Effectiveness of MGNREGS in COVID-19 Lockdown of 2020: A Case of Selected Villages of Palghar District, Maharashtra[#]

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ABSTRACT

The national lockdown of 2020 implemented in response to the COVID-19 pandemic has put Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the national spotlight because of its position as the support system for the nation's most vulnerable. Its effectiveness is imperative to dampen the impact of the lockdown, such as unemployment and reverse labour migration. Contextually, existing literature details the successes and failures of MGNREGS across districts in India in a pre-lockdown time frame with little focus on the lockdown as well as India's newest district – Palghar. To fill the gap in research, the paper uses secondary data from the Ministry of Rural Development to understand the wages and employment in Palghar district. Additionally, primary data from structured telephonic interviews of 40 beneficiaries and semi-structured interviews of *Sarpanches* of the four villages were used to understand the perception of beneficiaries on the scheme and the implementation process. The study finds that while MGNREGS provided employment to the returning migrants in Palghar, the beneficiaries received the wages below the notified wage rate. The untimely fund transfers created fund shortages and forced some villages (*Sarpanches)* to rely on borrowing for MGNREGS activities. Overall, the beneficiaries felt general dissatisfaction with the employment opportunity, asset creation and its overall impact on their livelihood. Doubling the fund allocation for Maharashtra would help in providing close to the 100 days of wage employment.

Keywords: MGNREGA, COVID-19, lockdown, migrants, wages

JEL.: H53, I38, J38, J61, E24

I

INTRODUCTION

The COVID-19 pandemic impacted the countries across the globe causing widespread damage financially and socially. Controlling the spread of the virus in a populated country like India without the use of rigorous preventive measures seemed impossible. Consequently, the Indian government announced a nationwide lockdown, which restricted all non-essential personnel from leaving their homes and suspending

all forms of transport (Ghosh *et al.*, 2020). The implementation of the lockdown in the country was inefficient and unplanned, evident from the migrant labour crisis (The Lancet, 2020). Under lockdown, workplaces and factories were shut, forcing large numbers of informal workers out of their jobs. The unemployment rate reached 23.7 per cent in April 2020 (CMIE, 2020). Though the government promised rations to the people affected, the distribution system set up for such a state of emergency, proved ineffective and resulted in mass reverse migration (Chishti, 2020). Going back to villages, most of the displaced depended on social security schemes such as the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to sustain themselves.

MGNREGS is a social security scheme implemented by the Government of India in 2005-06. It aims at providing 100 days of wage employment to every household whose adult members volunteer to do unskilled manual work every financial year. It is a demand-driven scheme. It provides livelihood security, i.e., fall back option for livelihood for the rural households. It is one of the largest welfare schemes, with the Government of India spending ₹1,12,229 crores in 2020-21, an increase of 64 per cent over FY 2019-20 (Government of India, 2021a). MGNREGS has been successful in uplifting the most economically and socially vulnerable sections of the society by empowering them through financial independence (Hayes, 2020). The success of MGNREGS lies in its ability to achieve its objectives of providing 100 days of wage-employment, uplifting the disadvantaged communities and empowering the marginalised within the society. However, the scheme has not been able to achieve its goals since its inception. It has been unable to provide 100 days of wage-employment and on an average has only provided about 42 days a year across India (Basak, 2016; Chopra, 2019; Das 2016; Mohapatra *et al.,* 2019; Pandi, 2019; Salian and Leelavathi, 2014; Sarkar and Kumar, 2011). Even in FY 2020-21, the average number of employment days was 51.5 (Government of India, 2021b) Among beneficiary households, MGNREGS's impact on changing livelihoods was less significant than expected (Das, 2016), with workers from Tamil Nadu (Pandi, 2019), Odisha (Mohapatra *et al*., 2019) and Karnataka (Salian and Leelavathi, 2014) demanding higher wages in response to the inadequate impact the current wage rate had on improving their livelihood. Notwithstanding, the scheme has contributed to uplifting the marginalised sections of the society who constituted approximately 80 per cent of all beneficiaries (Pandi, 2019; Singh and Kaushal, 2018; Deb 2019; Sarkar and Kumar, 2011; Pamecha and Sharma, 2015) and increased women's participation in the labour force (Pandi 2019; Singh and Kaushal, 2018; Deb, 2019) as well as wage income. Despite its successes, the scheme still tolerated high wage and employment inequality across marginalised classes. These shortcomings can be attributed to the scheme's unsuccessful implementation nationwide that can be boiled down to lack of commitment (Chopra, 2019a), decentralisation (Maiorano *et al*., 2018; Fischer and Ali, 2019), and issues with bank-based transaction systems (Adhikari and Bhatia, 2010). Narayanan *et al*. (2017) and Narayanan *et al*. (2019) have also highlighted the crises

of delayed payments in MGNREGS. Despite causing delays in payment, Banerjee *et al*. (2020) argue for the importance of using e-governance methods to improve information dissemination between beneficiaries and the authorities on the payment statuses and the replacement of advance payments to "just-in time" payments.

