Performance of MGNREGA: A Comparative Study of Gujarat and Bihar

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Abstract: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is preliminary right based approach to provide legal right of employment opportunity for rural labour. It integrates the different earlier employment scheme on the line of poverty alleviation strategy and potential of rural assets creation. The present study highlights the comparative performance of Gujarat and Bihar in MGNREGA in terms of number of job cards, work status, participation of different social strata and rural assets creation. The most of outcomes of present study drive from reliable secondary resources during 2008-09 to 2013-14. The more eminent results reflect that overall performance of MGNREGA in Gujarat is better than Bihar.

Keywords: MGNREGA, Participation, Performance, Work Status, Rural Assets.

INTRODUCTION

Indian government has taken up various measures to overcome the problem of poverty. Poverty alleviation programmes comprising of wage employment programmes, rural housing schemes and a public distribution system have been initiated from time to time. Some were partially successful in addressing the issue of poverty whereas others suffered from major flaws in their implementation. National Rural Employment Programme (NREP) 1980-89, Rural Landless Employment Guarantee Programme (RLEG) 1983-89, Jawahar Rozgar Yojana (JRY) 1989-99, Employment Assurance Scheme (EAS) 1993-99, Jawahar Gram Samridhi Yojana (JGSY) 1999-2002, Sampoorna Gramin Rozgar Yojana (SGRY) since September 2001, National Food for Work Programme (NFFWP) since November 14, 2004 (SGRY and NFFWP now merged with NREGS 2005) were national level rural employment generation schemes. However these programmes could not provide social security to the rural poor. The Central Government launched NREGA on February 2, 2006. The National Rural Employment Guarantee Act, 2005 (NREGA) [1] guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) on 2 October 2009 [2].

The Act initially came into three distinct phase as at the first 200 most backward districts in 2006-07. Later in second and third phase, 130 district and rest 285 district covered from 2007-08 and April 2008 respectively. According to the Ministry of Rural Development districts covered during the first phase were selected on the basis of four factors i.e., population of SCs and STs, agricultural productivity and agricultural wages (G.O.I. 2008). As for regarding these norms, out of 38 districts of Bihar, 23 and 15 districts covered under first and second phase of MGNREGA respectively. Whilst, out of 17 districts of Gujarat, 6 and 3 districts covered under first and second phase of MGNREGA respectively.

The Act is an important step towards realization of the right to work. It is also expected to enhance people’s livelihood on a sustained basis, by developing the economic and social infrastructure in rural areas. The choice of works seeks to address the causes of chronic poverty such as drought, deforestation and soil erosion. Effectively implemented, the employment guaranteed under the Act has the potential of transforming the geography of poverty. MGNREGA is the most significant act in the history of Indian polity in many ways like grass-root level participation of every citizen and beneficiary through democratic process, multi-layered social audit and transparency mechanism by involvement of civil society, comprehensive planning at village level towards sustainable and equitable development etc

The present study deals with comparative status of MGNREGA towards two different development strategies taken by Gujarat and Bihar. For example, Gujarat follows rapid industrialization while Bihar adopted inclusive growth strategy. However, recent literature on MGNREGA shows that Bihar is not in position to manage own vulnerable workforce by
providing proper job opportunity under MGNREGA as compare to Gujarat. To concern with women participation under MGNREGA, Bihar is not performing better than Gujarat. That’s why this study evaluates the performance of MGNREGA between Gujarat and Bihar regarding gender equality, empowerment of different social strata and rural assets creation.

Gujarat is one of the prosperous states in India in terms of rate of growth of its SDP (state domestic product) and per capita income. Gujarat has emerged as one of the fastest growing states in India, particularly after 2000, the year from which the rate of growth of the state domestic product in the state has started shooting up. During the period from 2000 to 2008 the Indian GDP has grown at 7.68 CARG (compound annual rate of growth), while the SDP in Gujarat rose at 10.76 CARG. The secondary sector in the state grew at 11.16 percent and the territory sector grew at 10.27 percent during this period, while the corresponding rates for India are 8.31 and 7.68 respectively. What is more important, however, is that agriculture in the state has shown more than 12 percent growth rate during 2000-2008 when the country has struggled hard to achieve even 3 percent rate of growth in this sector (Shah and Gulati 2009 and Dholakia and Datta 2010). A recent report of UNDP (2011) also has shown that Gujarat ranks 8th among the major Indian states in Human Development Index.

