

**Title:** MGNREGA in Tamil Nadu: A Story of Success and Transformation?.

**Citation:** Carswell, Grace and De Neve, Geert (2014) MGNREGA in Tamil Nadu: A Story of Success and Transformation? Journal Of Agrarian Change, 14 (4). pp. 564-585. DOI: 10.1111/joac.12054.

**Official URL:** <http://dx.doi.org/10.1111/joac.12054>

**More details/abstract:** Social protection has emerged as a key driver of development policy at the beginning of the twenty-first century. It is widely considered a 'good thing' that has the potential not only to alleviate poverty and vulnerability, but also to generate more transformative outcomes in terms of empowerment and social justice. Based on an ethnographic study of the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), India's flagship social protection policy, this paper takes a critical look at what this policy's 'success' consists of. The study was carried out in Tamil Nadu, a state widely presented as a 'success' in terms of MGNREGA's implementation, and describes who participates in the scheme and how success is understood and expressed at different social and bureaucratic levels. In terms of MGNREGA's outcomes, we conclude that the scheme is benefitting the poorest households – and Dalits and women in particular – especially in terms of providing a safety net and as a tool for poverty alleviation. But the scheme does more than that. It has also produced significant transformative outcomes for rural labourers, such as pushing up rural wage levels, enhancing low-caste workers' bargaining power in the labour market and reducing their dependency on high-caste employers. These benefits are not only substantial but also transformative in that they affect rural relations of production and contribute to the empowerment of the rural labouring poor. However, in terms of creating durable assets and promoting grassroots democracy, the scheme's outcomes are much less encouraging.

**Version:** Accepted version

**Terms of use:** This is the peer reviewed version of the following article: Carswell, Grace and De Neve, Geert (2014) MGNREGA in Tamil Nadu: A Story of Success and Transformation? Journal Of Agrarian Change, 14 (4). pp. 564-585., which has been published in final form at <http://dx.doi.org/10.1111/joac.12054>. This article may be used for non-commercial purposes in accordance with Wiley Terms and Conditions for Self-Archiving.

This is a download from OpenDocs at the Institute of Development Studies

# MGNREGA in Tamil Nadu: a story of success and transformation?

GRACE CARSWELL AND GEERT DE NEVE<sup>1</sup>

## ABSTRACT

Social protection has emerged as a key driver of development policy at the beginning of the 21<sup>st</sup> century. *It is widely considered a 'good thing' that has the potential not only to alleviate poverty and vulnerability but also to generate more transformative outcomes in terms of empowerment and social justice.* Based on an ethnographic study of the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), *India's flagship social protection policy, this article takes a critical look at what this policy's 'success' consists of. The study was carried out in Tamil Nadu, a state widely presented as a 'success' in terms of MGNREGA's implementation, and describes who participates in the scheme and how success is understood and expressed at different social and bureaucratic levels. In terms of MGNREGA's outcomes, we conclude that the scheme is benefitting the poorest households – and Dalits and women in particular - especially in terms of providing a safety net and as a tool for poverty alleviation. But the scheme does more than that. It has also produced significant transformative outcomes for rural labourers, such as pushing up rural wage levels, enhancing low-caste workers' bargaining power in the labour market and reducing their dependency on high-caste employers. These benefits are not only substantial but also transformative in that they affect rural relations of production and contribute to the empowerment of the rural labouring poor. However, in terms of creating durable assets and promoting grassroots democracy, the scheme's outcomes are much less encouraging.*

**KEYWORDS:** Social protection, MGNREGA, transformative policies, rural labour, women, Tamil Nadu, India

## SOCIAL PROTECTION AND MGNREGA

---

<sup>1</sup> Grace Carswell, Department of Geography, University of Sussex, Falmer, Brighton, Sussex BN1 9SJ e-mail: [g.carswell@sussex.ac.uk](mailto:g.carswell@sussex.ac.uk). Geert De Neve, Department of Anthropology, University of Sussex, Falmer, Brighton, Sussex BN1 9SJ e-mail: [g.r.de-neve@sussex.ac.uk](mailto:g.r.de-neve@sussex.ac.uk).

This article is based on joint research carried out as part of a British Academy funded research project entitled 'India's National Rural Employment Guarantee Scheme: livelihoods, gender and migration in Tamil Nadu' (SG101559). The research would not have been possible without the assistance of our research assistants: Ponnarasu and David. The article has benefitted from comments by Deepta Chopra, Judith Heyer, Reetika Khera, Jens Lerche as well as participants of the BASAS conference, SOAS, April 2012 and the MGNREGA workshop, Sussex University, June 2012. The article also greatly benefitted from the comments of three anonymous referees. All shortcomings remain our own.

Social protection has emerged as a key driver of development policy at the beginning of the 21<sup>st</sup> century. Having been called the 'development success story of the past decade' (Devereux et al, 2011: 8), there is a growing sense that social protection can offer an effective response to poverty, vulnerability and exclusion (Barrientos and Hulme, 2009; Devereux et al, 2011; de Haan, 2011). The global emergence of a social protection agenda has been referred to as a 'quiet revolution' (Barrientos and Hulme, 2009) and more generally as a 'good thing' (Koehler, 2011), not in the least because it challenges 'the Washington Consensus's view that safety nets, alongside growth, are sufficient to reduce poverty' (Pattenden, 2011: 469). So what then is social protection? In a basic sense, social protection is an insurance against poverty, which can be delivered through a series of mechanisms such as job-creation programmes, mid-day meals, public distribution schemes, cash transfers and affirmative action. Far from being a single programme, social protection consists of a wide range of social insurance policies that seek to attain long-term poverty alleviation.

Recently, however, criticisms have been raised about the way in which social protection continues to be conceptualised in its more limited form as a safety net (Pattenden, 2011: 470) and about the way in which policy and academic debates have narrowed down to targeted cash transfers, leaving out a discussion of other social protection schemes and publicly provided goods and services (de Haan, 2011; Ghosh, 2011). Other scholars have pointed to the almost complete lack of attention to structural inequalities, issues of redistribution and the underlying causes of poverty in social protection interventions (Pattenden, 2011; Koehler, 2011). Ghosh rightly comments that recent analyses of poverty reduction strategies suffer from a 'fundamental failing: the inability or unwillingness to deal with macroeconomic policies, social contexts and the political economy of poverty' (2011:857).

In the light of such criticisms, a new conceptualisation of social protection has been advocated that moves away from mere 'relief' towards a more transformative agenda in which the very causes of poverty and inequality are being tackled (Sabates-Wheeler and Devereux, 2007; Devereux et al, 2011). Devereux et al argue that social protection should be 'more than a palliative agenda for alleviating poverty and vulnerability' and should seek to realise wider economic and social rights (2011: 1). This approach has become known as the transformative social protection agenda. 'This alternative agenda is one grounded in social justice, and it opens space for understanding how issues of rights, governance, distribution and access are critical for breaking the production and reproduction of vulnerability over time' (Devereux et al, 2011: 1). Barrientos and Hulme similarly argue that social protection practice has changed from a 'focus on short-term social safety-nets and social funds to a much broader armour of policies and programmes that combine interventions protecting basic levels of consumption ..., facilitating investment in human capital and other productive assets ..., and strengthening the agency of those in poverty so their capacity to overcome their predicaments is increased' (Barrientos and Hulme, 2009: 439; Koehler, 2011). Moreover, it has been argued, additional factors are needed to render such social protection policy instruments genuinely transformative, including transparency of information, press freedom, land reform policies, strategies to create decent work, and so on (Koehler, 2011: 96). Hence, what is proposed is a broad-based and challenging strategy that aims to produce far-reaching transformations.

This article makes a critical contribution to the debate on the nature and effects of social protection policies through an empirically informed analysis of India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), a nationwide public works scheme that offers rural households 100 days of paid employment per year. The article explores whether the scheme contributes to 'genuine transformative social protection' (Koehler, 2011: 96). Commentators concur that transformation can only be 'genuine' if it confronts underlying causes of poverty and exclusion, including structural economic

inequalities and imbalances in power relations (see also Barrientos and Hulme, 2008).

Pattenden, in particular, has argued that even the transformative social protection agenda has not yet gone far enough, as it 'does not advocate a systematic analysis of class relations in particular social settings' (2011: 494). Yet structural inequalities and abuses of power are 'outcomes of dynamic class relations and their configuration within broader social relations of production' (ibid.). Ghosh similarly warns that poverty reduction policies that remain removed from the 'structural, systemic and conjunctural processes that generate poverty' are doomed to fail (2011: 854), and that attention needs to be paid to the specific social contexts through which poverty is reproduced over time. Social protection can only be genuinely transformative if it engenders change in the poor's structural conditions of employment, vulnerability and dependency, as well as in their relationships with more powerful rural classes.