In the context of the lockdown, high unemployment and reverse migration creates space for MGNREGS to test its potential. Under similar circumstances, arising out of natural disasters, MGNREGS has been successful in maintaining income levels for those below the poverty line (BPL) (Singh *et al.*, 2012; Steinbach *et al*, 2017). But a prolonged disaster like a pandemic, and the introduction of a lockdown in its response, creates uncertainty about the impact of MGNREGS. The Indian rural population relied on the scheme to make their livelihood and the lockdown intensified that dependence. However, the person-days employment generated and households provided employment in April 2020 under MGNREGS for India was lowest in many years (Figure 1). During April 2020 for India, 1.1 crore households were provided 14.2 crore person days of employment compared to the 1.7 crore households being provided 27.4 crores person days of employment in April 2019. Overall, for India in FY 2020-21, a record 1.87 crore new job cards were added with a net increase of 169 per cent crore over the previous year (Government of India, 2021a). Narayanan *et al.*, (2020) reported that districts receiving a huge influx of migrants post lockdown significantly increased the number of households under works under MGNREGS. However, the job cards allotted in the 'high' outmigration districts remain short of the number of migrants it received. Azim Premji University (2021), using the Covid-19 Livelihoods Phone
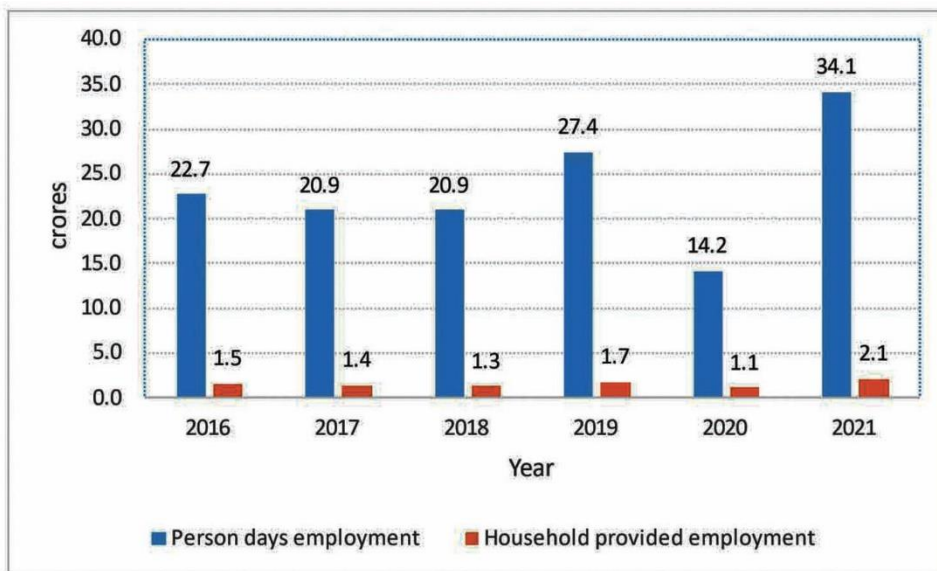
Source: CMIE Economic Outlook database.

Figure 1. Person-days and Household Employment for the Month of April during 2016-21 for India.

Survey (CLIPS), found 55 per cent of rural respondents unable to get a job under MGNREGS. While 98 per cent of those who got the jobs wanted a higher number of days of work. Similarly, the MGNREGA tracker started by the People's Action for Employment Guarantee (PAEG), found that during May-August 2020, across India, 22.5 per cent of job-card holders were unable to get jobs compared to 15 per cent for the same period in 2019-20 (cited in Azim Premji University, 2021). Across Bihar, in May-August 2020, MGNREGS provided 31 days per working household (cited in Narayanan et al., 2020). Similarly, Lokhande and Gundimeda (2021) in their preliminary results of 595 districts in 28 states found that 75 lakh seasonal migrant workers were provided under MGNREGA during the lockdown, and found work for around 23 days during April-August 2020. Despite this, two-third of returning seasonal migrants could not avail benefits under the scheme.

MGNREGS scheme was fully operationalised in the districts of Maharashtra in 2008–09. The article assesses the effectiveness and impact of MGNREGS during COVID-19 lockdown where its efficiency is of utmost necessity (April-August 2020) in Palghar district (Maharashtra). The article studies (a) wage income, households employed and person-days of employment generated under the MGNREGS during the lockdown for Maharashtra and Palghar district in particular; (b) what were the attitude/perception of the beneficiaries toward the scheme during and after the lockdown? (c) what were the issues faced by the beneficiaries and authorities responsible for the implementation of the scheme during the lockdown? The next section of the article discusses performance of MGNREGS in Maharashtra. Section 3 describes data sources and methodology adopted for studying the performance of MGNREGS in select villages of Palghar district. Section 4 presents the findings and discussion of the primary and secondary data analysis for Palghar district. Section 5 concludes with select policy recommendations.

