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WAGE EMPLOYMENT: IMPACT OF MGNREGS IN BARDHAMAN, WEST BENGAL

ABSTRACT

In this paper, we study the impact of MGNREGS on the beneficiaries and analyse potential management problems of the implementing agencies in Bardhaman, a relatively prosperous district of West Bengal. Analysis of official documents and primary data collection in all blocks over a period of three years indicates that Bardhaman has been successful in addressing the challenges of running the scheme. However, because of available alternative employment opportunities, conducting MGNREGS matching the Annual Action Plan is a serious challenge to the GPs. The local people look for less labour intensive schemes, and political parties pressurise Gram Panchayats to initiate popular errands which makes it difficult to match village needs with demands.

Introduction

The National Rural Employment Guarantee Act, installed by the Congress led United Progressive Alliance–I in 2005 ensures a minimum of 100 days of employment to every household of India, and has the potential to become the strongest public employment programme in history (Ambasta, Shankar & Shah, 2008; Bharghava, 2006; Jaffer, 2009). At operational level, Mahatma Gandhi National Rural Employment Generation Scheme (MGNREGS) is a positive response to the a) grievances of increasing rural unemployment (Mukhopadhyay and Rajaraman, 2007), b) 80 per cent people's life under international poverty line of $2 per day (World Bank, 2005), c) increasing poverty (Chen and Ravallion, 2000) and marked rural urban inequality (Datt and Ravallion 2002), d) collapse of agriculture (Shah, 2007) and e) a decline in the rate of agriculture extension. Even if agriculture production increases, there are problems of marketing and storage in states like West Bengal (Harris-White, 2008; Nath & Chakrabarti, 2011). Prevailing social inequality and unintended politicisation forming fragments, and skewed resource allocation add to the existing problems (Chattopadhyay, Chakrabarti & Nath, 2010; Mukhopadhyay and Rajaraman 2007; Sundaram and Tendulkar, 2003). These shortcomings often compel farmers to commit suicide (Shah, 2007).
The National Sample Survey Data indicate that West Bengal is low in ranking in terms of education, poverty and health and nutrition. The State has high levels of nutritional deprivation, alarming poverty head count, stagnation in human development ranking and low female participation in decision-making processes (Sengupta and Gazder, 1997; Sen, 2002; Ghosh, 2002; Macrosan, 2003). The Human Development Report shows one of the highest differences in rural and urban consumption rate in West Bengal. People's participation is alarmingly low in village development meetings (Chattopadhyay, Chakrabarti & Nath, 2010).

MGNREGS, with its triple underlying obligations of a) creation of durable assets, b) strengthening the livelihood resource base of the rural poor, and c) providing training for upgradation of the skills of unskilled labourers (Chakraborty, 2007) is an unique opportunity to heal the existing maladies. With mammoth fund devolution, MGNREGS is also expected to rejuvenate local governance institutions (MoRD, 2008).

In this paper, we explore MGNREGS at operational level in the Bardhaman district of West Bengal. Bardhaman (literally means ‘developing’) with a population of 6.9 million in 2001 census, is an important hub for agricultural production (GoWB, n.d). The district has 50 per cent higher rate of agriculture growth than West Bengal as a State, as a result of its inclusion in 1961’s Intensive Agricultural District Programme, 1975’s High Yielding Variety Programme aided by Damodar and Ajay river networks of irrigation, substantiated by groundwater exploitation in the 1980’s (Harris White, 2008; Moitra and Das, 2004). Industrial growth in adjacent Durgapur, coalmines in nearby Ranigunj add to alternative employment opportunity of the district. In consequence, less demand for MGNREGS work is evident in some areas. In spite of this, our study shows that maximum number of days of employment provided range between 91 to 100 days for forward villages, and 61-70 days for backward villages. In MGNRERS, Bardhaman is ranked first in expenditure per Gram Panchayat, second on basis of percentage of persondays achieved, third in percentage of BPL Households who have been provided employment (http://nregsburdwan.com).

Bardhaman being one of the prosperous districts should ideally require less MGNREGS support and therefore, success of continuing such a programme depends on ‘successful management’ of the programme. Consequently, our research attempts to understand the impact of MGNREGS over its participants, as well as explores the challenges to MGNREGS and management responses to address such challenges.

