

# Issues and Challenges in Implementation of MGNREGA: A Case Study from Maharashtra

Sudhir Maske\*

## Abstract

National Rural Employment Guarantee Act (NREGA) is one of the progressive and transformative legislation passed by Indian Parliament in the year of 2005 by UPA government for ensuring employment guarantee and livelihood security to each rural household. In year 2007 it is renamed as Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA). The fundamental goal of this right based policy initiative is to provide employment guarantee and promote infrastructural development in the villages for the well-being rural household, it has also been considered as an integrated approach for rural poverty eradication and sustainable development. Since nine years MGNREGA is being implemented in all 623 districts of the country, but it has not shown the result which had been expected and even put forward in MGNREGA objectives. Most of the evaluation studies shown that the scheme is not working properly at ground level because of it's poor implementation. There are many issues and challenges are coming up in its implementation. It is observed that very few states like Andhra Pradesh, Rajasthan, etc. where programme is being implemented in successive mode. Maharashtra state is mile stone in MGNREGA, the origin Of EGS scheme is a backbone of this act. In 1974, the Maharashtra state government had started Employment Guarantee Scheme (EGS) and it was put into operation for entire year. At present the previous employment guarantee scheme has merged into MGNREGA guideline issued by the central government. Though the state has reach experience of EGS implementation, but the present merged MGNREGA programme is not working properly at ground level. There are many issues are coming up in its implementation process which are caused by different factors such as demand of work, identification of work site and planning, complicated administrative structure with less competent staff, delay in payment, lack of human resources. The author has made an attempt to analyze these factors based on case study of two villages, named Kashod Shivpur and Bhilkhed in Vidarbha region of Maharashtra. FGD and interview schedule was used for data collection. This paper also trying to highlights if the act has implemented with spirit and commitment how it can help to regenerate the village resources to achieve the prime goals of sustainable development.

**Keywords:** MGNREGA, EGS, Sustainable Development, Inclusive Growth.

## Introduction

The Employment Guarantee Scheme (EGS) which basically originated from the state of Maharashtra in 1974. It was the first state in the country where first time employment guarantee ensured by the state in drought situation (S.M Dev, 1995). Today's MGNREGA programme is an outcome of EGS programme only. It was expected that where the EGS concept originated should emerge as a model state and that the scheme should be up scaled by the central government. ( C. Datar,2007). The EGS was the direct policy initiatives is a policy of direct transfer to the poor through the provision of public works (Drèze and Sen, 1991; Lipton 1996; von Braun, 1995) and the magnitude of such direct transfer benefits was empirically studied (Ravallion,1991; Ravallion et al.,1993). The earlier studies on rural public works programs emphasized its role as income insurance in the presence of seasonality in agrarian labour market (Basu, 2007), for building longer term capital assets (Basu, 1981), preventing dislocation of families in search of jobs and food (Drèze and Sen, 1991), affecting rural-urban migration (Ravallion, 1990).

The EGS extension resulted into different programmatic intervention for poverty alleviation. Mahatma Gandhi National Rural Employment government Act (MGNREGA) is the flagship programme of the government that directly touches lives of the poor people to achieve prime goals of inclusive growth. The fundamental aims of this act is that to provide livelihood security to each rural household by providing 100 days of guaranteed wage employment in a financial year whose adult members are ready to do the unskilled manual work. The Act came into force on February 2, 2006 and was implemented in a phased manner. In Phase I it was introduced

\* Assistant Professor, Department of Social Work, University of Delhi, New Delhi, India. E-mail: sudhir.dssw@gmail.com

in 200 of the most backward districts of the country. It was implemented in an additional 130 districts in Phase II 2007-2008. The Act was notified in the remaining rural districts of India from April 1, 2008 in Phase III. It is a demand driven right based policy initiatives taken by the central government to provide assured employment guarantee. It has also extended an objective to strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion. It also encourages promoting sustainable development practices. The process outcomes include strengthening democracy at level to infusing transparency and accountability in governance through the provision of social audit and participation of beneficiaries in decision making process.