Taking MGNREGA of India as its empirical entry into social protection policy, this article assesses this impressive scheme through an analysis of its effects within the context of two villages in the southern Indian state of Tamil Nadu. On the one hand, we consider the direct outcomes of MGNREGA, such as the opportunity it offers to bridge periods of unemployment or work close to home. We explore who participates in the scheme and conclude that it benefits the poorest households and Dalits and women in particular. But we also consider indirect and unintended – but perhaps more transformative – effects such as increasing agricultural wages (particularly of women daily wage labourers) and enhancing the bargaining power of rural labourers (particularly Dalits and women) vis-à-vis their higher-caste, landed employers. We argue that these benefits are not only substantial but also transformative in that they affect rural relations of production and contribute to the empowerment of the rural labouring poor.

The article also engages with the criteria by which 'success' of social protection policies can be measured. The objectives of transformative social protection are extensive

and ambitious, which makes it challenging to assess 'success'. This has been recognised by Giovannetti et al (2011) who note that measuring 'success' for social protection policies is not straightforward: programmes may have multiple objectives and components, and both positive and negative effects.<sup>2</sup> They may also have indirect effects: 'empowering people and transforming and fostering participation and social inclusion' (Giovannetti et al, 2011: 440; Sabates-Wheeler and Devereux, 2007). More importantly, different versions and understandings of success are likely to emerge according to who one speaks to and how informants relate to the policy. In this article, we have chosen to focus on localised understandings of success and to explore how success is understood and expressed by different social actors, including MGNREGA participants, rural elites, village-based organisers, and higher-level administrators. As such we aim to capture a variety of understandings of success in order to grasp what constitutes significant transformations in the lives of the beneficiaries and to give meaningful content to analytical concepts such as agency and empowerment.

The article first introduces MGNREGA and considers how schemes or policies such as MGNREGA are evaluated and how 'success' is defined and assessed. The following section introduces the field sites and the methodology. The next section explores who is doing MGNREGA in these sites, examining the role that MGNREGA plays in people's livelihoods. It presents evidence of how the workers involved perceive the scheme, and what makes it a 'successful' scheme (or not) for them. Then, we consider broader transformative impacts with regards to wage increases and workers' bargaining power. In the following section, we turn to the implementers of the scheme, showing how organisers at the worksite, village (panchayat) administrators, and block and district level officials assess the scheme. Next, we discuss how the scheme is seen by the broader public in order to capture some of

---

<sup>2</sup> The conditions of success that Giovannetti et al (2011) identify are domestic political will, high levels of administrative capacity (and coordination between social protection schemes and other social policies) and long-term financial sustainability.

the wider discourses about MGNREGA. Finally, we draw some conclusions about MGNREGA as a transformative social protection policy.

### **MGNREGA: HOW 'SUCCESS' IS EVALUATED**

India's flagship Mahatma Gandhi National Rural Employment Guarantee Scheme is an unprecedented nationwide employment scheme that in 2012-13 alone benefitted nearly 50 million rural households across the subcontinent. The National Rural Employment Guarantee Act (NREGA) was enacted by Parliament in 2005, rolled out across a selection of districts in 2006 and extended across all districts in 2008. The scheme seeks to provide basic social security to India's rural poor and provides 100 days of guaranteed waged employment to every rural household. At the time of our research, in late 2011, this was at a daily wage rate of Rs 119 set by the Government of Tamil Nadu. Since it was rolled out across India in 2008, MGNREGA has been marked by a huge diversity in impact (Khera 2011), yet despite its highly uneven implementation, the scheme remains impressive and unique in the global context of social protection policies – not in the least because of its scale.<sup>3</sup>

Since at least the 1970s, public work and food-for-work programmes have formed a key part of India's safety-net policies. The Maharashtra Employment Guarantee Act of 1977 was the earliest state-level provision of employment security for the rural poor, and 'provided the first impetus to the idea of state-provided employment as a legal guarantee' (Chopra, 2011: 95). The 2005 Act was inspired by the Maharashtra model, and emerged from negotiations that started in 2004 under the Congress-led coalition government. Initial proposals for an employment guarantee Act enjoyed crucial political support of both Congress (and its leader Sonia Gandhi in particular) and the Left parties, as well as of a

---

<sup>3</sup> Much research on NREGA has focused on patterns of uneven implementation (Drèze and Oldiges, 2009; Ramachandran and Rawal, 2010), on processes of monitoring and auditing (Menon, 2008; Aiyar, 2010), and on the scheme's poverty alleviation potential (Marius-Gnanou, 2008; Drèze and Khera, 2009).



broad-based civil society campaign. A first draft of the Act was subjected to many discussions and revisions, but the Bill was finally passed in August 2005 as a national, rights-based scheme that constitutes an important step ‘towards legal enforcement of the right to work’ (Drèze, 2011: 4; see Chopra, 2011, for a detailed discussion of the making of the Act).

At the broadest level, the primary objective of the Act was ‘to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.’ Far from setting a transformative social agenda, the Act instigated a welfare scheme whose pragmatic goal was to guarantee the rural poor a minimum number of days of employment so as to ensure a basic level of economic security. Yet despite this practical and limited objective, the Act contained a number of significant provisions that enabled a much more transformative agenda to emerge. For example, while women’s empowerment was not an original objective of the Act, it nevertheless made a series of provisions – such as equal wages for men and women, and childcare provision – to facilitate women’s participation, enhance their share of the benefits, and rectify some gendered labour market inequalities. Similarly, the Act’s demand-driven approach has ensured high levels of participation of the lowest castes and most marginalised rural communities, with SC and ST participation reaching 40% in 2012-13. Above all, its rights-based approach, self-targeting mechanism and universal availability have opened up spaces for the unfolding of far more empowering processes than initially envisaged. This is why the question can and needs to be asked as to whether MGNREGA, as a social protection scheme, has succeeded in bringing about structural transformations in the lives of India’s rural poor that stretch beyond immediate poverty alleviation.

We therefore consider the scheme through two sets of criteria. The first is that of the Act’s own specific goals, as outlined in Ministry of Rural Development documentation,

including 1) provide a strong social safety net for vulnerable groups; 2) act as a growth engine for the sustainable development of an agricultural economy... [by] strengthening the natural resource base of rural livelihoods and creating durable assets in rural areas; 3) empower the rural poor through processes of a rights-based law; and 4) promote new ways of doing business through a model of governance reform based on principles of transparency and grassroots democracy (Ministry of Rural Development, 2008: 1).

According to the Ministry for Rural Development, MGNREGA seeks to foster conditions for inclusive growth ranging from basic wage security and a recharging of the rural economy to a rights-based process of democratic empowerment. The second criterion by which we assess the scheme is that of the transformative social protection agenda, discussed above, which explicitly considers 'success' in terms of the structural changes brought about in the lives of the poor that help them to escape poverty, dependency and marginality altogether.

As MGNREGA has now been implemented for six years across the subcontinent, it is an appropriate time to reflect on what aspects of the scheme have been considered a 'success', what indicators are being used to illustrate success, and how success is defined and measured in analyses to date (Drèze and Oldiges, 2011). As far as Tamil Nadu is concerned, the state has increasingly come to be presented - alongside Rajasthan and Andhra Pradesh – if not as a 'success story' at least as a growing success, or as a state where the scheme is currently doing very well (Menon, 2010; Khera and Muthiah, 2010). The indicators typically used to substantiate successful implementation of the scheme are several. First, there are a series of numerical indicators. The average person-days per rural household, for example, more than doubled in Tamil Nadu between 2006-7 and 2007-8 (Drèze and Oldiges, 2011: 35), and stood at close to 58 days in 2012-13. Annual expenditure has skyrocketed too, rising in Tamil Nadu from Rs 10 billion in 2008-9 to Rs 41 billion in 2012-13 (MGNREGA website). Furthermore, between 2008-9 and 2012-13, the total number of person days increased from 120 million to 407 million and the number of

households who benefited from the scheme more than doubled from 3.3 million to 7 (Figure 1).

Figure 1 – Tamil Nadu: 2008-2013 MGNREGA employment data

SEE ATTACHED FILE

Source: Official MGNREGA website

Second, there is the question of corruption avoidance, or the extent to which transparent and accountable systems have been put in place to implement, monitor and audit the scheme. While corruption is a major issue of concern in Tamil Nadu as elsewhere, several commentators have already noted the specific operational measures put in place by the Tamil Nadu state government to improve implementation and reduce opportunities for corruption. These include a ban on the use of materials, an effective bureaucracy at district and panchayat levels, and strict monitoring mechanisms at worksites (Khera and Muthiah, 2010; Menon, 2010). However, Tamil Nadu's decision in 2008 to continue with cash payments remains controversial not in the least because such payments are seen to facilitate corruption (Khera and Muthiah, 2010). Recent efforts to pay through bank accounts, however, have met with substantial opposition from workers due to a lack of rural bank provision (The Times of India, 2012).