II

PERFORMANCE OF MGNREGS IN MAHARASHTRA

Funds Allocation and Utilisation

There has been a consistent increase in the central government's overall allocation for India toward the MGNREGS since 2015–16, along with the major increase in allocation by ₹40,000 crores under the "Atma Nirbhar Bharat Abhiyan" 1.0-package (Table 1). However, the allocation of funds under MGNREGS to Maharashtra state has been declining after 2017–18. Despite a decrease in the allocation of funds from 2017–18, the increase in the total expenditure has been erratic, with a rise in 2018–19 before a 24 per cent drop in 2019–20 and increase again in 2020–21. With the help of "Atma Nirbhar Bharat Abhiyan" 1.0-package, the total MGNREGS expenditure in 2020–21, increased by 11 per cent (close to ₹200 crores) compared to the previous year. However, Maharashtra's fund utilisation for the scheme has been inconsistent. In

2017–18 and 2019–20, funds to the tune of ₹246 and 171 crores, respectively, were unspent. Meanwhile, the cost of generating one man day[1] F2work has been increasing consistently since 2015–16. The expenditure per man-day of employment generated increased from ₹243.3 in 2015–16 to ₹297.3 in 2020–21. Wage expenditure as a percentage of total expenditure for Maharashtra has been rising steadily since 2016–17 to 2020-21 (Table 1), which is in contrast to findings of Agrawal (2019), which reported a slight decline for India from 2016–17 to 2019–20. The increase for Maharashtra has been driven by the increase in semi-skilled and skilled wages from ₹0.2 crores in 2015–16 to ₹26.7 crores in 2020–21.

TABLE 1. BUDGETARY ALLOCATION AND EXPENDITURE AND EMPLOYMENT PROGRESS, MAHARASHTRA MGNREGS

Year (1)	Central Government allocation for India (₹crores) (2)	Central Government Allocation for Maharashtra (₹ crores) (3)	Maharashtra actual Expenditure (₹ crores) (4)	Total man-days of employment generated (lakhs) (5)	Expenditure per man-days of employment generated (₹) (6)	Per cent HH provided employment to HH demanded (as per cent) (7)	Household completed 100 days (as per cent) (8)	Average days of employment per HHs (days) (9)	Wage spending as per cent of total expenditure (10)
2015–16	43,200	1,873	1,857	763	243.3	89.7	17.1	59.9	64.2
2016–17	58,976	2,127	2,094	709	295.4	88.9	11.7	49.5	70.5
2017–18	64,408	2,554	2,308	825	279.7	90.6	11.9	48.6	63.8
2018–19	70,834	2,363	2,389	846	282.4	90.7	10.7	47.2	67.9
2019–20	73,966	1,997	1,826	630	290.0	88.9	8.1	41.0	70.0
2020–21	119,226	1,640	2,020	679	297.3	89.4	8.1	40.3	71.2

Source: CMIE States of India and CMIE Economic Outlook.
*Note*: Payments due in that fiscal year, are not counted in actual expenditure. In 2019–20 and 2020–21, payments due were ₹119 and ₹149 crores respectively. Apart from the second column, rest are for Maharashtra. HH: Household.

Employment Progress and Wages

Table 1 shows a relatively consistent trend for the percentage of households who were provided employment to households who demanded work,[2] fluctuating between 89 and 91 per cent during the years 2015 to 2021. The data show an increasing trend in the total number of person days generated until FY 2018–2019, after which it declined in 2019–20 before increasing in 2020–21. The percentage of households who completed 100 days of employment has been declining from 17.1 per cent in 2015–16, and is 8.3 per cent in 2020–21. Finally, there has been a decreasing trend in the average days of employment from FY 2015–16 with the 2020–21 showing an average of just 40.3 days of employment per household.

Every state has its defined Schedule of rates on the basis of which the work output is defined and used to calculate the wages under MGNREGS. The actual wage payable is calculated based on the output of the worker i.e., piece rate basis (Government of