MGNREGS : Reflections from Literature

MGNREGS’s potential to effectively address poverty-related issues is well recognised (Dreze and Sen, 1989; Ravallion, 1991; Besley and Coate, 1992; Sen, 1995). The existing literature indicates that MGNREGS from its commencement faced problems of implementation because of imperfect design. Associated is the problem of determining wages high enough to meet daily needs, but not higher than the prevailing rate (Papola, 2005). Other issues of concern include non-payment, gender and caste biased underpayment (Chakrabarti, 2007; Khera and Nayak, 2009; Khosla, 2011).

A substantive understanding of the issues creating bottlenecks for implementing MGNREGS at the operational level is imperative. Studies indicate two broad difficulties in implementation of MGNREGS. First, the fiscal challenges. These primarily include wage determination and cash transfer. Second, management problems with the implementing agencies. These include
instances of fund misappropriation that has lead to payment through Banks and Post Offices (Dey, Drèze and Khera, 2006; Drèze and Khera, 2009; Siddhartha, 2008). However, a recent study by Adhikari and Bhatia (2010) indicates that our banking system largely fails to protect fund misuse as a result of haphazard account handling, presence of power groups during withdrawal, negligence of muster rolls and other record keeping mechanism. A further problem is the misunderstanding regarding the nature of work resulting in underutilisation of MGNREGS’s full potential for which effective publicisation is needed (Bhatia and Drèze, 2006; Jacob and Varghese, 2006; Louis, 2008). Ambasta, Shankar and Shah (2008) argue that MGNREGS can never recognise its full potential until the existing governance mechanism is transformed.

Chakrabarti (2007) argues that MGNREGS has a tendency to become supply driven instead of demand driven if an agency fails to generate work after demand is placed, since unemployment allowance is to be paid by the state government. Several scholars indicate that such a large scale of work requires infrastructure in the form of strong local governance institutions and linkages with line departments, which are frequently unavailable in different parts of India (Chakrabarti, Chattopadhyay and Nath, 2011; Chathukulam and Gireesan, 2006; Chakrabarti, 2007; Bhatia and Drèze, 2006).

**Methodology**

In this paper, we use a) MGNREGS performance reports available from the Bardhaman District Magistrate’s office and b) analyse primary data collected from each of the 31 blocks of Bardhaman during 2009-10. We focus on two aspects of MGNREGS: first, the impact of MGNREGS over its beneficiaries. Second, the nature of institutional challenges and reaction of the implementing agencies to them.

Our fieldwork covers two randomly selected villages in two randomly selected Gram Panchayats (GP) in each block of the district. In each village, ten households are randomly selected for study. A total of 1240 households from 124 villages (of which 10 are backward villages) are covered in the district. A structured questionnaire is used to interview 2699 males and 2345 females from the villages to have a direct exposure of the coverage and actual benefits of MGNREGS in the district.

**Figure 1 : Average Annual Income and Number of Days Employment Given**

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understanding of the nature of management crisis that the implementing agencies face required open ended interviews with the officials from the three-tier Panchayat system, which was done by members of the study team.

**Impact, Distribution and Conflicting Demands**

The relationship between the days of employment provided and average annual income in Bardhaman shows a diverse pattern (Figure 1).

Therefore, in order to assess the impact of MGNREGS on intended beneficiaries, we focus on the distribution of work and the relative contribution of MGNREGS to the income of beneficiaries.

Figure 2 shows a comparative appraisal of the family income and MGNREGS-income. Our primary data show that supplementary income from MGNREGS is high among families which have comparatively lesser annual income from other sources. The backward villages are equally benefited from the scheme.

**Figure 2 : A Comparative Analysis of Family Income and MGNREGS Income**

The average annual family income of backward villages from the scheme is ₹ 3199.46, higher than ₹ 2795.23 in other villages (Source : Survey Data, 2009-10). Evidently, work allocation follows the degree of backwardness.