Thirdly, 'success' has been related to the extent of women's participation in MGNREGA, as well as the wider gender equality and empowerment effects that this employment may produce. In this respect again Tamil Nadu can be deemed a success as it had the highest participation of women in MGNREGA in 2006-7 and 2007-8 'by a long margin' (Drèze and Oldiges, 2009 and 2011; Khera and Nayak, 2009). By 2012-13, women's participation in Tamil Nadu as a whole stood at 74 per cent, with peaks of more

than 82 per cent in 2009-10 and 2010-11 (MGNREGA website). Success has already been assessed in some excellent gender analyses in terms of its transformative capacity to generate female empowerment, an issue to which we return below (Pankaj and Tankha, 2010; Sudarshan, et al 2010; Khera and Nayak, 2009; Dasgupta and Sudarshan, 2011; Carswell and De Neve 2013b).

Thus, commentators from academia, journalism and activism have assessed the scheme through particular criteria (often measured in quantitative ways). While all these are obviously important, much less attention has been paid to MGNREGA's broader effects, such as its impacts on local social relations of class and dependency, on rural labour markets and wage levels, and on labourers' bargaining power vis-à-vis employers. Nor has much attention been paid to how 'success' may be differently conceptualised by the range of actors involved. 'Success' in terms of acting as an engine for rural growth by strengthening the natural resource base and creating durable assets has hardly been considered too, although this was a stated goal of the Act. It is to some of these aspects that we now turn.

## **METHODS AND FIELD SITES**

The evidence presented here draws on fieldwork carried out in 2011 in two villages in rural Tamil Nadu. Both villages, which we call Allapuram and Mannapalayam, were the site of previous fieldwork, conducted in 2008-9. As part of this earlier research we had carried out a year of in-depth fieldwork, collecting detailed ethnographic material as well as survey data on 240 households in Allapuram and 279 households in Mannapalayam. We had thus built up a broader picture of changing rural livelihoods, employment opportunities and social relations in the region. Further fieldwork conducted over a six week period in 2011 was designed to gather quantitative and qualitative data on MGNREGA and its effects on rural livelihoods. We visited the MGNREGA worksites in the two villages, and there we conducted a short survey of 109 MGNREGA workers (55 from Allapuram and 54 from Mannapalayam),

which included information on occupations, incomes, caste, education, debt as well as information about their engagement with MGNREGA.<sup>4</sup> Spending our days with the workers at the MGNREGA worksites as they cleared roadsides and irrigation canals we used a combination of participant observation, case-studies, focus group discussions and in-depth interviews with workers, in order to gain an understanding of how they view the scheme and its effects on their lives. In addition we carried out interviews with site organisers, village administrators, and block- and district-level officials.

Allapuram and Mannapalayam are villages located within 20km of the booming garment manufacturing and export town of Tiruppur, and more generally are at the heart of western Tamil Nadu's engineering and textile industrial region. Allapuram, to the southeast of Tiruppur, is known for its successful and viable agriculture, but is also a village which sends significant numbers of commuters (across castes) to work in the Tiruppur garment industry. The second village, Mannapalayam, is located about 15 km south of Tiruppur, but is poorly connected to it and has very few people commuting to Tiruppur. This village, however, contains a vibrant rural powerloom industry that employs local people and migrants to keep the looms running day and night. Both villages have broadly the same social makeup. The Vellalar Gounders (who make up about a third of the population of the villages) are economically and politically the dominant caste, owning most of the land, as well as most of the garment and powerloom units. Over 90% of landowners in these two villages are Gounders, and in Mannapalayam Gounders own 96% of the village powerlooms (Carswell, 2013; Chari, 2004). At the other end of the social spectrum, Dalits are the poorest and socially lowest ranking group of the region, making up about 40% of the village (Carswell, 2013). In both villages Dalits own virtually no land or any other productive assets. In Allapuram Dalit men and young unmarried women increasingly commute to Tiruppur to work in garment factories, while married women's domestic commitments continue their

---

<sup>4</sup> The 109 MGNREGA workers were selected from amongst the workers at the work site on the days we did fieldwork. Some of these individuals had been surveyed in the 2008-9 survey, but we did not deliberately sample such individuals.

dependency on agricultural wage labour in the village. In Mannapalayam, both men and women increasingly rely on wage labour in the powerlooms, and most are now 'tied' to powerloom owners as bonded labourers<sup>5</sup>. Here, debt bondage prevents men and women from accessing more desirable and better paid opportunities in Tiruppur (Carswell and De Neve, 2013a; De Neve and Carswell, 2014).

## **MGNREGA WORKERS AND THEIR PERCEPTIONS OF THE SCHEME**

Let us turn to a first key question: who is working on MGNREGA in these villages and what makes the scheme a success for them? Our survey revealed – in line with state-level data – that the majority of workers are women (88 per cent) and Dalits (76 per cent). Compared to the village population as a whole, MGNREGA workers are less well educated (56 per cent having no education at all compared to 37.5 per cent of the village of the whole) and a higher proportion of them are divorced, separated or widowed (25 per cent, compared to around 10 per cent of the village population). (For a detailed discussion of the characteristics of MGNREGA workers see Carswell and De Neve, 2013b). Our survey also showed that MGNREGA workers are drawn particularly from those households who depend on agricultural labour as their main source of income, rather than from households drawing their primary income from better paid, non-agricultural activities such as Tiruppur garment jobs or village based powerloom work (Carswell and De Neve, 2013b; Carswell, 2013). When they are not working for MGNREGA, most workers (73 per cent) are employed as daily agricultural labourers, while a significant minority (15 per cent) has no other work at all: these are the old, weak, disabled or those with young children. The main beneficiaries of the scheme are thus women, Dalits and villagers with no or little education or assets, and it is clear therefore that in terms of reaching vulnerable rural groups, the scheme is remarkably successful in this region.

---

<sup>5</sup> For debates about the forms and characteristics of contemporary practices of neo-bondage, see Breman and Guérin (2009).

A second key question relates to how MGNREGA work compares with other work available in the region. Workers assess different job opportunities in a number of ways, and wages are a central part of this comparison. Table 1 below shows that MGNREGA wages are lower than the daily wages that can be earned in the main employment alternatives of this area, and they are considerably lower than men’s wages. This itself explains to a large extent why men are on the whole reluctant to take up work under MGNREGA.

Table 1 – Daily wage rates in the two villages, 2011

	Allapuram		Mannapalayam	
	Men	Women	Men	Women
NREGA daily wage <sup>6</sup>	114	114	110	110
Typical daily agricultural wage (high season rates in brackets)	200 (up to 300)	150 (up to 200)	250 (up to 350)	130 (up to 300)
Powerloom work	NA	NA	200-250	120-150
Tiruppur garment work	150-500	150-300	NA	NA

MGNREGA workers can broadly be divided into those who also engage in other paid employment (whether it is agricultural or non-agricultural work), and those who are unable to do any other employment at all. Each of these groups has their own view on the pros and cons of MGNREGA work. The first group consider MGNREGA as poorly paid in comparison with their usual paid employment, but they consider it useful when other work is not available or convenient. Our survey was carried out during the rainy season in November when a lack of agricultural jobs was given by many women as the main reason why they resorted to

---

<sup>6</sup> The state set level was Rs 119 in late 2011. The actual wages paid were slightly below this and differed between the villages (see Carswell and De Neve, 2013b).

MGNREGA. As Devitha, a poor widowed Gounder woman who completed her 100 days in 2010-11 and had already completed 56 days in 2011-12, said 'now I work here because there is rain and no agricultural work'. Jodimani, a 44 year old woman originally from Kerala whose husband had left her, explained 'I do cone-winding but when there is no work in the powerlooms I come to MGNREGA.' Unlike agricultural labourers, most powerloom workers are tied to their employers through debt and are only allowed to take up MGNREGA work when there is no powerloom work available (see Carswell and De Neve, 2013a; and Carswell and De Neve, 2013b). For both agricultural and powerloom workers, the scheme is clearly useful, providing a minimum income on days when there is no other work available to them, but they complained about the relatively low wages and argued for a minimum payment of Rs150 per day. Although they admitted that it was 'easy' work, many preferred to work harder and earn more whenever opportunities arise. One woman in Allapuram explained how she makes careful use of the scheme in order to secure a regular income throughout the year: 'I do 10 days of agricultural work and 10 days of this work ... if I use up my 100 days in one go, I'll only have work for 4 months and be without income after that!' Thus, MGNREGA's availability throughout the year is major asset that helps people bridge seasonality in agriculture as well as in slack periods in the textile industry.

For the second group, people who are unable to do any other work, MGNREGA is a scheme that offers the only manageable source of employment available to them. Explaining that they are too old, weak or sick to be able to work in the fields or powerlooms, they say that a major advantage of MGNREGA work is that it is 'easy'. Easy is understood both in terms of the physical effort it requires and the amount of time spent on it. This group includes functionally older villagers who are unable to take on other work (Carswell and De Neve, 2013b). For them, MGNREGA, with its manageable work demands, offers a much needed opportunity to earn a bare minimum. Moreover, there are those whose domestic commitments make paid work simply inaccessible. This group includes mothers who cannot take their young children to the fields or powerlooms but who can bring them to the



MGNREGA site where either a dedicated person is available to look after them or where women can take turns working and watching the children.