India, 2019). MGNREGS wages are delinked from state minimum wages i.e., as per Minimum Wages Act (Aggarwal, 2017). Figure 2 depicts the comparison of state wise minimum wages (notified by the Labour Bureau) of 2017 and notified wage rate and the average wages paid in FY 2020-21 under MGNREGS. It is important to note that in some states such as Goa, Punjab, Jharkhand, Mizoram, Chhattisgarh, Madhya Pradesh, West Bengal, Punjab, Sikkim, the minimum wages are higher than the notified and average wages paid under MGNREGS. Maharashtra's notified and average wages paid is higher than the States minimum wage. Government of India (2020b) notified on 23 March 2020, that an increase of ₹20 in average wage rate per day per person to ₹202 for the States/UTs for the FY 2020-21 from ₹182 in FY 2020-21. States can offer wage rates above the centrally notified rate. State wise notified wage rates under MGNREGS for FY 19-20 and FY 20-21 is presented in Table 2. MGNREGA notified wage rates for Maharashtra saw the highest increase amongst other states in FY 2020-21. The increase of ₹32, resulted in notified wage rates for Maharashtra being ₹238 in FY 20-21 (Table 2). Table 2 also shows there are many states, viz., Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Chhattisgarh, Madhya Pradesh, and Himachal Pradesh whose notified wage rates are still below the centrally notified rates of ₹202. Another perspective to be noted from Figure 2 is the difference between notified and average wage rate paid under the scheme. Maharashtra's average wage rate paid is 6 per cent lesser than the notified rate. This difference is higher in case of Tamil Nadu, Rajasthan, Gujarat, and Tripura, which paid much lesser than Maharashtra compared to their respective state notified rate. Overall, it is observed that many states pay less than the notified rates.
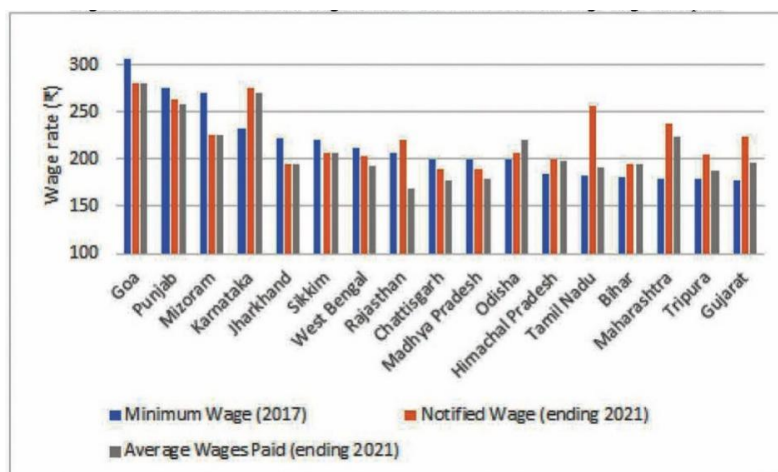
Source: CMIE States of India for average and notified MGNREGS wages under MGNREGS and Labour Bureau for Minimum wage

Note: Minimum wage and Notified Wage under MGNREGS have been compared for 2017 due to the lack of availability of minimum wage data for any period after 2017–18.

Figure 2. State-wise Minimum Wage, MGNREGS Notified and Average Wage Rates Paid.

TABLE 2. STATE-WISE NOTIFIED AND AVERAGE WAGE RATES

State.	FY 2019-20	FY 2020-21	Difference
(1)	(2)	(3)	(4)
Maharashtra	206	238	32
Tamil Nadu	229	256	27
Andhra Pradesh	211	237	26
Goa	254	280	26
Karnataka	249	275	26
Telangana	211	237	26
Gujarat	199	224	25
Haryana	284	309	25
Bihar	171	194	23
Jharkhand	171	194	23
Punjab	241	263	22
Rajasthan	199	220	21
Assam	193	213	20
Kerala	271	291	20
Manipur	219	238	19
Odisha	188	207	19
Uttar Pradesh	182	201	19
Uttarakhand	182	201	19
Meghalaya	187	203	16
Sikkim	192	207	15
Chhattisgarh	176	190	14
Madhya Pradesh	176	190	14
Mizoram	211	225	14
Arunachal Pradesh	192	205	13
Himachal Pradesh	187	200	13
Nagaland	192	205	13
Tripura	192	205	13
West Bengal	191	204	13

Source: CMIE States of India for notified MGNREGS wages.

III

DATA AND METHODS

Both primary and secondary data are used to understand the functioning of MGNREGS in Palghar district. Secondary data has been sourced from the Ministry of Rural Development through the official website of MGNREGS for Palghar district, encompassing three parameters; wages, households employed and the person-days of the employment. It is organised by *talukas* under the district and has been collected for FY19-20 and FY20-21. The primary data is collected from four villages namely, Osarvira, Dhaniwari, Malwade and Kegva[3] of Palghar district in May 2021 through structured telephonic interviews. The telephonic survey covered 10 beneficiaries from each of these villages (selected purposively and in total 40 respondents) and the *Sarpanches* (the village head overseeing the implementation of the scheme in each of these villages). The questionnaire to the respondents consisted of questions on their socio-economic background, family size, prior experience with the scheme (if any), extent of employment and the wage rate they were paid. A five-point Likert scale (one implying *highly dissatisfied* and five implying *highly satisfied)* questions assessed their

satisfaction on the wages, employment, asset creation and the overall functioning of the scheme. The interview questions with the *Sarpanches* were directed toward understanding their experiences and issues in the implementation process during the lockdown. The data from the interviews and surveys have been collected across three parameters: income, employment and asset creation for 2019 (pre-lockdown) and 2020 (April-August, to study the lockdown). These parameters reflect the economic impact of the lockdown, which was characterised by high unemployment and little to no income, especially across informal sectors. Additionally, these variables are largely consistent with the reporting of statistics by the MGNREGS official website (i.e., the goals/objectives of the scheme) as well as other studies undertaken to judge the effectiveness of the scheme such as Carsewell and De Neve (2014), Dey (2016), Mohapatra *et al*. (2019) and Salian and Leelavathi (2014).