Bihar is most backward state in terms of economic development despite of enriched potential human resource. The recent data on state income shows that the economy of Bihar has grown steadily during the Eleventh Plan period (2007-12). During the Tenth Plan, the GSDP at constant prices grew at an annual rate of 5.67 percent. Thereafter, the economy witnessed a turnaround and grew at an annual rate of 11.95 percent during the Eleventh Plan. The rate of growth during 2007-12 is not only higher compared to the previous plan period, but one of the highest among all the Indian states. In 2007-08, the per capita income of Bihar (Rs. 11,615) was 32.4 percent of all-India average (Rs. 35,825), but in 2011-12, this ratio increased to 42.07 percent (Rs. 25,653 for Bihar and Rs. 60,972 for all-India). In the primary sector, Agriculture and Animal husbandry recorded substantial decrease in its share of GSDP. Within secondary sector, the sub-sector which showed substantial change is Construction, whose share in GSDP increased from 5.7 percent in the triennium 2002-05 to 12.8 percent in the triennium 2009-12. Within the tertiary sector, the sub-sector which increased its share in GSDP is Trade, Hotel and Restaurants. A recent report of UNDP (2011) also has shown that Bihar ranks 21 among the major 23 Indian states in Human Development Index.

Rao K. Mallikarjuna [3] stress that MGNREGA is the only Act which gives its rural people such a right and that too in the era of Liberalization, Privatization and Globalization (LPG). He point out that during the sever condition like famine and drought MGNREGA provides safety net for the vulnerable sections. The major contribution of MGNREGA is increasing purchasing power which supports their basic necessity. It is not only securing rural livelihoods but also involving them in other non-farm activity. Therefore, employment in other non-farm activity will also improve the rural infrastructure i.e. rural asset building. It will ultimately lead to sustainable development. Furthermore, effective implementation of MGNREGA have been decreased the rural urban migration to far away destinations.

Hirway Indira [4] argues that the positive and negative impacts of MGNREGA on women’s empowerment cannot be ignored on the grounds that these are unintended or not covered under the main objectives of MGNREGA. Further her views on MGNREGA not reflected only women’s empowerment but it will also help in achieving medium and long term goals of MGNREGA which ultimately moving towards optimum use of labour in the economy. At last, it will generate some desirable national level social policies for future prospective towards labour market.

Sinha P [5] found that MGNREGA has a significant potential to reduce the gap in poverty by 37% on average in Bihar and Scheduled Caste social group have reduced 7% of their poverty gap. MGNREGA has shown a pragmatic response in Bihar and it is assisting people to reduce their poverty gap. Furthermore it is realistic to consider as MGNREGA performance in balance with the market forces, ground level socio-political dynamics and the priorities of beneficiaries. Despite the progressive welfare intentions of senior political leadership and administration, MGNREGA contribution to the reduction of the poverty gap will always be dependent on the specific context of the particular area or State.

Institute of Applied Manpower Research, Delhi (2009), conducted a study on twenty districts from Northern, Western, Southern and North-East region of India and 300 beneficiaries from each districts of India for evaluation of MGNREGA. This study founds the several leakages in MGNREGA in many districts, for example, identical issues omitted by fake or blank photograph on job cards. At the some places distribution of job cards not going in right direction as the beneficiary paid money for getting it. Many households did not get the work within the stipulated time of 15 days, demand for work, neither were they paid any unemployment allowance. On the average number of working days in MGNREGA provided around 35 days. In most of the worksites, excepting
creche, other facilities like shed, drinking water were provided. Due to the income generation through this scheme, the numbers of beneficiaries at the low earning level are reduced to nearly half in size. There is a rise of families who are spending more on food and non-food items.