## Context of Vidarbha Region

In this paper author is trying to address the ground reality of MGNREGA, specifically the issues which are allied with implementation process from village to district level administration. The Vidarbha region context is very different while comparing with other districts in Maharashtra; the region is popularly known for agrarian crisis where thousands of farmers have been committed suicide due to failure of agriculture and buzz of debit. In this context how MGNREGA has a key role as an alternative livelihood source for marginal farmers and landless labourers. Moreover how it can help to promote regenerating the resources for well-being and prosperity of the region. In this wretched situation of Vidharbha region, the author has made an effort to discuss the bottlenecks and hindrances involved in MGNREGA Implementation especially in the context of vidarbha region. The author had applied qualitative research techniques to understand the village context and its implementation status in the villages through case study method. Based on the case study analysis, he has made an effort to put forward the suggestions and recommendation for effective implementation and functioning of MGNREGA to ensure right based entitlements of the people to thrive the region.

## MGNREGA: Provisions and Entitlements

(i) Every household in the rural areas of India shall have a right to at least 100 days of guaranteed employment every year for at least one adult member, for doing casual manual labour at the rate of Rupees 60 per day; (ii) Only

productive works shall be taken up under the Programme. The state council shall prepare a list of permissible works as well as a list of “preferred works”. The identification of preferred works shall be based on the economic, social and environmental benefits of different types of works, their contribution to social equity, and their ability to create permanent assets; (iii) The programme may also provide, as far as possible, for the training and up-gradation of the skills of unskilled labourers; (iv) The wages may be paid in cash or in kind or both, taking into account the guidelines and recommendations of the State Council on this matter as far as possible; (v) Employment shall be provided within a radius of 5 kilometres of the village where the applicant resides at the time of applying. In cases where employment is provided outside such radius, it must be provided within the Block, and transport allowances and daily living allowances shall be paid in accordance with Programme Rules; (vi) In cases where at least twenty women are employed on a worksite, a provision shall be made for one of them to be deputed to look after any children under the age of six who may be brought to the worksite, if the need arises. The person deputed for child-minding shall be paid the statutory minimum wage; (vii) A proportion of the wages, not exceeding 5%, may be deducted as a contribution to welfare schemes organized for the benefit of labourers employed under the Programme, such as health insurance, accident insurance, survivor benefits, maternity benefits and social security schemes. This legislation has immense strength to bring the prosperity in Indian villages. If these provisions ensured through proper implementation of (MGNREGA). The Gram Panchayats have also power to make plans by taking suggestions for *Gram Sabha*. The Job cards being issued by Gram Panchayats and incentives are deposited to the bank accounts of employees through Panchyat Samiti. The provision of social audit is also kept to ensure the public accountability under the principle of ‘*Hamara Paisa Hamara Hisab*’. to regenerate the natural resources to ensure environmental sustainability is one of the prime objectives of MGNREGA which includes rainwater harvesting and conservation, desalting of canal distributaries, desalting and renovation of old ponds/tanks and digging up of new farm ponds to promote to promote rainwater harvesting practices.

**Methodology:** In this study, both quantitative & qualitative methods have been used for data collection and analysis. The primary data has collected through FGDs, Interview schedule and participant observations techniques. NREGA

workers and implementation functionaries primarily Rojgar Sevak, Gram Sevak, and Programme officer were the main respondents for this study. The secondary data has taken from different secondary sources such as Articles, government reports and websites both the state and central government. Primary data has been collected from two different villages: 1. Village : Bhilkhed, GP: Bodkha, Blcok: Sngrampur, Dist: Buldhana, 2.Village: Shivpur Kashod, Block: Akot, Dist: Akola. The logic behind taking two different villages from two different district is that to make a comparative analysis and highlighting the issues involved in same implementation framework.

There were 2 FGDs. conducted with NREGA workers and implementation functionaries in two villages. The case study method is used for analysis of different components involved in MGNREGA programme implementation structure.

### Objectives of the Paper

1. To analyse the current prospects of MGNREGA in vidarbha region context and highlights the gaps which are involved in its implementation agencies in
2. To suggest the ways and strategies for effective implementation of the act based on the analysis case studies.