Profile of Study Area

Palghar, located adjacent to the Mumbai metropolitan area, is a district with a population of about 30 lakhs in 2011. Palghar was formed out of Thane district in 2014. It is largely rural with about 52 per cent of the population residing in non-urbanised areas. The district consists of 8 *talukas*, viz., Mokhada, Talasari, Vasai, Vikramgad, Jawhar, Palghar, Dahanu and Wada. Palghar is a strategic location for the study for two reasons. Firstly, the district is characterised by its Scheduled Tribe (ST) population who comprises almost 40 per cent of the district's demographic ("District Palghar, Government of Maharashtra", 2021). Having faced a long history of social and economic oppression, the community has been pushed into states of poverty and have looked to social security schemes such as MGNREGS as a means of livelihood. The extent to which these communities have benefited from the scheme is a good judge for its effectiveness. Secondly, in the context of the lockdown, Palghar's location is geographically well poised. Upon the lockdown's announcement, daily wage labourers, fearing job losses and income uncertainty, migrated from urban areas back to their villages in what was termed as reverse migration (Singh *et al*., 2020). Palghar, being in close proximity to large cities such as Mumbai, Pune, Thane, and Surat, experienced a huge influx of daily-wage labourers within a few days of the lockdown's imposition (Mumbai Mirror, 2020; Khapre, 2020). It was this group of returning migrants that caused a huge rise in the registrations for MGNREGS during the lockdown in Maharashtra (Khapre, 2020). Moreover, Palghar is recognised for the alarming levels of malnutrition, maternal mortality and child deaths (The Indian Express, 2017). Parth (2020) reported an increase in moderate acute malnutrition (MAM) among the children of Palghar district between April to June 2020 (Barnagarwala, 2020; Bhatia, 2020; Parth, 2020; Torgalkar, 2020). Therefore, Palghar provides the study with an existing vulnerable population as well as those who emigrated, which allows for a comprehensive overview, through different perspectives, for evaluating the efficiency of MGNREGS.

The profile of four sample villages is presented in Table 3. Kegva and Malwade are medium-sized villages located in Vikramgad *taluka*, while Osarvira and Dhaniwari are small sized villages in Dahanu *taluka*. All the four villages have a high proportion of ST population. Literacy rates in three villages were 34-38 per cent which is lesser than the district average. Kegva has almost 90 per cent of its geographical area under forest, implying lesser dependence of its population on agriculture. Majority of the households in Osarvira and Dhaniwari are engaged as casual labour. Osarvira, Dhaniwari, and Malwade are located far away from the urban centres. Apart from Malwade, the rest of the sample villages are socio-economically backward.

TABLE 3. PROFILE OF SAMPLE VILLAGES

Parameters	Osarvira	Dhaniwari	Kegva	Malwade
(1)	(2)	(3)	(4)	(5)
Total geographical area (hectares)	1364	1233	913	1082
Total Households (No. of units)	403	303	391	624
Population	1494	1390	2074	2974
Literacy Rate (per cent)	36	34	38	60
Per cent of ST population	99.3	99.9	99.8	86.2
Distance to nearest town (km)	32	34	10	25
	(Kasa)	(Vavalvedhe)	(Vikramgad)	(Jawhar)
Distance to nearest railway station (km)	17	24	48	40
Cultivable area (hectares)	254	258	28	890
Per cent of households whose main occupation is casual labour	42 per cent	48 per cent	N.A.	21 per cent

Source: District Census Handbook Thane district 2011.
Note: Data from Kegva and Malwade 'Casual Labour' parameter was not available.