As we studied the distribution of work in 31 blocks, we realised that a significant cutback in the number of days of work-generation is found in blocks Andal, Bhatar, Galsi, Kalna I, Katwa I, Mongolkot, and Purbasthali I. Among these underperforming blocks, Purbasthali I, Bhatar, Kalna I, Katwa I, and Mongolkot show a constant fall in the rate of employment generation. In Bardhaman I, Purbasthali I, Bhatar, Kalna I and Katwa I, alternative employment opportunity is significantly high. As a result, demand for MGNREGS work is not always generated. In Mongolkot, however, political turmoil in the recent past, which resulted from conflicts between the CPM and the Trinamul Congress, has significantly limited the scope of undertaking MGNREGS (Source : Survey Data 2009-2010).
Post-Panchayat election 2008 witnessed a political changeover in several blocks. The Left Front, headed by Communist Party of India Marxist (CPM) now controls the Zilla Parishad, the district level office of the three-tier panchayat system. The intermediate Panchayat Samities (PS) and lowest of the three-tiers, i.e., Gram Panchayats (GP) in most places are controlled by the new ruling party of the State, Trinamul Congress (TMC). In many places, political difference between the GP and the PS results in problems of release of fund of the scheme. In Jamalpur, Jamuria and Ketugram, political difference is identified as one of the major factors that sway the performance of MGNREGS between 2008–09 and 2009 – 10 (Source : Survey Data 2009-10).

In spite of these, Bardhaman is largely successful in providing supplementary income to the needful through MGNREGS. Families living Below Poverty Line (BPL) get more employment as part of the scheme than families with Above Poverty Line (APL) status (Figure 3).

Additionally, an increase in the employment generated is reflected in Figure 4. To have a better understanding of people’s needs, we did an analysis of the demand of work and supply.

Figure 3 : BPL and APL Families Getting Number of Days Employment

Figure 4 : Work Demand and Supply in Bardhaman District
Our analysis shows that a gap between the demand and supply of MGNREGS work does exist. The official record shows that no employment allowance is distributed by the district. Figure 4 shows that higher demand results in the high demand–supply gap. The officials interviewed by the study team point to three reasons that give rise to this gap. First, the seasonal factor plays an important role in determining the success of MGNREGS. The nature of work under this scheme is labour intensive. It primarily includes earth works. Therefore, if a demand of work is generated during monsoon, it is often difficult to meet the demand. The seasonal distribution of MGNREGS work shows that least amount of work is carried out during June and July when maximum summer temperature is followed by maximum rainfall (Figure 5, source: survey data 2009-10).

Figure 5: Seasonal Distribution of MGNREGS Work in Bardhaman

Interestingly, during August even if rainfall occurs, average number of days of employment generated increases rapidly. The nature of work includes repairing of flood protection barrage. Despite being a labour intensive task, villagers wilfully involve in those jobs because of the potential threat of being flooded (interview with Panchayat officials, October 2010).

A second factor contributing to the demand supply gap is labour crunch. Those who place demands earlier become unavailable in a suitable season when the GPs create the works (interview with Panchayat officials, October 2010).

Third, there is sometimes a problem with the nature of the work. People are interested in less labour intensive occupations like tree plantation. It is not unusual to demand a type of work and then declining to undertake labour intensive assignments (interview with Panchayat officials, October 2010).

Figure 6 substantiates that alternative employment opportunity is high in the district. A considerable number of villagers find the MGNREGS wage low. Bardhaman’s agricultural production requires the labour of males and females equally. A sizeable amount of female labour is required for the preparation of seedbed, harvesting and winnowing. Apart from their daily wage, they are incentivised in terms of crop share. The absentee landowner creates a high-up system of share crop. In consequence, several villagers cultivate large pieces of land (interview with Panchayat officials, September-October 2010).
Apart from the strictly economic factors, where people are free to make rational choices between MGNREGS and alternatives, there are cultural factors which make some not to participate in the scheme. Each female participant in our interviews indicates their reservation to work with males in the field. They point to three reasons for this. First, they are hesitant to work in the field as it ‘exposes’ them to the village males. Second, they are often teased as being soft and unable to perform heavy-duty. Third, the family members sometimes stop the females from entering into MGNREGS scheme. ‘Family prestige’ stops many job cardholders from participating in the scheme. However, this results in an apparent contradiction as they work together in MGNREGS, but not otherwise. This shows the potential of MGNREGS to break cultural barriers.