**MGNREGA Implementation structure:** The central government has issued a common guideline for MGNREGA implementation and most of the states follow the same to implement it but there is also flexibility to make it more relevant according to our own state regional context. The Maharashtra government has merged earlier EGS scheme into MGNREGA and even there are some new work sites areas have been added in it to increase the scope and demand of work. At village level Gramsabha is primary institution to take decision about planning of work and its execution in the villages as per the required demand. Grampanchayat and involved functionaries has responsibility to implement the work plan in successive mode. The Rojgar Sevak is a honorary person appointed at village level to help the NREGA worker and maintain the record of their work in consultation with Gramsevak. The Gram Panchyat (GP) is one of the key stake holding institution have to

maintain the record and coordinate with Panchyat Samiti (PS) at block level. The Programme officer has overall responsibility to look after the administration and monitor the implementation of work in entire block. The District Collector is overall programme co-ordinator who has responsibility to take the periodic review of MGNREGA implementation from district place and he is the competent responsible authority to take decision and execute the programme in successive mode. He is equally responsible to ensure the work demand has fulfilled within a time. In Maharashtra lack of human resource is one of the major cause of poor implementation of NREGA. There is only one post of programme officer to look after programme implementation of entire block which almost cover 50 to 60 villages. The buzz of administrative procedures and paper work hardly allows monitoring the programme in effective mode. In this situation the programme officer hardly visit 2 to 3 villages once in month.

**Case study: (A) Village : Shivpur (Kashod), Block: Akot, Dist : Akola:** Shivpur Kashod is small village which comprises near about four thousand population. It comes under the Akot Block of Akola District, Maharashtra. The village has 60% tribal population followed by 20% SC, 10% OBC and 10% General. The majority village population is dependent on agriculture and allied activities. The Maratha (upper caste) community having more land holding compare to other castes. Most of the SC/ST households are land less labours and these people only need to work on NREGA sites for alternative source of livelihood especially in off season (summer season).

The MGNREGA has vital scope in Shivpur village because of high propionate of land less labourers' population. It is found that 200 households have MGNREGA job card and even there is regular demand of work but due to poor implementation now people have lost their hopes and trust. People are ready to work on NREGA but due to delay in payments and delay in worksite approval from Panchyat Samiti office are the major impediments in NREGA work.

There are 11 members body in Shivpur Grampanhyat, but none of them trained to make the perspective plan of NREGA for their village. In MGNREGA act it is expected that people should have to identify their needs and design perspective plans for their village development. But it is important to understand that planning is a technical and expertise work which required understanding and

functional expertise to design it. Since MGNREGA inception there is no training or orientation given to village functionaries.

In Shivapur village also observed that the Gramsevak makes over rule on GP members and other people. He sideline GP members. He also makes delay in sending work proposals, workers payment expenditure and copy of muster roll to Panchyat Samiti office. It is observed that out of 480 house hold only 170 families have NREGA job card but hardly 15-20 households are able to work on NREGA sites. There was the demand of work but due to above mentioned issues, they were unable to get their right based entitlement. The majority people those who use to work on NREGA sites; they are losing their hopes and trust from MGNREGA. When I was doing FGDs with NREGA workers, we came to know that since year 2012 10 workers had been worked for 15 days but till date they have not been received their payment which is near about eighteen thousands Rs. They told that many times they visited Panchyat Samiti office but finally they have not received it. In this situation some of the fundamental questions arise where this money has been gone? Who is responsible for this? Have the government succeed in MGNREGA implementation? Dose the government has ensured livelihood security to rural marginalized people? During this village case study we were hopeful to see the answer of these questions will give us the answer in positive way.

### **Case Study: 2 Village : Bhilkheda, GP: Bodkha Block:Sangrampur Dist : Buldhana**

The Bhilkheda is small village, which comes under the Bodkha Grampanchayat of Buldhana district. The village has near about two thousand population. The Maratha Deshmukh is dominant upper caste community in the village followed by SC are in majority. There is a woman Sarpanch in *Bodkha Grapanchayat*. It has been found that her role is very minimal in routine activities of *Grampanchayat*. A 'Sarpanch Pati' (Husband of woman Sarpanch) act as Sarpanch and looks after all the works which primarily she has to perform. The *Sarpanch Pati* chairs the *Gram Sabhas* on behalf of her. The Gram Sevak and other members do not have any objection on it and this practice can be seen in across the states of Indian Nation. During the study we conducted Focus Group Discussion (FGD) with NREGA workers. There are many astonishing