Reetika Khera and Nayak [6] examine the women participation under MGNREGA among major state of India. Her finding reveals that large interstate variations in the participation of women have been observed. Women constitute more than two thirds of MNREGA workers in Kerala (71%), Rajasthan (69%) and Tamilnadu (82%) and less than stipulated one-third in Assam (31%), Bihar (27%), W.B (17%), UP (15%), Himachal Pradesh (30%) and Jarkhand (27%) respectively. They find that MGNREGA uplift their living standard as two thirds of the female respondents said that after this act they face less food problem. MNREGA also allowed workers to get work in their village, as a result of which scale of migration and hazardous works now reduced for many. At the most of worksites childcare facilities were lacking.

Ambasta P, Vijay Shankar and Mihir Shah [7] highlight the functioning problem of MGNREGA at the ground level. According to him, due to understaffing, lack of professionals or in other words acute shortage of manpower at the district, taluka and village levels which affecting the effective implementation of MNREGA. Most of the appointments are on contract basis which generate administration inefficiency as often delay in work or wage payment. Further, it appears that the existing bureaucratic machinery is just not willing to play ball with the strict provisions of MNREGA and are at time actively sabotaging its implementation.

Dreze [8] finds that NREGS is great potential for rural poor households the observation from field survey in Orissa. Where work was available, it was generally found that workers earned close to (and sometimes more than) the statutory minimum wage of Rs 70 per day, and that wages were paid within 15 days or so. This is an unprecedented opportunity for the rural poor, and there was evident appreciation of it among casual labourers and other disadvantaged sections of the population. There is the hope among workers that NREGA would enable them to avoid long-distance seasonal migration, with all its hardships. Further, there is plenty of scope for productive NREGA works in this area, whether it is in the field of water conservation, rural connectivity, regeneration of forest land, or improvement of private agricultural land. The challenges involved in “making NREGA work” should always be seen in the light of these long-term possibilities and their significance for the rural poor.

OBJECTIVES OF THE STUDY
1. To examine the performance of MGNREGA in terms of prevailing opportunity of job cards and work status between Gujarat and Bihar.
2. To compare the trend of participation rate of different social strata under MGNREGA between Gujarat and Bihar from 2008-09 to 2013-14.
3. To compare the assets created under MGNREGA activity between Gujarat and Bihar.

Research Methodology and Data Sources
The present study is based on quantitative and analytical research method. The desired statistics and parameters governed with secondary data information base. The secondary data is collected from reliable sources i.e. several reports on MGNREGA like Operational Guideline of MGNREGA 2006-07 to 2013-14, MGNREGA Sameeksha 2012, Official websites of MGNREGA, Ministry of Rural Development, Ministry of Finance, Economic Survey of Bihar and Gujarat 2012-13, Census 2011, research papers, journals and the books[16, 17]. For the analysis purpose, this study uses simple tabulation, graphical, average and percentage methods.

RESULTS AND DISCUSSION OF THE PRESENT STUDY
The present study has been at first explored the general features of cumulative number of job cards, demand supply scenario, monthly employment trend and prevailing average statutory wage rate under MGNREGA as comparative figures of Gujarat and Bihar.

Table No. 1, shows that Bihar is issuing higher job card in terms of absolute number than Gujarat but not a significant difference as regarding proportionate of total job cards from 2008-09 to 2013-14. There is increasing trend of total issued job cards in the both state as 13.35 to 17.10 per cent and 13.94 to 17.72 per cent from 2008-09 to 2013-14 in Gujarat and Bihar respectively. The distribution of job cards on the ground of caste category, this study notice that SC category at third respectively. The overall number of issuing job cards is going in right direction in the both the state but declining job cards holder of SC cards must be carefully tackle. The present study find out demand supply gap

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under MGNREGA from 2008-09 to 2013-14 to concern with completed employment statistic of Gujarat and Bihar. Table no. 2 reveals that the beginning of two consecutive years 2008-09 and 2009-10, not a single labour excluded from MGNREGA according to their demand in both Gujarat and Bihar. There is difference occurs in the year 2010-11 in both states when demand is slightly higher than Gujarat.

