pay college fees for the elder daughter who had previously had to stop studying because of lack of money (c.f. Kareemulla et al. 2009).

Rajesh's example supports the *meti's* claim that household prosperity in Patna has increased, reducing people's need for credit. The *meti* describes how because 'they get every week labour payment, so they have money and like to eat whatever they want. If they got desire to eat meat [they] readily go for that'. According to the panchayat secretary, MGNREGS income is spent primarily on things 'to make themselves appear in a better way'; for example, household goods, gold, clothes, and according to the girls' focus group, new houses and TVs.

5. Discussion

Among rural households in the Young Lives Younger Cohort, membership of and participation in MGNREGS is relatively high: 68 per cent of households have worked in the scheme during the past 12 months, and the figure rises to 77 per cent for Scheduled Caste and 80 per cent for Scheduled Tribe households. However, the median household income from MGNREGS during the past 12 months is only Rs 3,539 (US\$65) (the individual income is Rs 1,848 or US\$33.9) and the median number of days worked (by individuals) is just 15.¹³ This suggests that its impact may be relatively limited (we discuss below why this might be), although the marginal value of this cash income to poor households is likely to be

13 The slight discrepancy between the figures for median income and days worked reflects disparities in benefit between different households and sites, for example, in Patna the days worked by different households ranged from 0 to 90.

considerable. These figures may also be higher now – three years after the data reported here were collected – due to a 25 per cent increase in wage rates and a slight increase in days of work provided per household (MGNREGS-AP (2012): 1).

Before looking at some of the challenges faced by MGNREGS, illustrated by the experiences of villages in the qualitative sub-sample, it may be worth emphasising that within the Young Lives sample, and Andhra Pradesh as a whole (Reddy et al. 2010), MGNREGS has been successful in its stated objectives of increasing the livelihood security of landed and landless households, reducing rural–urban migration and empowering rural women, at least in relation to the wages these women are now able to command. These are considerable achievements, as is the delivery of such a large scheme across diverse situations. The extent to which the communal assets it has generated are productive remains to be seen, although productivity of individual farmers has certainly increased, and the environmental benefits should become evident over the next decade. The evidence presented in the paper captures a tension between the perspectives of different types of landowners and the landless on the success of the scheme. While landowners have benefited from improved land quality, they are also experiencing difficulties in attracting workers because of increasing demand for labour and related increases in wage rates. This has affected the intra-household division of labour among small-scale farmers as household members, and children in particular, are now required to do work previously done by hired labourers. This phenomenon illustrates the way that social protection can disrupt existing power relations – leading to resistance from the powerful – and also increase pressures on those in the middle of the income distribution.

MGNREGS is a complex and costly scheme and in the early years it struggled without dedicated staff or an appropriately sized budget for administration. However, Young Lives quantitative data suggest improvements between Round 2 (2006) and Round 3 (2009) of survey data collection, for example, in the provision of childcare facilities. Below we discuss some of the continuing challenges for the scheme that have emerged from the qualitative research and are supported by the findings of studies reviewed in the first part of the paper. These findings are important because mismanagement within the scheme may undermine its sustainability (for example, if resentment towards it develops), and therefore improvements in the management of the scheme are needed to protect and improve benefits brought at a household level.

While there was variation in the experiences of people in Katur, Patna and Poompuhar, and the schemes in Katur and Patna were considerably better run (suggesting that the system is flexible enough to allow local schemes to learn from their experiences), they shared the problems below which reflect the realities of programme implementation and which ought to be areas for programme improvement.

- Lack of supervision of local officials in relation to the administration of the scheme and the quality of the public works produced.
- Lack of knowledge among respondents in relation to their eligibility for MGNREGS and their entitlements, particularly in the tribal community. Limited confidence in their ability to get these entitlements from MGNREGS officials.
- Lack of interest in the scheme, especially among men.
- Insufficient work, because of projects not having been approved, delay in approvals or projects being approved which don't require much labour (e.g. road building).

- Schemes having been halted or slowed because of financial mismanagement or pressure from farmers (e.g. Poompuhar, Katur) or conflicts within the community (e.g. Poompuhar), or because of the effect of the block system (e.g. in Katur, see sub-section 4.1.1).
- Financial mismanagement or deliberate falsification of data reducing workers' wages and contributing to lack of interest.
- Concentration on the development of private land, typically owned by less poor households.
- Preferential treatment for some households. For example, poor households in the qualitative sample who had had their land developed often had relationships with local MGNREGS staff or other powerful people, or had questioned the fairness of the selection process, which reportedly led to their inclusion to stop them protesting.
- Managing children's participation within the scheme; currently regulations are inconsistently enforced and policed and can be overridden through additional payments (e.g. in Katur). While some children benefit, others report problems combining physically demanding work with schooling.
- Concerns over the quality of the infrastructure produced and the likely long-term benefits.

Nonetheless, there are some examples of good practice, for example, people with disabilities working as water carriers in Patna, and the high level of participation in the social audit in Katur, which was also the village with fewest examples of mismanagement. There have clearly been many benefits in terms of the local environment (e.g. rising water tables) and the security and prosperity of individual households, whether they own farmland or not. There have also been 'softer' outcomes such as the inclusion of older people and people with disabilities and the beneficial effects of working in groups. But these beneficial outcomes have been accompanied by exclusion, which is often gender-based. For example, the policy towards older people in Patna or single women in Poompuhar and the effective exclusion of women with young children by the limited availability of childcare on site. The scheme has also increased inequality by providing greater benefits to landlords, those administering the scheme, and those within work groups who benefit from dubious practices. While this might not seem important, as everyone is benefiting to some extent, ultimately it threatens the sustainability of the scheme. It could also affect social cohesion as in the villages studied here the perception of unfairness has led to growing mistrust and resentment, not only in relation to the scheme and its administrators, but also within the community as a whole.

The young people's focus groups in particular identified examples of mismanagement at all levels and described the barriers to taking action to redress these. For example, when people protest they are not believed: Triveni said that when she told the field assistant old people were being marked present without working because they were relatives of the *meti*, 'he said that everyone is equal to [the *meti*], and why will he do like that?' People may also feel that the consequences for the offender would be too severe, for example, loss of their livelihood. All respondents, however, agreed on the need for better supervision at all levels to ensure that basic procedures for recording attendance and work done are being followed. This might be more helpful in cases of systemic corruption such as Poompuhar than the processes of social audit and innovation in IT (e.g. introduction of smart cards) for which Andhra Pradesh has been so widely praised.

Despite the problems described above, most poor people are supportive of the scheme, which has increased availability of work, household expenditure, and wage rates, and reduced working hours. The question is therefore how to reduce mismanagement to support the delivery of these benefits. Questions for policymakers to explore include the possibility that Scheduled Tribes are benefiting less from their participation than other groups, possibly due to mismanagement of the scheme in these communities (N.B. this finding emerges from the Young Lives sample as a whole rather than the qualitative case study of Patna); the exclusion or self-exclusion of vulnerable groups such as female household heads and the elderly; and differences in performance between communities.

MGNREGS has set itself a challenging task, which in Andhra Pradesh at least it appears to be accomplishing. However, in order for it to continue to be successful, greater attention needs to be paid not only to the nature of the work and people's working conditions, but also to the quality of the community assets produced through this work. While MGNREGS has the potential to increase the assets of participating households, the households' capacity to convert these increases into sustainable livelihoods is reduced by the practices of the institutions responsible for the implementation of the scheme.

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