IV

MGNREGS IN PALGHAR DISTRICT

Employment and Wages from MGNREGS in Palghar District

Secondary data from Palghar district underlines MGNREGS' ability to provide employment during the 2020 lockdown. Palghar recorded 19,621 households employed and 2,75,446 person-days of employment in April, which is lesser compared to March (Figures 3 and 4). This was followed by a significant jump in May, when the district recorded 42,885 households employed and 9,10,899 person-days of employment. This showcases the absorption of returning migrants under MGNREGS who could now return back to their rural towns, as a result of an ease on interstate transport restrictions. June reported 26,567 households employed and 3,59,931 person-days of employment, a stark decrease from May but still nearly double the number recorded in 2019. The following two months reported a further decrease in employment with 9,595 and 8,546 households employed and 1,30,994 and 1,12,321 person-days of employment in July and August respectively (Figures 3 and 4). The spike from April to May coincides with the announcement of the *Atma Nirbhar* package, which successfully injected additional funds into the scheme to accommodate the influx of
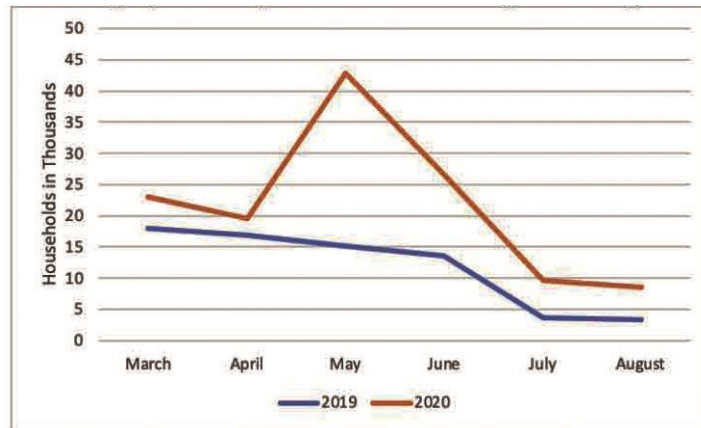
Figure 3. Households Employed in Palghar District between April and August in 2019 and 2020.
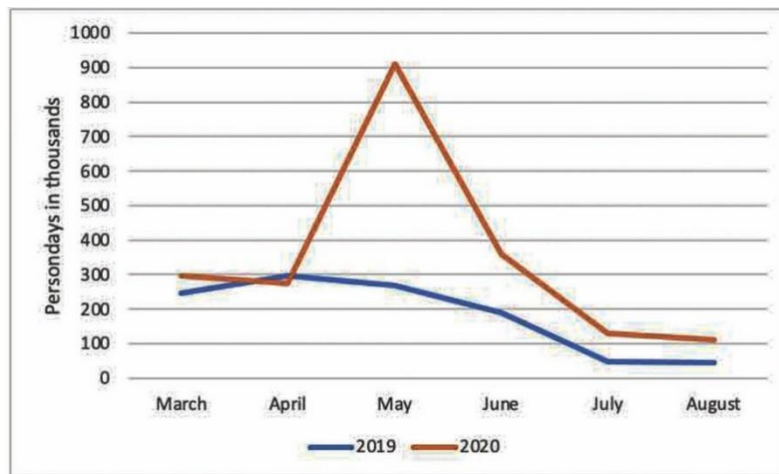
Figure 4. Person-days of employment in Palghar district between April and August.

returning migrants. The drop in employment in June is concurrent with the announcement of the first 'unlock' that eased the burden on the scheme as migrants could now return back to their respective urban centres. Additionally, the further decrease in July and August can be explained by the onset of the *Kharif* sowing season, which provides employment to casual labourers on fields at a wage rate higher than the one provided under MGNREGS. Conclusively, the decline in employment observed from May onward, is not a sign of the scheme's inability, but rather the normalisation of circumstances that eased the burden on MGNREGS. In fact, the scheme still provided more than double the employment in June, July and August than it did the

previous year, highlighting the scheme's ability to fill the employment gap despite unprecedented circumstances. From May to August 2020, Palghar district saw an average of 247 per cent increase in households employed and 262 per cent increase in person-days of employment compared to the same period in 2019.

In FY 2019–20 the notified wage rate of ₹206 has been achieved consistently throughout the year except in April, whereas in 2020-21, average monthly wage rate for Palghar was below the notified rate from April to June (Figure 5). As wages are paid based on measurement of the output of the worker i.e., piece rate basis (Government of India, 2019). This could be the reason for the difference in wage rate across months. The average wage rates paid during lockdown 2020 (April to August) were found to be below the notified wage rate for all *talukas* except Mokhada and Vasai *taluka* in Palghar. Compared to the same period in 2019, only Wada *taluka* failed to provide an average wage at the notified wage rate. This shows that, while wages were notified at a higher rate, the ground reality could not match it during the lockdown. Nevertheless, when viewing the entire fiscal year, the average wages provided were above the notified rate for four of the eight *talukas* of Palghar district, an increase from the one *taluka* that provided the notified rate during lockdown. Overall, an increasing trend can be observed during the lockdown with the average monthly rate for Palghar district increasing from ₹221 in April to ₹246 in August 2021 (Figure 5).
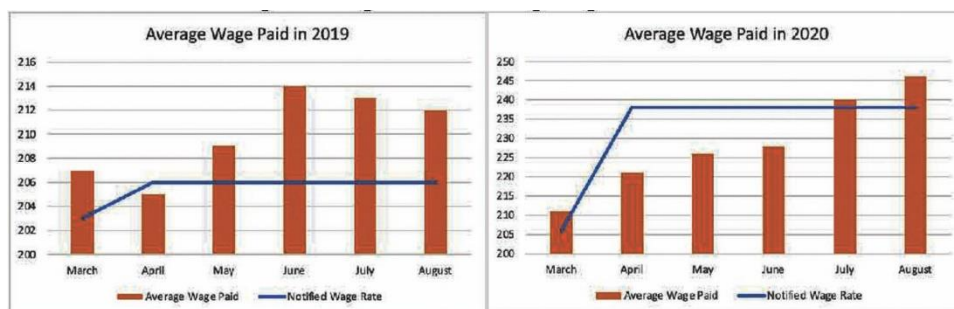
Source: Ministry of Rural Development.
Figure 5. Palghar District Average Wage Rate

Profile of Respondents and Sarpanch

The profile of respondents is presented in Table 4. The respondents were majorly male (comprising 77.5 per cent of the sample), three-fourth were from Scheduled Tribes (ST). The average age of respondents was 38 years, with 57.5 per cent of respondents below the age of 40 years. The average family size is 6.8 members. All the four Sarpanches were from Scheduled Tribe and one of them was a female. Each of them had a minimum of 6 years' experience of working in the implementation of the scheme.