### Table 1: Cumulative no. of issued Job Cards

<table>
<thead>
<tr>
<th>Years</th>
<th>SC</th>
<th>ST</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gujarat</td>
<td>Bihar</td>
<td>Gujarat</td>
<td>Bihar</td>
</tr>
<tr>
<td>2008-09</td>
<td>406580</td>
<td>(17.50)</td>
<td>4532277</td>
<td>(18.51)</td>
</tr>
<tr>
<td>2009-10</td>
<td>469785</td>
<td>(20.22)</td>
<td>5201585</td>
<td>(21.24)</td>
</tr>
<tr>
<td>2010-11</td>
<td>484992</td>
<td>(20.28)</td>
<td>5427421</td>
<td>(22.16)</td>
</tr>
<tr>
<td>2011-12</td>
<td>346388</td>
<td>(14.91)</td>
<td>2876210</td>
<td>(11.74)</td>
</tr>
<tr>
<td>2012-13</td>
<td>317933</td>
<td>(13.68)</td>
<td>3042328</td>
<td>(12.42)</td>
</tr>
<tr>
<td>2013-14</td>
<td>296890</td>
<td>(12.78)</td>
<td>3404944</td>
<td>(13.90)</td>
</tr>
<tr>
<td>Total</td>
<td>2322568</td>
<td></td>
<td>24484715</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Data Compiled from MGNREGA official website

### Table 2: Demand Supply Scenario of MGNREGA Employment between Gujarat and Bihar

<table>
<thead>
<tr>
<th>Years</th>
<th>Cumulative No. of demanded employment</th>
<th>Cumulative No. of HH provided employment</th>
<th>HH completed 100 days (In Per Cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gujarat</td>
<td>Bihar</td>
<td>Gujarat</td>
</tr>
<tr>
<td>2008-09</td>
<td>850691</td>
<td>3822484</td>
<td>850691</td>
</tr>
<tr>
<td>2009-10</td>
<td>663967</td>
<td>4127330</td>
<td>663967</td>
</tr>
<tr>
<td>2010-11</td>
<td>1097483</td>
<td>4763659</td>
<td>1096223</td>
</tr>
<tr>
<td>2011-12</td>
<td>835051</td>
<td>1661691</td>
<td>818971</td>
</tr>
<tr>
<td>2012-13</td>
<td>749970</td>
<td>2075511</td>
<td>678040</td>
</tr>
<tr>
<td>2013-14</td>
<td>643124</td>
<td>2375528</td>
<td>578626</td>
</tr>
</tbody>
</table>

**Source:** Data Compiled from MGNREGA official website

After financial year of 2010-11, continuously mismatch between demand-supply of MGNREGA employment. In the case of Gujarat, 643124 households demanded employment under MGNREGA but it provide opportunity to only 578626 households in the year 2013-14. Similarly, in the case of Bihar, 2375528 households demanded employment under MGNREGA but it provide opportunity to only 2034996 households in the year 2013-14. However, there is smaller proportion of households who got 100 days in a year despite of MGNREGA provisions. For example in the Gujarat, share of these households varied from 4.12 to 7.70 whereas in the Bihar, share of these households varied from 2.68 to 9.24. Figure No.1 represents the monthly employment pattern during 2013-14 between Gujarat and Bihar. The monthly employment pattern is proportionate of total person days generate in particular month with the respect of total person days generate in financial year 2013-14. In the lean agriculture seasons, employment rate has been increased and in the peak agriculture seasons, fluctuate with declining rate. Gujarat performance has been better than Bihar regarding job provide in lean agriculture seasons. The monthly employment pattern of MGNREGA is almost moving with same way in both states except March. However, higher rate of employment rate of Bihar (March, 20.09) compare to Gujarat (March, 5.88) has been not affected by agriculture period but another reason like return of seasonal migrant.