But other factors make MGNREGA work attractive too. Its local availability – within the panchayat - and the fact that no time or money is wasted on commuting make the scheme particularly convenient for women. Moreover, according to the Act, transport should be arranged for villagers who have to travel more than 5km to the worksite. Our evidence suggests, however, that the reality of this provisioning is patchy. In Allapuram, a panchayat spread over nearly 10km, a van had been arranged by the panchayat to bring women from different hamlets to the worksites, which themselves shifted on an almost weekly basis. In Mannapalayam, on the other hand, transport had not been arranged, with the result that some workers had to walk several kilometres to the worksite. The outcome of this was that many workers, particularly elderly villagers and women with small children, decide whether to do MGNREGA work or not on the basis of where the works are organised that day. Some were only able to do MGNREGA work if the works are organised in their own hamlet.

Another advantage mentioned by all participants is that MGNREGA wages are paid in cash at the worksite rather than into bank accounts. While all workers in Mannapalayam had to open a bank account as part of the registration process, in both villages - and indeed in the region as a whole - cash payments continued. There was wide agreement among workers, organisers and district level officials that cash payments were much better as the money reached the workers without delay or cost in terms of time or effort (e.g. of having to travel to an ATM in town). Despite widespread concern among commentators and policy makers that cash payments are more prone to corruption, informants unanimously agreed that their wages are always paid on time.

For all MGNREGA workers, but particularly Dalits, a key benefit of this employment is that it is free from the largely caste-based relations of subordination, discrimination and

exploitation that mark both agricultural daily wage work and powerloom employment. Those normally employed in agriculture often work alongside their employers, who hassle them to work harder and faster, and agricultural work is closely related to past relations of subordination and servitude, which all Dalits aspire to move away from (see De Neve and Carswell, 2014). Some households – such as the Adi Dravidas of Allapuram - have worked hard to move out of agriculture and many are now employed in the urban garment industry. For such households MGNREGA provides work during downturns in the industry, such as one experienced in late 2011. Moreover, it offers them an opportunity to earn without feeling they are taking a step backwards and returning to something closely resembling agricultural wage labour, with its stigma of poverty, and hard physical and dirty work. It is striking, however, that such households' decisions to take on MGNREGA work are highly gendered as it is typically women who take up work under MGNREGA to make up for the loss of male earnings. With reduced garment work in Tiruppur in 2011, for example, households struggled to maintain their income yet neither husbands nor sons considered taking up MGNREGA work, leaving it to the women of the household to provide for the household through MGNREGA.

Social perceptions of work are clearly important, and in MGNREGA, workers - although supervised by the 'in-charge' - feel that they are able to work independently and free from relationships of patronage, inequalities of caste and employer-employee hierarchies. MGNREGA work is seen - like free rice or housing loans - as a government scheme that one can access for little in return. Furthermore, being a government scheme it is considered 'respectable' and 'decent' work. This adds considerably to the success of the scheme in the minds of its participants, and corroborates Khera and Nayak's finding that 'the "dignity" associated with doing government work and not having to seek work from private landlords or contractors is also a very significant benefit' (2009: 54).

What did participants think of the scheme's ability to create village assets and enhance the rural economy? As the Act only allows works to be carried out on public land and Dalit-owned private land - and as Dalits hardly own any land in this region - all the works are carried out on public roads, canals and ponds. In theory this should mean that the scheme leads to improvements in these public resources. But in terms of the actual works carried out, few participants felt they truly improved any village resources. While village roads might look a little tidier after an MGNREGA team has passed by, such clearance was aesthetic rather than productive and temporary rather than lasting. Although some canal clearing work was carried out in the area too, which primarily benefited the landowners, the majority of works consisted of clearing village roadsides. Yet even this work was done rather casually with both workers and local organisers admitting that the digging was often done only superficially, with ditches rarely being dug to the required depth of one foot. Workers happily admit that they just do some digging and shovelling to make it look good, while others laughingly acknowledged that the loose soil would run straight back into the ditches at the first rain. Given that all tasks are unskilled and merely consist of pulling out weeds and clearing surfaces, no skills are created for the participants either, and no lasting investments are made to enhance the rural economy more broadly.

### **TRANSFORMATIVE IMPACTS: WAGES AND BARGAINING POWER**

What then are the more transformative effects of this social protection scheme in these villages? MGNREGA helps to push up agricultural wages and provides an alternative source of income for the rural poor, especially Dalits and women. Together these effects combine to enhance the bargaining power of rural labourers. While the increase in agricultural wages might be bad news for landowners, it is clearly a significant, and extremely positive, effect from the perspective of workers. The scheme's impact on agricultural wages is not only important in terms of the extent to which it has pushed up wages but also in terms of the breadth of these impacts: wage hikes benefit all the rural poor who are dependent on agricultural work for their livelihood, not just those who participate in

MGNREGA. For this reason we could go as far as to say that this indirect effect on the rural economy may prove to be even more important in terms of livelihood outcomes than any of the scheme's direct outcomes.

Ascertaining what proportion of agricultural wage increases is caused by MGNREGA is a complex task. A huge range of agricultural wages exists in any village (depending on season, task to be completed, gender etc.) making the calculation of average agricultural wages difficult (Carswell 2013). Inflationary effects and other labour market pressures need to be isolated from MGNREGA as causes of general wage increases. While this is beyond the scope of this article, economists such as Berg et al have investigated the agricultural wage effect of MGNREGA. Exploiting the phased roll-out of MGNREGA they use monthly wage data from the period 2000-2011 for 249 districts across 19 states, and found that on average MGNREGA 'boosts the real daily agricultural wage rates by 5.3%' (2012: 19). Similarly Imbert and Papp have undertaken modelling and used the gradual roll-out of the scheme across India to examine the programme's impact on wages and aggregate employment. They found that casual wages increased by 4.5% during the dry season in early districts (i.e. those which implemented the programme earlier), while there was an even larger increase in wages (9%) in the five 'star' states where the programme is best implemented: Andhra Pradesh, Madhya Pradesh, Rajasthan, Tamil Nadu and Chhattisgarh (Imbert and Papp 2012: 8). They also note that for poorer households 'gains from the rise in equilibrium wages are of a similar magnitude to the direct gains from participating in the program', and that 'the changes in welfare due to the wage change are large in absolute terms and large relative to the direct welfare gains for participants' (2012: 5, 10). Azam has explored labour market outcomes of MGNREGA using NSS data from eighteen states in India and found that MGNREGA has a significant positive impact on the wages of female casual workers: real wages of female casual workers increased 8% more in MGNREGA districts compared with the increase experienced in non-MGNREGA districts. However, the impact of MGNREGA on wages of casual male workers was only marginal (about 1%) (2011:

2). Drawing on data from both the NSS survey and MGNREGA data Dasgupta and Sudarshan present evidence that suggests that in states where the gender wage gap is higher, women's participation in MGNREGA is higher. They conclude that MGNREGA 'can be expected to exert an upward pressure on women's agricultural wages' (2011: 13). In a recent study Dutta et al find that poorer states have a higher demand (and unmet demand) for MGNREGA work. While they note that MGNREGA could push up the market wage rate, 'it is not the case that the MGNREGA wage is everywhere well above the market wage rate', and for half the states the MGNREGA wage rate was actually lower in 2009-10 than the average wage rate for casual labour (Dutta et al 2012: 61). Finally, Jeyaranjan's study undertaken in Tamil Nadu suggests that MGNREGA has doubled nominal agricultural wages rates for women - from Rs 40 in 2007 to Rs 80 in 2010 - and thereby their income from agriculture (2011: 69).

It is certainly the case that average agricultural wages have increased in the period 2008 to 2011 during which MGNREGA has been in place in our study villages. A newspaper headline has suggested that agricultural wages have 'skyrocketed'. According to this report actual agricultural wages (as distinct from legal minimum wages) increased in Tamil Nadu by 73.6% between January 2008 and December 2010 'an enormous improvement even allowing for inflation of 30-33% in this period' (The Economic Times 2011)<sup>7</sup>. Our evidence supports the view that agricultural wages have risen considerably, while not attempting to argue that this rise is solely caused by MGNREGA. In 2009 informants in Mannapalayam reported that the typical daily rate of agricultural work was Rs 200 for men and Rs 100 for women, while these stood in 2011 at Rs 250-300 for men and Rs 130-150 for women.<sup>8</sup>

---

<sup>7</sup> The same report identifies MGNREGA as being one of the causes of wages increases, although considers it to be secondary, with high GDP growth and high commodity prices being the biggest driver of wages.