As labour intensiveness is a matter of concern (Figure 6), it reflects our participants’ reluctance to engage in particular types of work. To understand their preference, we did an analysis of the nature of work, and their demands and supply. It shows that forestation (10 per cent of the total work demanded and 17 per cent of the total work provided) and road repairing work (13.19 per cent of demand and 21.52 per cent of the work generated) are valued in Bardhaman. The construction of flood protection barrage, being labour intensive, is less demanded (3.56 per cent), but it is given importance (5.81 per cent) as Bardhaman has several rivers running across the district. The same is true for irrigation canal renovation (3.59 per cent of demand and 5.86 per cent of the work generated).

Since many job card holders are unwilling to engage themselves in certain categories of work, it indicates a lag in publicisation of MGNREGS (Figure 7).

Panchayat members, officers and pradhans act as information hub for the implementation of the MGNREGS scheme. However, a significant number of people get the information from neighbours. Formal announcement for MGNREGS is barely done. A number of Pradhans indicate that most of the job cardholders do not know about the nature of work. It indicates a possibility of having misunderstood the work. Jacob and Varghese (2006) find in Kerala a number of educated youth applying for job cards because of lack of understanding of the scheme, and a similar problem could have been the reason in Bardhaman.
GP members and Pradhans from all GPs argue that it is difficult to strike a balance between the nature of work demanded and the nature of work needed for creation of village assets. Conflicting interests of different stakeholders lead to regular tension between beneficiaries, political parties and GP members. Beneficiaries look for less labour intensive works. Political parties ask to initiate works that help them gain or retain electoral support. These demands often mismatch with the local needs and those prioritised in the Annual Action Plans. In consequence, the GPs try to initiate a balancing system. In several GPs, members ‘ask’ beneficiaries to execute certain days of labour intensive works to ‘gain’ some days of work in less labour intensive tasks. This system, however, is not helpful in Bardhaman where alternative employment opportunity is high and people are well paid through them.

Challenges and Institutional Responses

MGNREGS makes the workload of the GPs considerably high. Consequent work allocation, execution and payment procedure become difficult tasks to perform (Bhatia and Drèze 2006). A task involving job card distribution, work plan, allocation, record keeping through different muster rolls, and bulk cash handling for a huge number of beneficiaries: all bring forth a challenge to the GPs. We find three specific institutional challenges in implementing MGNREGS schemes: 1) understaffing and lack of professional personnel, 2) problems associated with huge cash handling, and 3) problems of data management. We find that Bardhaman has somehow coped with these situations to run the programme across the district.

In early 2009 we noted that a significant number of local people, usually party workers from all different political parties, actively participated in the management of MGNREGS. In 2010, we found that recruitment of Assistant Programme Officer, Technical and Computer Assistants expedited the work. At the GP level, the requirement of an additional post is felt from the inception of the programme. The post of Gram Rojgar Sahayak, recruited directly by the GP, helps in the process of implementation of schemes. The Nirman Sahayak, a diploma civil engineer, manages the technical aspects. They are responsible for codification, budgeting and field level monitoring of the scheme. Their technical knowledge is expected to ensure better quality of created asset. The Block Development Officer (BDO) - approved Gram Rojgar Sahayak is appointed to assist Nirman Sahayak since 2007. They are at least higher secondary qualified to be...
appointed. This post is filled with the BDO’s sanction and Pradhan’s recommendation. The field supervisors, a class-ten qualified person, are chosen by the Gram Sabha. For every fifty labourers, one field supervisor is appointed. They maintain muster rolls, and coordinate between the office and the stakeholders. Our field visits in different seasons during 2010 show that Gram Panchayats have effectively coped with the extra workload because of the scheme after these recruitments.

The actual work is managed by the supervisors. They inform the stakeholders about the scheduled schemes by mass announcement and distribute the job among them. They upgrade job cards, notify the payment date, and provide supporting accessories to the workers. If and whenever necessary, they coordinate with post offices and banks for fund disbursement.

However, payment through banks and post offices is still a source of problem. There are three interrelated issues with payment through banks and post offices. First, there is a want of banks and post offices near the villages. Second, payment delay (3 to 5 days for banks, and 7 to 10 days for post offices) is usual. Third, lack of banking habits of the beneficiaries is still a problem. Additionally, every GP member in our study report that banks are not interested in opening MGNREGS account as they a) do not find it profitable to bank with MGNREGS beneficiaries where per capita exchange is considerably low but b) number of recipients are high. Understaffing in banks and post offices is also a serious matter of concern. Infrastructure problems like lack of vault in post offices and cash transfer problems often contribute to payment delay.