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**Trend of Participation Rate of Social Strata**

The present study considers different social strata in to SC, ST and Women only. Then it explores the trend of participation rate under MGNREGA from 2008-09 to 2013-14. The reason behind period taken from 2008-09 is that universality in MGNREGA scheme implementation in all district of Gujarat and Bihar. SC participation rate basically derive from proportionate of total number of person days generate for SC population to total number of person days in a one financial year under MGNREGA. Similarly, ST and Women participation rate derive out from same method.

**Figure No. 1**: Monthly Employment Pattern (Percent, 2013-14)
*Source: Data Compiled from MGNREGA official website*

**Figure No. 2**: Trend of SC Participation Rate
*Source: Data Compiled from MGNREGA official website*

Figure No. 2 reflects that SC participation rate of Bihar is higher than national average whereas SC participation rate of Gujarat is lower level. It clearly seen from figure no. 2 that SC participation trend drastically declined from 45, 30 and 15 to 25, 22 and 8 percent respectively in Bihar, India and Gujarat from 2010-11 to 2011-12. After 2011-12 SC participation rate shows little more fluctuations.
Figure No. 3 represent that ST participation rate of Bihar is far lower than Gujarat and India due to less ST population. ST participation rate of Bihar has started with 3 per cent in 2008-09 to steady rate of 2 per cent after 2009-10. However, average national trend of ST participation rate declined towards 29 to 16 per cent from 2008-09 to 2013-14. In the case of Gujarat, after universalization of MGNREGA ST Participation rate declined towards 51 to 41 per cent from 2008-09 to 2013-14. This is not produce any havoc on caste discriminatory due to MGNREGA introduce in relatively less ST populated district which is left in first and second phase.

Women Participation under MGNREGA

Women employment is one of the major goals of MGNREGA by securing 33 per cent of total person days for women. Most of study on effects of women participation in MGNREGA found that it contributes positive outcomes like more autonomy in family, increased the role of discretionary power as concern with society and to secure income flow to their family in the worst condition. In the short words, increasing the women participation under MGNREGA reflected in women empowerment.

Figure No.4 reveals that women participation rate at national level, achievement at the moderate level. The women participation rate of India increased towards 48 to 53 per cent from 2008-09 to 2013-14. The women participation rate of Gujarat is also going as par with national average. As varied between 43 to 44 per cent from 2008-09 to 2013-14. However, women participation rate of Bihar is lower than both Gujarat and national level. The most eminent finding is that Bihar not provides employment opportunity for women regarding MGNREGA norms of women as almost varied in the range of 30 to 35 per cent.
Table 3: MGNREGA Work status of Gujarat and Bihar

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of Works started (1)</th>
<th>No. of Works started whose estimated completion date is over (2)</th>
<th>Out of (2) No. of Work Completed</th>
<th>Work Completion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gujarat</td>
<td>Bihar</td>
<td>Gujarat</td>
<td>Bihar</td>
</tr>
<tr>
<td>2009-10</td>
<td>152647</td>
<td>155071</td>
<td>152157</td>
<td>154364</td>
</tr>
<tr>
<td>2010-11</td>
<td>55135</td>
<td>134638</td>
<td>54785</td>
<td>134113</td>
</tr>
<tr>
<td>2011-12</td>
<td>56196</td>
<td>115753</td>
<td>55694</td>
<td>95107</td>
</tr>
<tr>
<td>2012-13</td>
<td>56370</td>
<td>134932</td>
<td>55771</td>
<td>83057</td>
</tr>
<tr>
<td>2013-14</td>
<td>39748</td>
<td>356191</td>
<td>36340</td>
<td>314724</td>
</tr>
</tbody>
</table>

Source: Data Compiled from MGNREGA official website

Table No. 3 shows the comparative figure of work status between Gujarat and Bihar from 2009-10 to 2013-14 by work completion rate. In the beginning year 2009-10, 152647 and 155071 woks started in Gujarat and Bihar respectively. After 2009-10, number of new works declined to 39748 (2013-14) in Gujarat. In the case of Bihar, projected works has been little bits fluctuate around 155071 to 134932 from 2009-10 to 2012-13 and in the financial year 2013-14 drastically jump to 356191. On the issues of work completion rate, both states have been not performed well which is very serious issue for efficiency of MGNREGA. Work completion of Gujarat and Bihar have been declined from 91.87 to 37.43 and 90.63 to 19.91 per cent from 2009-10 to 2013-14 respectively.