<sup>8</sup> In 2009 informants in Allapuram reported that a typical daily wage for a male agricultural worker was Rs 120, and Rs 80 for a female agricultural worker. In late 2011 the rate was Rs 200 to Rs 250 for men and Rs 150 to Rs 200 for women. We need to note, however, that men's higher involvement in better paid agricultural 'contract work' means that the real gender wage gap is greater.

These are substantial wage increases that, even allowing for the high levels of inflation during this period, clearly indicate a significant hike in real wages.

We have anecdotal evidence that agricultural wages have increased in parallel with increments in MGNREGA wages, a pattern which Heyer also noted in her study villages to the north of Tiruppur (2012: 102). Gayathri, one of the previous supervisors of MGNREGA in Mannapalayam, recounted how MGNREGA wages had risen as supervisors stopped paying strictly according to work completed. The result was that the amount paid increased from Rs 36 in the very early days of the scheme (2008-9) to the minimum stipulated wage of Rs 80, and then later to Rs 100. By December 2011 the MGNREGA wage in Mannapalayam stood at Rs 110, still below the state-set wage of Rs 119. When we asked her uncle, a prominent landowner, how these changes had affected him as a farmer he replied

'When they [MGNREGA] paid Rs 80 I paid Rs 100 for women and Rs 200 for men. It is always that I pay men double what I pay for women. And now I have increased it to Rs 150 [for women] because they won't come unless you pay that. Even I'll have to pay up to Rs 170, because it depends on your necessity.'

He went on to explain that workers know how desperate farmers are for labourers: 'I only have the irrigation one day in four (because I have a shared well) and I have the seedlings ready [to be planted] and I go to their houses [to call workers] and they know how much to ask. I say Rs 150 and they say Rs 180!' Clearly MGNREGA has helped give agricultural workers more confidence to ask for higher wages when their labour is in high demand. But even when there is very little agricultural work available in the village, daily wage labourers are now better placed to negotiate for a wage that is at least the MGNREGA wage. The key point is that the starting position for any agricultural wage negotiation is now at least the MGNREGA wage rate, and negotiations move up from there. For example, a small group of women harvesting beetroot in December (when there was little other

agricultural work available in the area) were being paid Rs 130. While this would be considered a low wage for that work in the area, it is no coincidence that this wage was just a little higher than the MGNREGA wage.

Landlords claim they now have to 'beg' workers to work their land. Sigamani, a wealthy landowner in Allapuram put it this way: 'Younger people go to Tiruppur and older people go to MGNREGA, and we now have to beg workers "please, my lord, come for one day to work my land" (Sami, vangu, oru naalakki vangu veelai seyyungu).' He is clear: while non-agricultural jobs are already available to some rural workers, MGNREGA has now added a new employment opportunity. This opportunity is particularly significant for women and the elderly whose restricted access to alternative jobs in town has kept them in agriculture. Historically, women's more limited range of job opportunities has kept female agricultural wages low, but MGNREGA is changing this. As women's agricultural wages are closer to the state-set MGNREGA wages, it is their wages (rather than men's) that are pushed up by rising MGNREGA wage levels. And as women's agricultural wages rise so the rural gender wage gap begins to reduce - even though women's wages remain low relative to men's. For women it is not just that their bargaining power has improved, but also that they now have the choice between agricultural work and MGNREGA work, and that they can plan what work to do according to their own needs rather than being at the beck and call of landowners. It is no surprise that landlords complain about these changes as they challenge the tight control they used to have over the local agricultural labour force. But for workers these are significant transformative effects: they have the choice of an additional job opportunity (one that offers dignity and freedom from caste dependencies), there is now a 'bottom line' below which wages cannot fall and which has in turn strengthened their bargaining power, and agricultural wages have increased.

## **BLOCK, PANCHAYAT AND SITE OFFICIALS: MGNREGA AS A BUREAUCRATIC TARGET**

Let us now turn to those administering MGNREGA and ask how they evaluate the scheme? What does success mean for them? The officials involved in this scheme are located at the district level (the District Collector and the Block Development Officers, or BDOs), village level (the panchayat president and clerk), and the work-site (the so-called 'in-charge' or poorupaalaar). While at the district level, the Collector is ultimately responsible for the implementation of the scheme, the BDOs play a key role in managing the scheme. The BDOs do regular site inspections to monitor the work, organise public audits, appoint and train the local 'in-charge' at panchayat level, and are responsible for the collection and inputting of data into the national MGNREGA database.<sup>9</sup>

At the village level, the prime responsibility for the implementation of the scheme lies with the panchayat president and the village clerk. They plan the public work projects within the panchayat and organise the transport arrangements and weekly wage payments. The village clerk together with the panchayat president, decide what work is needed on the basis of which roads are overgrown or canals blocked, and draw up a schedule of work to be done. While these schedules are presented at panchayat meetings, workers were not actively engaged in coming up with ideas or designs for new projects. There appeared to be no input at all from the wider village population, and in this sense MGNREGA here is clearly failing to be a people-led or participatory public works scheme. The list of works proposed by the panchayat president is approved by the BDO and the District Rural Development Agency. Each week, money for wages is released against attendance registers to the panchayat president and the village clerk is then responsible for paying the workers their weekly wages, which in this region takes place on Tuesdays at the worksites.

---

<sup>9</sup> For a discussion of this database, and how it compares with ethnographic data, see Carswell and Cripps 2013.



At each site the day-to-day management of the scheme is undertaken by two so-called 'in-charges' (poorupaalaargal), who register attendance, allocate and measure out the day's work, supervise and monitor the site and look after any children brought by women workers to the site. 'In-charges' are selected from within the working group, and apart from having to have a minimum education of 8<sup>th</sup> standard, there are no other requirements.<sup>10</sup> Three of the four 'in-charges' we got to know were Dalits, one was Gounder, and all were women.

Discussing with MGNREGA administrators how the scheme runs, what challenges they face, and how 'successful' they feel the scheme is, a number of issues emerged. The BDOs and their assistants are under pressure from the district and state level to spend the allocated budget, and they in turn put pressure on panchayat-level officials to ensure that the allocated budgets are spent within the prescribed period. Each Block is allotted an MGNREGA budget (based on population, previous year's activities, etc) and pressure is put on the BDO to spend the budget in full. The Block budget is then divided among the panchayats, and pressure to spend is applied down to that level. Mannapalayam, for example, was allocated about Rs 2 million in 2011, and as a result adequate works had to be designed for the panchayat so that this budget could be spent within the allocated time period. Officials at all levels, when asked which panchayats they consider 'successful' or 'doing well', almost always answered those that recruited the largest number of workers. Success was thus first and foremost conceived in terms of a panchayat's capacity to recruit workers and spend the budget. Targets are set for each panchayat, and in both our villages this target was 100 people per day. As the panchayat clerk explained 'we get a minimum of 30-40 workers per day but the government minimum target is 100 workers per day per panchayat, and the maximum target is as many as possible!' He said that there is pressure coming down on him from the BDO and the district level to increase the uptake of

---

<sup>10</sup> Initially all the 'in-charges' thought that they were temporary appointments, and after a fixed period they would return to being 'ordinary workers' and a new 'in-charge' appointed. In fact during the period of our fieldwork they received letters informing them that they were to continue in their posts.

MGNREGA work. Whenever the numbers begin to dwindle, meetings are arranged to try to encourage people to work under the scheme.

Village clerks try hard to attract ever more villagers and accordingly put pressure on the women 'in-charges' of the worksite to encourage participation. Gayathri, an 'in-charge' in Mannapalayam until mid-2011, explained how each week she would go to the BDO office where 'they'd say that this much money has been sanctioned... and that much money has to be exhausted, so I should go and encourage workers. They'd threaten to transfer me to another panchayat if I didn't spend the money! So I would go around the houses and ask them to come to work. If 100 people turned up it was okay, if less than 100 then it was a problem. It needed 100 people a day to be able to finish that amount [of money]'.

Whilst the main criterion for success of the scheme from the perspective of administrators was clearly related to recruiting a set number of workers in order to spend a budget, some other factors too were mentioned by officials as evidence of 'success'. Thus MGNREGA was praised by administrators for the benefits it brought in terms of its poverty alleviation capacity, particularly for those people unable to do agricultural work, for the unskilled and uneducated who have scant access to urban or industrial work, and for women with small children who have few, if any, alternatives. Some officials also mentioned that clearing canals improves the flow of water to fields. However, this was recognised as an impact that primarily benefits landowners rather than the rural poor. Others talked about the 'upliftment of the rural economy' (usually without specifying what this consists of), while others again mentioned reduced migration flows as a benefit of the scheme (but again without providing any details). It was clear, however, that for the administrators spending the budgets and meeting the higher-level targets were the main criteria by which they assessed 'success', and this to a large extent explains why they sought to implement the scheme as widely as possible.