findings came out from this village case study. Even after the six years of MGNREGA launching. The wage seekers are not aware about their rights and entitlements. In this village it is found that many people don't have their job cards. In fact it is clearly mentioned in act that if any person has made an application for job card then it is the responsibility of *Grampanchayat* to issue their job card within 15 days. But even after completion of the work the job cards were not been issued to them. The Gram Sevak use to keeps all the job cards with him only. It is also found *Benami* names (Fake Names) have been mentioned on muster roll. During muster roll verification, we found that one women has worked for 33 days and payment has been made on her name Rs. 4,900 (four thousand nine hundred but she has never gone for any kind of work. Such fake incidences have been happened with many people. During the cross verification of bank passbook, difference has found between payments mentioned on their name in National MIS data and actual payment received by them is different. Laboures has not received the payments as per mentioned in National MIS data against their names. i. e.

1. Job card no. MH-22-006-138-001/90, Name: Mr.ShalikramPahurkar worked for 3 days on road work of Bodhakha. He has only received Rs. 351/- when rupees 401/- are mentioned on his name in MIS data. (MGREGA)
2. Job Card No. MH-22-006-138-001/71, Name: Mr. Mohan DhonduPahurkar worked for 4 days and received rupees 234/- only. But in MIS data Rs. 534.78/- are mentioned against his name. . (MGREGA)

Social Audit is one of the important components and first time it has been included in MGNREGA act and it is also institutionalized in art. 17 (A) of MGNREG Act. It is the responsibility of implementation functionaries to conduct social audit and present the report in gram sabhas on continuous basis to ensure the accountability and transparency in work. During our FGDs discussion many NREGA workers told us that, they don't know what social audit is all about.

In our field work visit, we visited NREGA work sites where work has completed and we observed that found there are no sustainable and durable assets have been created. MGNREGA is one of the best programme to create sustainable assets for socio-economic development of the villages.

**MGNREGA Contextual Analysis:** Vidarbha is one of the larger regions which comprise 11 districts of Maharashtra state. Agriculture and forest are major economic sources for people's life and livelihood. In MGNREGA act has many provisions which can lead system transformation of the region to challenge and agrarian crisis and farmer suicide issue.

1. **Planning:** planning is one of the important variables in MGNREGA. NREGA is demand driven programme, it is expected that Grampanchayat have to identify their own needs to create infrastructure or assets for their community and they should put their demand in proposal and get it sanctioned from block and district administration. In NREGA policy framework bottom up approach adopted and decentralization of power is institutionalized. It is found that in both the villages' people are unable to prepare work sites plan for their village because lacks of technical and procedural understanding of policy framework.
2. **Perspective Village plan:** In both the villages, people have not been prepared perspectives plans for their work. The village functionaries, particularly the Gramsevak feels MNREGA work as burden for them. They were telling us that, there are many technical procedures have been involved in it and even they are not fully aware about its provisions. The perspective plan becomes very vial especially in Vidarbha region which know for agrarian crisis and farmer suicide issue. In this situation government should have to take one more steps ahead for making NREGA planning more fruitful and effective at village level helping people through training and capacity building to de-sign the NREGA perspective plan according to villages needs. There is provision of training to unskilled labourers but as such no training programme conducted for wage seekers capacity building. If pitiable condition will remain then the right based demand driven programme will be on paper only. It will not help to thrives the lives of people.
3. **Demand of MGNREGA Work:** NREGA is demand driven programme. The wage seekers should have put their demand and it becomes the responsibility of Gram Panchyat and Gramsevak to forward it to block panchyat to get it approved. They have to ensure that the applicant beneficiary should get employment within 15 days. In both the villages. It

is found that the people are not aware about their demand driven entitlements and after submission of application also they are not getting the employment within time. The state government had not taken any initiatives to spread awareness about it.