Rural Assets Creation under MGNREGA

MGNREGA gives the government an opportunity for building social capital on a massive scale for prolonged neglect of productive rural infrastructure. This scheme open the several dimension such as rural connectivity, flood controls, water conservation and water harvesting, drought proofing measures, irrigation facility to development, renovation of traditional bodies, land development and sanitation provisions. These measures also sustain the other rural development policy for example, watershed development, restoration of water bodies such as tanks and canals, land degradation (soil erosion), and construction of roads, afforestation. Therefore, MGNREGA can integrate the potential of the district rural development agency in the more diverse conditions. According to Sridhar V [9] “the Act, by permitting activities on private land up to a point, significantly increases the scope of the programme. This will lead to the creation of rural assets which would lead to sustainable agriculture development in the rural villages by enhancing agricultural productivity which in turn improves the rural economy's ability to absorb labour. MGNREGA does not just give employment to rural poor, but also creates community assets which are useful for the villagers in the long run. It has both direct and indirect benefits”.

Figure no.5 shows that priority of rural assets creation in different dimension in terms of total number of completed works concerning Gujarat and Bihar. The major works under MGNREGA in Gujarat concentrated to rural sanitation (43 per cent), provision of irrigation facility to land development (20 per cent), and rural connectivity (11 per cent). Rest of assets created under MGNREGA works in Gujarat lower than 7 per cent as renovation of traditional water bodies (3 per cent), land development, drought proofing and floods control (each of 5 per cent) and water conservation and water harvesting (7 per cent).
On the other side, the major works under MGNREGA in Bihar concentrated to rural connectivity and drought proofing (each of 30 per cent), and rural sanitation (19 per cent). Rest of assets created under MGNREGA at minor level like flood control (1 per cent), renovation of traditional water bodies (2 per cent), provision of irrigation facility to land development (3 per cent), drought, water conservation and water harvesting (7 per cent) and land development (8 per cent).

CONCLUSION

The overall number of issuing job cards is going in right direction in both the state but declining job cards holder of SC cards must be carefully tackle. The beginning of two consecutive years 2008-09 and 2009-10, not a single labour excluded from MGNREGA according to their demand in both Gujarat and Bihar. After financial year 2010-11 in both states demand-supply under MGNREGA employment is mismatch as higher demand in both states. The monthly employment pattern of MGNREGA in both states are almost moving with agriculture season like comparative more employment generate in lean agriculture period than peak seasons. On the issues of participation of different social strata, SC participation rate of Bihar is higher than Gujarat. Whilst ST participation rate of Gujarat is higher than Bihar under MGNREGA. This study also noticed that Bihar not provides sufficient employment opportunity for women regarding compare to Gujarat which is almost improved with national head. Regarding the work completion rate, both states have been not performed well which is very serious issue for efficiency of MGNREGA. On the comparative dimension of assets created under MGNREGA, Gujarat performed better position than Bihar in rural sanitation, provision of irrigation facility to land development, renovation of traditional water bodies and flood control. Whilst, rest of dimension of assets created under MGNREGA, Bihar performed better position than Gujarat. Therefore, it is clear that diversification over assets created under MGNREGA but it must be reframe their priority. For example, despite of higher intensity of flood in Bihar, number of assets created against flood control measures is relatively lower than Gujarat. Similarly, rural sanitation condition of Bihar is so worse but yet not consider for priority as in Gujarat. This study finally concludes that overall performance of MGNREGA in Gujarat is better than Bihar.

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