TABLE 4. PROFILE OF RESPONDENTS

Village	Gender		Age			Social class	
	Male	Female	<30	30–40	>40	ST	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dhaniwari	7	3	3	2	5	8	2
Kegva	7	3	2	3	5	8	2
Malwade	9	1	4	3	3	8	2
Osarvira	8	2	2	4	4	6	4
Total	31	9	11	12	17	30	10

Source: Primary Survey.

Perception of Beneficiaries

The data obtained on the perception of beneficiaries toward the scheme is summarised in Figure 6 and Table 5. The average wage satisfaction score is 2.6 with most respondents expressing dissatisfaction toward lower wages in MGNREGS. This response is inclusive of the 7 per cent rise in overall wages seen among the respondents in the villages, indicating the role of expectations, alternative income streams and dependency ratio on the subjective satisfaction of the respondent as argued in Mohapatra *et al*. (2019). The same can be observed with employment satisfaction score (2.5), which averages lower than wage satisfaction due to non-fulfilment of beneficiary expectations.
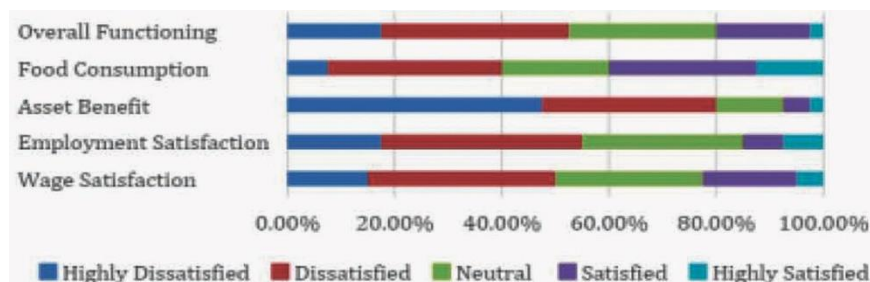
Source: Primary Survey 2021.

Figure 6. Extent of Satisfaction of Respondents on Select Parameters Under Likert Scale.

TABLE 5. EXTENT OF SATISFACTION OF RESPONDENTS ON SELECT PARAMETERS
UNDER LIKERT SCALE

Parameters	Osarvira	Dhaniwari	Kegva	Malwade	Total (n=40)
(1)	(2)	(3)	(4)	(5)	(6)
Wage satisfaction	2.7	2.7	3	2.1	2.6
Employment satisfaction	2.3	2.9	2	2.8	2.5
Asset benefit	1.7	1.4	1.9	2.3	1.8
Food consumption*	3.7	3.0	2.5	3.1	3.0
Overall, for scheme	2.6	2.4	2.6	2.5	2.5

Source: Primary Survey 2021.
Note: Likert scale" 1 implying highly-dissatisfied and 5 implying highly-satisfied. *Extent of satisfaction to which MGNREGS wages have contributed to food consumption.

Asset satisfaction was rated lower than other scores (1.8) (Table 5). The satisfaction from the assets created is linked to the benefit recipients receive from those assets. The field survey results find that out of 40 respondents, 9 respondents worked on building bunds and other watershed structures for improving water catchment and irrigation in the region. Apart from irrigation activities, 8 respondents worked on painting, rest worked on bricklaying, cementing, tree plantation, masonry, roofing, load carrying, and cleaning. Through conversations the survey, it was found that most of the assets created served little social utility and instead generated private endogenous benefits. This can be confirmed in the secondary data, which shows that most assets were created under Category IV, which includes private projects.

The ability of MGNREGS to aid food consumption is affected to the greatest extent by external factors, barring asset creation. The dependency ratio, which shows how many non-productive members of a family need to be fed, and the availability of alternative income sources has affected this variable to a much greater extent than wage rate and the person days employed. It has an average score of 3 (Table 4), implying that MGNREGS played a significant role in the food consumption of respondents. Overall, it was observed that the respondents gave an average satisfaction score of 2.5 to the MGNREGS overall, which falls under the neutral range.

Implementation

Wages and Employment in Sample Villages

The average wage across the four villages was ₹207, ₹222 in 2019 and 2020, respectively (Table 6). This is lower than the notified rate of ₹238 for Maharashtra. After lockdown's announcement, the government increased the budget allocation for the scheme. However, the time lag forced the authorities to rely on credit to keep the payments timely. The accessibility to finances had a major impact on the ability of the authorities to pay wages closer to the mandated figure. However, it is clear from the interviews with *Sarpanches* that the financial constraints were largely limited to the initial parts of the lockdown (i.e., April and May) and as things eased up toward the onset of monsoon, it became easier for the authorities to pay the mandated wages.