Administrators at all levels face a number of challenges. Firstly, the major challenge in the minds of the BDOs as well as panchayat officials, is to recruit an adequate number of MGNREGA workers. It is only by recruiting workers that the budgets can be spent. But no one can be compelled to turn up for MGNREGA work, and officials recognise that there are plenty of better paid job opportunities in the region. In many ways officials are powerless to affect workers' willingness to participate in MGNREGA, but they can seek to make MGNREGA work as attractive as possible. They do this in a number of ways: firstly, by making sure that workers are paid the full wage, irrespective of the amount of work done, and secondly, by ensuring that the work is not too onerous. In relation to payment, the 'in-charge' of Mannapalayam told us that in the early days of the scheme they used to measure the amount of work very carefully and only pay for work completed. It meant that people were paid Rs 30 to 40 a day, and as a result few villagers turned up. Then they relaxed the measuring and paid a fixed amount, and as an 'in-charge' explained 'as people realised that they could sit and take rest, then the numbers started increasing.' Jeyarajan has similarly noted that adjustments to the 'norms of the programme' have taken place in other parts of Tamil Nadu to make MGNREGA work more attractive (2011: 67). This relates to the way that the work is monitored by officials at different levels and to the way that the work schedules have been relaxed. As one of the village clerks noted: 'We can't be too strict [in what we ask them to do] ... they have to dig one foot deep according to the rules, but nobody is doing that. If we are strict, nobody will turn up for work. We really can't be too strict ... it's for Rs 100 only!'

The 'in-charges' – who are of course monitoring their own friends, relatives and neighbours – have to make the work as attractive as possible, and therefore try to make it not too taxing. They expressed this in terms of 'not being too strict' in at least two ways. First, as far as the actual work was concerned, each day they started by measuring out the length of road or canal to be cleared. While they ensured that workers had cleared this length of

roadside, they would rarely reprimand the workers if they had not dug the full width or depth of the ditch by the end of the day. The ‘in-charge’ of Allapuram, Lakshmi, for example, walks up and down the road, and may even shout at the workers to dig a little deeper, but in fact she rarely insists that the work is completed to the required standards, nor does an incomplete job ever lead to a reduction in payments. In fact, what we observed was that considerable adjustments are made for older workers or workers suffering from ill health or disabilities. Second, as far as the timing of the work is concerned, government rules state that workers have to work for seven hours per day, roughly from 8.30am till 4.30pm, with an hour’s break for lunch. However, both the ‘in-charge’ and the workers openly admitted – and our observations confirm – that the allocated amount of digging per day only requires a couple of hours to complete, and that for the rest of the day the workers are idle. For the ‘in-charge’, this is a perennial issue that they find hard to manage. Once the work is completed, usually by about 11am, the workers tend to sit along the road or canal they cleared, and chat, eat or sleep. Some ask to be allowed to go home early, but the ‘in-charges’ insist that everyone stays until at least 4pm.<sup>11</sup> While the ‘in-charges’ are keen not to be too strict and are very sympathetic with the workers who feel they waste their day sitting along the road side, they are worried about inspections and being reprimanded themselves if they let workers go home early. Given that the BDO makes regular unannounced visits to the worksites, the ‘in-charges’ are very wary that all registered workers are present at the site until 4pm, even if they cannot ensure that they are actually working. The ‘in-charges’ difficult position was revealed one day when the BDO turned up unexpectedly just after 3pm to find that the van which takes the workers back to their hamlets was about to leave with most workers. The BDO got angry with the ‘in-charges’ and told them off for letting workers leave before 4pm. The next day, the ‘in-charge’ told the van not to turn up until 4pm, much to the irritation of the workers. The ‘in-charges’ are clearly stuck between a rock and a hard place.

---

<sup>11</sup> This is in contrast to Jeyaranjan’s finding that NREGA workers in his area were allowed to leave early at 1pm (2011).

Another concern for the women in charge of the worksite was that they are very anxious to get things 'right'. Registers are meticulously filled out, days of work were carefully checked, and weekly payments accurately added up. Each day, by 10am the 'in-charges', Pushpa and Lakshmi, phone their panchayat presidents to give them the numbers of workers present that day, and they in turn pass these numbers on to the BDO. One day, looking through the job cards, we noticed that one woman had worked 102 days and I asked whether workers routinely worked more than 100 days. Pushpa said 'Oi, oi, that is a mistake, that should not have happened!' She checked the total number of days and confirmed: 'I miscalculated, that should not have been allowed!'. We enquired what would happen if she allowed someone to work for, say, 120 days per year, and she replied in a panicky voice: 'Oh no, we can't do that! They would shout at us in the office!' Following the two sites on a daily basis for over a month, we had a clear sense that while minor mistakes were undoubtedly being made, the implementation of the scheme at the panchayat level was remarkably transparent and accurate – and in this sense the scheme is certainly successful in this area.

Other frustrations faced by administrators include the fact that many panchayats find it hard to identify adequate public work projects with the result that the same roads and canals are cleared over and over again, enhancing participants' as well as the wider public's sense that little useful work is completed. The BDO's reflections were echoed by many: 'People are not working very much ... but then it's mainly destitute and older people coming forward, so we can't compel them to work harder ... we can't be too strict.' A Block-level engineer explained that 'we are all doing field visits and ask them to work, but we know that once we have left, they stop the work again and sit down ...'. BDOs recognise that while the scheme could be much more effective and productive if people worked harder on it, the programme attracts the poorest, weakest and most vulnerable sections of rural society, and in this way contributes to the alleviation of rural poverty. Their regular field inspections are

therefore very light-touch, with village clerks and 'in-charges' admitting that the BDOs or Block engineers never actually measure the finished work or check the quality of that work. Checks are limited to ensuring that workers remain at the work-site all day. These frustrations highlight an important contradiction running through the whole scheme: on the one hand all officials want to increase the number of workers (as this is their key criterion for success), but on the other hand they recognise that this does not necessarily produce good quality and productive public works, let alone lasting investments in the rural economy.

### **LANDOWNERS AND INDUSTRIALISTS: MGNREGA AS A THREAT AND FAILURE**

The wider views of those not involved in the scheme as either workers or administrators are of interest too, not in the least the perceptions of local landowners and powerloom owners. As the main employers of rural labour, they too are affected by the labour market changes engendered by this scheme. The view of village employers is unanimously condemning: MGNREGA is seen as having a negative effect on agriculture as well as producing 'useless' work. Landowners express outright anger at the scheme arguing that it takes workers away from them, pushes up wages in agriculture, and undermines the rural work ethic, or as they usually put it, 'makes workers lazy'. Asked about recent changes in Mannapalayam, one prominent landlord and powerloom owner exclaimed immediately: 'now that the 100-day work has come to the village, we get no labour for agriculture anymore. Daily wage rates have now gone up too.' Gounder employers told us repeatedly that MGNREGA is 'making people lazy' and that 'people prefer that work because it is easy'. Farmers have responded to labour shortages in a number of ways: converting their land to coconuts, which combined with drip irrigation requires very little labour; using agricultural labour 'gangs' (who come from outside the area for the period of harvest only); and (in Mannapalayam) by leasing out their land to migrants.

Wealthy Gounders also criticise the scheme for being unproductive and not improving any village assets. Ishwaramurthy, a large agriculturalist in Allapuram argues that

'the 100-day work is a teevai illame veelai (unnecessary work). What they are doing today is the same work they did yesterday, and they are doing it over and over again...!' Furthermore, the scheme is seen as expensive and many are critical of the fact that huge amounts of government money are being spent without achieving anything lasting. Such criticisms are made in the same breath as complaints about the PDS (Public Distribution Scheme) or the freely distributed TVs. Sigamani, for example, stated 'it is an unnecessary scheme ... just like free rice is wasted as people give it to their cows and goats!' Government hand-outs are heavily criticised in this region as they are perceived to undermine people's productive capacity. Subramaniam, a Gounder land- and powerloom owner in Mannapalayam, said in a typical manner: 'People get everything for free these days: rice, TVs, etc. And with this scheme they are only doing two hours of work and then sleep! Nobody is coming for agricultural work anymore!'

There is a widespread feeling among employers in the villages that the scheme is skewing existing labour market dynamics and spoiling the rural economy. Many landowners claim that MGNREGA has not only pushed up the daily wages in agriculture, but also taken workers away from them. While the scheme has provided the village poor with an alternative source of income and improved the bargaining power of agricultural workers, farmers and other rural employers experience such changes as workers having become lazy and arrogant. MGNREGA is thus perceived by the rural elite as a threat to their own productive activities and labour requirements. Their anger at the scheme merely reflects the shifting balance of power, at least partly engendered by state welfare schemes, between higher-caste employers (in agriculture and rural industry) and their low-caste labour force.