A change currently being proposed by the Ministry of Rural Development, Government of India could address this issue of delays. This is to pay advance wages, for work yet to be undertaken, to those who have applied for work under the scheme. These advance payments are to be adjusted against work actually done (Economic Times, December 5, 2011). It is expected that this would reduce problems faced by workers who are not paid despite completion of work because of delays in measurement and evaluation of work undertaken. Advance payments could also reduce pressure on GPs to speed-up the process of evaluating and certifying work undertaken to ensure that payments are made quickly. However, the experience of states which have made such advance payments indicates that poor record-keeping of advance payments leads to increased corruption in the programme. (Upamanyu, 2008). Proper record-keeping to identify recipients of advance payments and oversight to ensure that they undertake work when it is allocated would be critical to ensuring that such changes improve the implementation of the programme.

**Discussion**

As we speak up for MGNREGS’s potential to mitigate poverty and allied issues, Bardhaman’s MGNREGS provides good example supporting such contention. It caters effectively to the needful from backward villages and BPL families. However, our study supports Chathukulam and Gireesan (2006), Chakrabarti (2007), and Bhatia and Dréze (2006) that MGNREGS poses a serious challenge to the local self-government. We emphasise on the institutional issues related to fund and data management of MGNREGS. Bardhaman seems to cope with such troubles at initial stage by using the political-party network in most places irrespective of the colour of the party. Later, creation of additional posts accelerated the process of implementation. Payment through banking system, however, is a persistent problem in most places.
Our study shows a dimension of conflicting demand that may be typical of comparatively prosperous districts. The village Annual Action Plan as prepared by the Panchayat focuses on village needs. A sizable amount of such work is possible under the MGNREGS scheme. In execution, however, villagers demand less labour intensive tasks like forestation. Political parties push GPs to generate more such popular works. The balancing act adopted by some GPs that gives less labour intensive tasks to a person if s/he performs certain days of more labour intensive tasks might be ineffective in the long run, as many villagers often refuse to take such employment. The seasonal factor adds to this problem. During extreme summer and monsoon, conducting MGNREGS work becomes technically difficult. Two consequences are notable. A gap between work demand and supply in the record persists. And more importantly, creation of durable village assets remains undone. As an immediate effect, it poses a threat to the delivery of development related public services.

In response to the problem of the gap between job demand and supply, GPs can strengthen the publicisation of the scheme. As Figure 7 indicates, the formal announcement of MGNREGS is barely done, and it can create misunderstanding regarding the nature of work. GPs should inform at the beginning to the applicants about the work they expect to undertake. This would help them avoid any misunderstanding which leads to the gap. However, publicisation alone cannot ensure sufficient participation in the scheme. The authors also agree with Papola's (2005) findings that MGNREGS should consider the local factor in determining the wage.

Presently many regions of Bardhaman indicate the possibility of MGNREGS to become supply driven instead of being demand driven. This problem demands policy attention. As people's reluctance is noted, GPs often use political parties to mobilise people. This could make MGNREGS unintentionally politicised in the future.

Kornhouser (1997) and McAdam (1997) argue that social movements require careful mobilisation of resources. MGNREGS as a development initiative should be seen as a social movement where cautious resource mobilisation is possible. GPs should encourage people's participation in village development related decisions by strengthening of Gram Sabhas and Gram Samsads where people are expected to discuss, debate, include or exclude development initiatives (Planning Commission of India, n.d). Chattopadhyay, Chakrabarti, Nath (2010) show depressingly low level of people's participation, and unintended politicisation in development related meetings in West Bengal. People's unwillingness to play crucial role in MGNREGS for the creation of village level assets may be a by-product of the same reluctance. GPs therefore, should involve more people in development related decisions so that a participatory environment with strong community sentiment can be generated. Creation and careful use of social capital (as advocated by Putnam, 1995, 2000) could be useful to augment people's participation in MGNREGS.

Our study indicates that even when a prosperous district like Bardhaman takes management initiatives, successful execution depends to a great extent on the stakeholders. When requirement is less, MGNREGS can slow down development activities, which will require serious policy attention.
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References