4. **Participation in Decision Making:** People participation in decision making process is a crucial aspect of decentralised planning. The MGNREGA has given power *Gramsabha* to discuss the issues at local level and come out with solution to implement the MGNREGA in more effective way. It is observed that in both the cases, the people from dominant upper caste communities they are not creating equal democratic spaces to economically poor and marginalized people to participate in decision making processes and present their views and opinions. In both the villages the Maratha, Patil and Deshmuk are dominant caste groups who always holds the power in their hand and takes decisions according to their interest. It observed that in both the villages the Patil and Deshmukh community group have taken major benefits of NREGA work. The backward community people are not organized; they fights among their community itself. These structural issues still creating the challenges for effective implementation of MGNREGA in democratic way.
5. **Lack of Awareness:** The awareness plays key role in any policy or programme implementation and its success. Awareness about MGNREGA among wage seekers is used as one of the important variable used to assess the impact in both the villages. In this study we tried to assess the awareness at both level. 1. Very basic and informative understanding about the programme. 2. Advanced information and knowledge about pro-visions and entitlements. In both the villages majority people are not aware about many aspects of it.

In Maharashtra earlier Employment Guarantee Scheme (EGS) has merged into NREGA, so now there is provision of 365 days employment guarantee for people but they are not aware about this entitlement. There is provision of unemployment allowances, if wage seekers are not got employment within 15 days. It is found that only one person has got unemployment allowances.

There is no awareness about their Job card, the Job seeker has right to keep their job card along with them only but during our study we found that 98% job seekers are not

holding their job cards in their hand. If the wage seeker carries his or her job card then there are not chances to make fake cases. In Bhilkheda it is found that one woman who never worked on NREGA but five thousand payment has been made on her name. It has happened because she was not carrying job card. It was with the Gramsevak.

There is no awareness among NREGA workers about work site facilities. There are provisions that on work sites there should be facility of crèches for kids, emergency first aid facility, tools and equipments for work, drinking water facility. These facilities had not been provided on worksite and even though people are not fully aware about it. In each case study we had been asked questions about work sites facility but no one was aware about it. Out of 20 people with whom we had interaction no one was aware about it. It means there is 0% awareness among the people about NREGA provision.

**6. Hindrances in Implementation:** Implementation means to execute the policy to achieve its desired goals and objectives. Its require proper human resources structure to achieve the objectives. In Maharashtra *Gramin Rojgar Hami Yojana* this structure has been created. There is separate cabinet minister for *Rojgar Hami Yojana*, but still implementation is very poor. Even though it is the same situation at National level also, A recent study conducted by (R. Jha and R. Gaiha), *India's National Rural Employment Guarantee Scheme as it is — interpreting the Official Report* using official data highlighted that “it is difficult to escape the conclusion that the NREGS has not performed well. It is difficult to rationalise providing even more funds to this initiative.” They also find that “official claims of higher agricultural wage rates and lower migration are mostly exaggerated, if not fantasised. field-report suggests a growing sense of entitlement” the situation is very complex, in Maharashtra Rs.167 minimum wage decided for NREGA work, but even though people are not responding to it. In Shivpur Kashod village, especially during the rainy season, labourers get people get 300-350 Rs per day. In this season they organize *Labour Mela to decide the wages. The farmers make the Pukar and decide the wages. It varies village to village but it could not generalize. These practices only happen in those villages where land is more productive and labourers demand is very high. Maharashtra has not even spent half the amount allocated to*

the 12 districts selected in the first phase by the central rural development ministry. For example, in Chandrapur, during 2005-06 and 2006-07, a total of Rs 51.35 crore was allocated but only Rs 8.04 crore was spent (as of March 31, 2007). Incidentally, these are the poorer districts of Maharashtra where the tribal population is very large and this district comes under the vidarbha region. ( C.Datar, 2007).

- 7. Delay in Payment:** It is clearly mentioned in NREGA guidelines that payments for the work should be made within 14 days after the completion of work. However the delay in payments is common problem identified in across the state. In Maharashtra specially in Vidarbha region delay in payment is major hindrances and drawback of NREGA failure. The majority workers are not getting their payment within stipulated time. In this study it is found that the NREGA workers have not received their payments since last one year. Majority people those who have been worked on MGNREGA worksite basically they belongs to very poor economic background. The Supreme Court judgement on MGNREGA implementation (July 2012) a bench comprising Chief Justice K. G. Balakrishnan, Justices Deepak Verma and B. S. Chauhan found that “There is no uniform payment policy for NREGA in country. The money has not reaching to actual beneficiaries. Further the Supreme Court has issued notice to all the state to look seriously in this matter where peoples right based entitlements is being violated.
- 8. Asset Creation and Infrastructural Development in Villages:** The asset creation and infrastructural development is a expected major outcome of MGNREGA programme. In Vidarbha region few farm side roads (*Panand Raste*), farm pond, water body recharge, well construction, these assets have been created in both the villages but their work quality is very poor. It is observed that these assets are very few and all the benefits have been taken by big farmers only. The main drawback of this scheme is lack of durable asset creation. Yes it is true that the law has created an opportunities of employment for rural un-skilled citizens, but fundamentally the success of NREGA should not only be assessed in terms of employment provided but it also see the how many assets have created to achieve the prime goals of sustainable development ( UN 2014). The Controller and Auditor General (CAG) of India, in