### **MGNREGA: A TRANSFORMATIVE SOCIAL PROTECTION POLICY?**

The evidence from our study villages on MGNREGA's transformative impacts raises two further questions. One relates to how widespread this type of implementation is across the state, and the other to the reasons why Tamil Nadu has managed to implement this

employment scheme relatively effectively. On the first point, it is clear that our two study villages illustrate a wider pattern seen across the state. Both state-level data and other empirical studies point to a widening and deepening of the scheme across the state since it was rolled out in 2006. State-level data reveal a sustained rise in number of person days completed, in number of households benefiting, and in overall expenditure over this period. While there are obviously pockets where implementation has been slower and remains more partial, in Tamil Nadu the scheme has been relatively effective in reaching the rural poor in general, and Dalit communities and women in particular. A recent study by Heyer (2012), in villages 25-30km north of Tiruppur reports a very similar pattern of expansion in MGNREGA uptake between 2008 and 2011. Heyer notes that 'NREGS was an added bonus as far as labourers were concerned, increasing the wages of Dalit female agricultural labourers particularly' (2012: 102). In Thanjavur in southern Tamil Nadu, Jeyaranjan observed that the relaxation of the work schedule and the increase in wages in the course of 2010 resulted in 'a tenfold increase in the number who sought work' (2011: 66). Here too women, of both Dalit and non-Dalit backgrounds, were the main beneficiaries. The scheme not only drew workers away from agriculture but also began to attract others who had never worked in agriculture before or who had given up such work earlier (2011: 67-8).

This leads us into the second question of why Tamil Nadu - unlike many other states – has been so effective in rolling out MGNREGA. We briefly point to three distinctive factors. First, Tamil Nadu's embrace of MGNREGA has to be placed within the context of the state's long-standing commitment to pro-poor politics that produced a series of social policies originating in the 1960s (Harriss, 2002; Wyatt, 2013). Heyer (2012) has shown how these social policies – including PDS, housing schemes, free school meals, state-sponsored SHG programmes and so on – were extended during the 1980s and 1990s, and the ways in which their benefits were increasingly felt at the village level, not least among Dalit communities (see also Jeyaranjan, 2011). Under both DMK and AIADMK rule, the late-2000s have continued to see the expansion of food supplies provided through the PDS and the



distribution of free goods such as TVs and cycles. MGNREGA, therefore, fitted in with the state's well-established commitment to social policies and further extended state provision into the terrain of rural employment (Jeyaranjan, 2011; Vijayabaskar, 2011). A commitment to social policies has become a cross-party feature and while today votes cannot be guaranteed on the basis of such policies, votes would certainly be lost if political commitment to welfare policies were to dwindle (Wyatt 2013).

Secondly, MGNREGA has been rolled out under the tight supervision of chief ministers and their office, and channelled through a well-developed and integrated bureaucracy at the district, block and panchayat levels. The relatively effective functioning of the bureaucracy is enabled by its administrators' extensive experience with the implementation of rural development programmes and welfare schemes (Heyer, 2012) and at the same time enforced by centralised state-level surveillance (Jeyaranjan, 2011). Implementation has been assisted by state-level commitment to the scheme and by top-down targets imposed through district collectors and BDOs. The scheme has been successful precisely because it has not been left to the whims of village panchayats, but has remained in the hands of a bureaucracy that is at least to some extent independent from local village elites (see also Johnson et al, 2005). Finally, Tamil Nadu's rural population features high levels of social awareness and collective action which assist people in making claims from the state. This social awareness has developed through a long history of political, social and caste-based movements that emboldened the rural population to mobilise for their interests and make claims from the state (Srinivasan, 2010).

So, how successful has the scheme been judged, first of all, by its own objectives? The picture is mixed. Firstly, in terms of providing a strong safety-net for vulnerable groups, our evidence from the Tiruppur region in Tamil Nadu clearly shows that MGNREGA reaches the poorest and most vulnerable sections of the rural population, including the old, infirm, and widowed, and that Dalits and women are the primary beneficiaries. It provides the rural

poor with a means to bridge seasonality in agriculture, downturns in other labour markets, and fluctuations in household income. In terms of providing a degree of social security, MGNREGA is thus undoubtedly a success in Tamil Nadu. It is also clear that the workers themselves perceive the scheme as valuable to their livelihoods and to the maintaining of minimum levels of consumption. While a second objective - the empowerment of the rural poor through processes of a rights-based law – is broader and harder to assess, we found clear evidence of empowerment through both increased wages levels in agriculture and a strengthened bargaining power of rural wage labourers. This enhanced bargaining power is particularly significant among low caste women who have long been at the beck and call of high-caste landowners.

Thirdly, MGNREGA aims to strengthen the natural resource base and act as a growth engine of the agricultural economy. On this our evidence, as well as preliminary evidence from others (Khera and Muthiah, 2010), is far less encouraging. None of the road works, which form the bulk of MGNREGA work in this region of Tamil Nadu, add any lasting or productive value to the rural economy. The clearing of canals and ponds has some short-term effect but cannot be said to create any new or durable assets, and none of the workers gain new skills as part of the work process either. Almost all the works are aesthetic rather than productive, and workers, officials and others acknowledge that this remains a major weakness of the scheme. It remains to be seen whether MGNREGA's failure in this respect will affect its long term sustainability, or whether in fact the cross-party political commitment to this welfare scheme will ensure its survival.

A final stated aim of MGNREGA is to introduce new ways of doing business, as a model of governance reform anchored on the principles of transparency and grassroots democracy. Here our findings were somewhat mixed. From the detailed observations we made at two worksites over a month, our participation in the weekly public payment event, and the checking of job cards against muster roles and online data, it was clear that the

system runs in an extraordinarily transparent way, with payments made correctly and on time and information being made available to workers in an open and public manner. Workers, local organisers, panchayat officials and block-level officials were all more than willing to show us any paperwork and discuss the scheme's implementation. Yet, while villagers are well aware of their rights to employment under MGNREGA almost none of the workers we spoke to had heard of social audits taking place, let alone been involved in them. Although a handful of workers had once attended 'a meeting' about the scheme, they had experienced it as a passive enterprise that they were asked (and paid) to attend but which merely instructed them about the scheme rather than giving them any opportunity to audit. No worker had any sense that they could have an input into what public works were selected or how changes could be made to the current implementation. This scheme was just like any other government scheme: organised by the panchayat president and higher-level officials. The workers did not feel in any way included in planning or other decision-making processes, but were seen, and saw themselves, as 'merely labouring hands on the worksites' (Pellissery and Jalan, 2012: 292; see also Holmes et al, 2011). In sum, while the scheme appeared to be implemented in an efficient and transparent way, there was no evidence that it established a new form of governance based on a grassroots democracy.

Finally, returning to the transformative social protection agenda, the article considered whether MGNREGA has generated broader transformative effects, such as facilitate investment in human capital and strengthen the agency of those in poverty so their capacity to overcome their predicaments is increased (Barrientos and Hulme, 2009). Has it brought about any change in rural class dynamics or reduced the dependency of the most vulnerable rural poor on the dominant elite (Pattenden, 2011)? It would be unrealistic to expect a single social protection policy to eradicate rural poverty and inequality. Any social transformation is likely to be a gradual, partial and complex process, shaped by both other state welfare policies (such as PDS) and the vagaries of rural and urban labour markets. Indeed, as Ghosh has warned, it would be unwise to see any single social protection policy –

be it cash transfers or employment guarantee schemes – ‘as the singular basket into which most policy eggs can be usefully dropped’ (2011: 853), nor should they be an excuse to reduce other publicly provided services. Even so, our findings suggest that MGNREGA has produced transformations that are meaningful to those who the scheme intends to benefit. These transformations, however, appear to be less affecting rural people’s relationship with the state (such as increased grassroots democracy or political participation) but rather their position within rural labour markets and relationships of power and dependency. In Tiruppur district, these largely indirect outcomes include the availability of an employment alternative, the increase in agricultural wages - benefiting MGNREGA workers and the wider community of agricultural day labourers alike - and the improvements in labourers’ bargaining power vis-à-vis employers. These are experienced as real gains by the rural poor, not in the least because they enhance their ability to make choices, negotiate and bargain with their higher-caste employers, and thus start challenging long-standing rural dependencies and inequalities. What this means for rural Dalits and women is particularly significant. It is to such transformative outcomes that analyses of social protection policies would do well to pay more attention.

## REFERENCES

- Aiyar, Y., 2010. ‘Invited Spaces, Invited Participation: Effects of Greater Participation on Accountability in Service Delivery’. *India Review*, 9(2): 204-229.
- Azam, M., 2011. *The Impact of Indian Job Guarantee Scheme on Labor Market Outcomes: Evidence from a Natural Experiment*. World Bank, IZA.
- Barrientos, A., and D. Hulme, 2009. ‘Social Protection for the Poor and Poorest in Developing Countries: Reflections on a Quiet Revolution’. *Oxford Development Studies*, 37(4): 439-456.
- Barrientos, A., and D. Hulme, 2008. *Social Protection for the Poor and the Poorest: Concepts, Policies and Politics*. London: Palgrave.