its performance audit (2011) of the implementation of MGNREGA have found “significant deficiencies” in the implementation of the act in both financial budgets expended on programme on actual assets created in the villages.

- 9. Social Audit and Accountability:** Social Audit is one of the important components kept in MGNREGA, since three years there is no social audit conducted in both the villages. The government officials’ especially Assistant Programme Officer shows the social audit process on paper only. In both the villages where this study has been conducted people are not aware about its concept itself, during the study we asked social audit related questions to 10 people in each village but no single person able to answer that what social audit mean. It is one of the productive area of learning has been the prevention of corruption through the provision of social audit Before the Right to Information Act (RTI) came into force, muster rolls were beyond public scrutiny and the crooks had a field day. Things improved after muster rolls were placed in the public domain, and even displayed page by page on the internet. Even then, an enterprising middleman might fudge the muster rolls and hope that no one will bother to verify them. So, further safeguards were introduced one by one including mandatory social audits of all NREGA works under article 17 of the act. ( J. Drez, 2014).

## Conclusion

The political and bureaucracy will and commitment seen as abstract in execution of scheme. The poor had become weary of the scheme because of lack of regularity and assurance of wages and where erring officials were not punished and nor was unemployment allowance granted to any labourer who was not provided with work. Seasonal migration has been on the rise as a result of this situation. (C.Datar 2007). There is need to create mass level awareness about the programme, recruitment of competent and sensitive human resources should be the part of implementation process to ensure the realization of desired goals of MGNREGA policy. There is need to create proper monitoring and co-ordination system with less paper work to ensure the quality in work within stipulated time. Inter departmental co-ordination

and conversion of schemes from forest agriculture or irrigation department did not lead to holistic planning at the village level. (Sunita, 2008) There is a success story of Andhra Pradesh government that they have set up Society for Audit Accountability and Transparency (SAAT) as an autonomous body to ensure effective implementation of MGNREGA programme and even. This is first state in country who have institutionalized social audit within public governance to ensure accountability transparency which finally resulted in effective implementation. The Maharashtra and other state government can take lesson from this state to ensure the effective implementation of MGNREGA in their respective state to ensure people’s right based entitlements and to achieve the universal goal of inclusive growth and sustainable development to enrich the backward regions which are neglected historically.

## References

- Abraham, A. (1980). Maharashtra’s employment guarantee scheme Amrita Abraham. *Economic and Political Weekly*.
- Datar, C. (2007). Failure of national rural employment guarantee scheme in Maharashtra. *Economic and Political Weekly*.
- Mukherjee, D. (2000). Understanding NREGA: A Simple Theory and Some Facts: Working paper 196 by Centre for Development Economics, Delhi University.
- Drez, J. (2014). Learning from NREGA. Retrieved from <http://www.thehindu.com/opinion/op-ed/learning-from-nrega/article6342811.e>
- MGNREGA. Retrieved from <http://www.nrega.nic.in/netnrega/home.aspx>
- Narianian, S. (2008). The National Rural Employment Guarantee Act (NREGA): Opportunities and Challenges: Report by NRML Unit, Centre for Science and Environment, New Delhi.
- Parsuraman, S., Saritha, C.T., & Krishna, J. (2011). An Evaluation of the MGNREGA in Kerala, Report by Tata Institute of Social Sciences, Mumbai, Oct-2011
- Dev, S. M. (1995), Alleviating Poverty: Maharashtra Employment Guarantee Scheme. *Economic & Political Weekly*.
- Web resources: The provisions and entitlements under MGNREGA act taken. Retrieved from [http://nrega.nic.in/Nrega\\_guidelines.pdf](http://nrega.nic.in/Nrega_guidelines.pdf)