- Berg, E., S. Bhattacharyya, R. Durgam, and M. Ramachandra, 2012. 'Can rural public works affect agricultural wages? Evidence from India'. CSAE Working Paper, WPS/2012-05, University of Oxford.
- Breman, J., and I. Guérin, 2009. 'Introduction: On Bondage: Old and New'. In Breman, J., Guérin, I., and Prakash, A., (eds.) *India's Unfree Workforce: Of Bondage Old and New*. New Delhi: Oxford University Press pp1-20.
- Carswell, G., 2013. 'Dalits and local labour markets in rural India: experiences from the Tiruppur textile region in Tamil Nadu'. *Transactions of Institute of British Geographers*, 38(2): 325-338.
- Carswell, G., and R. Cripps, 2013. 'Sounding a note of caution: Comparisons between official and ethnographic data on MGNREGA in Tamil Nadu'. *Economic and Political Weekly*, 48(30): 25-28.
- Carswell, G., and G. De Neve, 2013a. 'From field to factory: Tracing bonded labour in the Coimbatore powerloom industry, Tamil Nadu'. *Economy and Society*, 42(3): 430-353.
- Carswell, G., and G. De Neve, 2013b. 'Women at the crossroads: a study of MGNREGA implementation in rural Tamil Nadu'. *Economic and Political Weekly* (forthcoming).
- Chari, S., 2004. *Fraternal Capital: peasant-workers, self-made men and globalization in provincial India*. Stanford University Press: Stanford.
- Chopra, D., 2011. 'Policy Making in India: A Dynamic Process of Statecraft'. *Pacific Affairs*, 84(1): 89-107.
- Dasgupta, S., and R.M. Sudarshan, 2011. 'Issues in labour market inequality and women's participation in India's National Rural Employment Guarantee Programme'. Policy Integration Department International Labour Office, Geneva, Working Paper No. 98.
- de Haan, A., 2011. 'Social protection in international development: editor's introduction to the special issue'. *Canadian Journal of Development Studies*, 32(4): 351-356.
- De Neve, G., and G. Carswell, 2014. 'T-shirts and Tumblers: caste, politics and industrial work in Tiruppur's textile belt, Tamilnadu'. *Contributions to Indian Sociology*, 48(1).

- Devereux, S., J.A. McGregor and R. Sabates-Wheeler, 2011. 'Introduction: Social Protection for Social Justice'. *IDS Bulletin*, 42(6): 1-9.
- Drèze, J., 2011. 'Employment Guarantee and the Right to Work'. In Khera, R., (ed) *The Battle for Employment Guarantee*. Delhi: Oxford University Press pp1-20.
- Drèze, J., and C. Oldiges, 2011. 'NREGA: The official picture'. In Khera, R., (ed) *The Battle for Employment Guarantee*. Delhi: Oxford University Press pp21-39.
- Drèze, J., and R. Khera, 2009. 'The battle for employment guarantee'. *Frontline*, 26(1) [ <http://www.frontlineonnet.com/fl2601/stories/20090116260100400.htm>].
- Dutta, P., et al., 2012. 'Does India's employment Guarantee Scheme Guarantee Employment?'. *Economic and Political Weekly*, XLVII (16): 55- 64.
- Ghosh, J., 2011. 'Dealing with "The Poor"'. *Development and Change*, 42(3): 849-858.
- Giovannetti, G., A. de Haan, R. Sabates-Wheeler and M. Sanfilippo, 2011. 'Successes in social protection: what lessons can be learned?'. *Canadian Journal of Development Studies*, 32(4): 439-453.
- Harriss, J., 2002. 'Whatever happened to cultural nationalism in Tamil Nadu? A reading of current events and the recent literature on Tamil politics'. *Commonwealth and Comparative Politics*, 40(3): 97–117.
- Heyer, J., 2012. 'Labour Standards and Social Policy: A South Indian Case Study'. *Global Labour Journal*, 3(1): 91-217.
- Holmes, R., N. Sadana and S. Rath, 2011. 'An opportunity for change? Gender analysis of the Mahatma Gandhi National Rural Employment Guarantee Act'. ODI Project Briefing, No 53.
- Imbert, C., and J. Papp, 2012. 'Equilibrium Distributional Impacts of Government Employment Programs: Evidence from India's Employment Guarantee'. Paris School of Economics, Working Paper 2012-14.
- Jeyaranjan, J., 2011. 'Women and Pro-Poor Policies in Rural Tamil Nadu: An Examination of Practices and Responses'. *Economic and Political Weekly*, XLVI (43): 64-74.

- Johnson C., P. Deshingkar and D. Start, 2005. 'Grounding the state: Devolution and development in India's *panchayats*'. *Journal of Development Studies*, 41(6): 937-970.
- Khera, R., and K. Muthiah, 2010. 'Slow but steady success'. *The Hindu*, 24 April 2010  
Accessed: <http://www.thehindu.com/arts/magazine/article409087.ece>
- Khera, R., and N. Nayak, 2009. 'Women Workers and Perceptions of the National Rural Employment Guarantee Act'. *Economic and Political Weekly*, XLIV (43): 49-57.
- Khera, R., (ed) 2011. *The Battle for Employment Guarantee*. Delhi: Oxford University Press
- Koehler, G., 2011. 'Transformative Social Protection: Reflections on South Asian Policy Experience'. *IDS Bulletin*, 42(6): 96-103.
- Marius-Gnanou, K., 2008. 'Debt bondage, seasonal migration and alternative issues: lessons from Tamil Nadu (India)'. *Autrepart*, 46: 127-142.
- Menon, S.V., 2008. 'Right To Information Act and MGNREGA: Reflections on Rajasthan'. Unpublished manuscript.
- Menon, S., 2010. 'NREGS: Tamil Nadu's success story'. *Business Standard*, 22 March 2010.  
Accessed: <http://business.rediff.com/column/2010/mar/22/guest-nregs-tamil-nadu-success-story.htm>.
- MGNREGA (n.d.) Data from official MGNREGA website  
([http://nrega.nic.in/netnrega/mpr\\_ht/nregampr.aspx](http://nrega.nic.in/netnrega/mpr_ht/nregampr.aspx), accessed on 8<sup>th</sup> June 2012).
- Ministry of Rural Development, 2008. *MGNREGA 2005 Operational Guidelines* (3<sup>rd</sup> edition).  
Available on [MGNREGA.nic.in/Nrega\\_guidelinesEng.pdf](http://MGNREGA.nic.in/Nrega_guidelinesEng.pdf).
- Pankaj, A., and R. Tankha, 2010. 'Empowerment effects of the NREGS on women workers: A study in four states'. *Economic and Political Weekly*, XLV(30): 45-55.
- Pattenden, J., 2011. 'Social protection and class relations: evidence from Scheduled Caste women's associations in rural south India'. *Development and Change*, 42(2): 469-498.
- Pellissery, S., and S.K. Jalan, 2011. 'Towards transformative social protection: a gendered analysis of the Employment Guarantee Act of India (MGNREGA)'. *Gender & Development*, 19(2): 283-294.

- Ramachandran, V.K., and V. Rawal, 2010. 'The Impact of Liberalization and Globalization on India's Agrarian Economy'. *Global Labour Journal*, 1(1): 56-91.
- Sabates-Wheeler, R., and S. Devereux, 2007. 'Social Protection for Transformation'. *IDS Bulletin*, 38(3): 23-28.
- Srinivasan, V., 2010. *Understanding Public Services in Tamil Nadu*. PhD Thesis, Syracuse University.
- Sudarshan, R.H., R. Bhattacharya, G. Fernandez, 2010. 'Women's Participation in the MGNREGA: Some Observations from Fieldwork in Himachal Pradesh, Kerala and Rajasthan'. *IDS Bulletin*, 41(4): 78-8.
- The Economic Times, 2011. 'Agricultural wages have skyrocketed; poor have benefited from GDP growth'. 7<sup>th</sup> July 2011 [[http://articles.economictimes.indiatimes.com/2011-07-07/news/29747766\\_1\\_wage-rate-gdp-growth-monsoon](http://articles.economictimes.indiatimes.com/2011-07-07/news/29747766_1_wage-rate-gdp-growth-monsoon)]
- The Times of India, 2011. 'NREGA hits bank hurdle in Tamil Nadu'. 29<sup>th</sup> November 2012 [[http://articles.timesofindia.indiatimes.com/2012-11-29/india/35433943\\_1\\_bank-branches-direct-cash-transfers-payments](http://articles.timesofindia.indiatimes.com/2012-11-29/india/35433943_1_bank-branches-direct-cash-transfers-payments)]
- Vijayabaskar, M., 2011. 'Global crises, welfare provision and coping strategies of labour in Tiruppur'. *Economic and Political Weekly*, XLVI (22): 38-45.
- Wyatt, A., 2013. 'Combining clientelist and programmatic politics in Tamil Nadu, South India'. *Commonwealth and Comparative Politics*, 51(1): 27-55.