TABLE 6. RESPONDENT AVERAGE WAGES (₹), WORKDAYS DURING APRIL-AUGUST 2020
AND DELAY IN WAGES UNDER MGNREGS IN SAMPLE VILLAGES

Villages	Wages		Per cent increase	Workdays		Per cent increase	No. of respondents who claimed payment took more than 15 days	
	2019	2020		2019	2020		2019	2020
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Osarvira	208.2	224.4	8	3,922	11,447	167	0	2
Dhaniwari	207.5	230.8	9	1,786	4,776	192	2	2
Kegva	205.8	231.8	11	3,620	20,727	473	0	3
Malwade	205.3	234.8	1	4,646	22,289	380	0	0
Overall	207.1	222.2	7	13,974	59,239	324		

Source: Delay in wage payment was sourced from primary survey 2020. Wage and workdays data is from https://mnregaweb2.nic.in/netnrega/homestciti.aspx?state_code=18&state_name=MAHARASHTRA.

The overall work-days in sample villages increased by 324 per cent in April-August 2020–21 compared to the same period in 2019-20. Kegva village reported the highest percentage of workdays increase of 473 per cent among the sample villages, followed by Malwade (Table 6). With the announcement of the lockdown, all villages including Kegva, saw a massive rise in new applications due to the high levels of unemployment and reverse migration.

The data on the duration of payment suggests there has been an increase in the number of beneficiaries who received payments more than 15-days after it was due from 2019 to 2020 (Table 6). This is mainly because of the financial constraints put on the scheme due to the lockdown and increased demand. Only 5 out of 40 respondents had received payments using Direct Bank Transfers (DBTs), the rest received in cash. The dependence on cash was found largely in Osarvira, Dhaniwari and Kegva because of the preference expressed by the beneficiaries as it was assumed that bank payments would be delayed. Arranging cash for a large number of workers was a difficult task for the authorities. However, Malwade was an exception, where no beneficiaries were found to have received their payments late, as 4 out of 10 respondents were paid through DBTs through Unified Payment Interface (UPI).

Budgetary Allocation and Managerial Aspects

In relation to the budget allocated to the villages, the *Sarpanches* reported a significant increase in the FY 2020–21 from FY 2019-20 (Table 7). Malwade village, for instance, was allocated ₹1.5 crores in FY2020 as against the ₹40 lakhs in FY2019. However, while not all villages received such a rise, each village did report an increase of at least 100 per cent. All the four *Sarpanches* attributed the increase to a hike in notified wage rate from ₹206 to ₹238. However, despite the budget increase, the sample villages reported problems in achieving the notified rate during lockdown. Osarvira, Dhaniwari and Malwade *Sarpanches* reported a wage rate between ₹215 and ₹225 given to workers. High demand for the work generated by the reverse migration was cited as the reason for the inability in providing increased wages. The same reason was cited for the low number of workdays provided per household. In spite of this, an attempt was made in Osarvira to provide more work-days to the returning migrants not having alternative sources of income. It was also reported that the prioritisation and allocation of work became a point of conflict amongst beneficiaries in the four villages.

TABLE 7. BUDGETARY ALLOCATIONS TO THE FOUR VILLAGES IN 2019 AND 2020

		(*Units in ₹ lakhs*)
Villages	2019	2020
(1)	(2)	(3)
Osarvira	30	50
Dhaniwari	15	30
Kegva	30	130
Malwade	40	150

Source: Primary Survey 2021.

All four *Sarpanches* championed a democratic approach to decide what assets had to be created. There was a standard process of producing or approving a pre-decided list of assets to be created or maintained before the budget was provided. The assets created were reported to be in irrigation, water table replenishment and tree planting. However, there is no evidence of this in the data collected from the beneficiaries who are dissatisfied with the assets created. The work reported by the beneficiaries also gravitated toward home maintenance.

Sarpanches from Malwade and Kegva faced issues regarding the payment obligations. The Kegva *Sarpanch* reported that he had to take a certain amount of credit to fulfil the obligations to purchase raw materials for the scheme due to the cash crunch and the Malwade *Sarpanch* reported that the cash situation eased upon the arrival of the monsoon and thus reducing the pressure on the scheme and even maintain a cash reserve. Jean Dreze in an interview points out that MGNREGA funds dry out from time to time, especially around the end of the financial year (Sharma, 2021). Malwade also saw 100 per cent cash transfers due to a preference imposed by the beneficiaries, whereas Kegva paid those who migrated back from the cities using UPI platforms such as BHIM. Kegva also intends to switch fully to DBTs over the course of the next few years due to the convenience offered.

V

CONCLUSION

Although the number of man-days of work increased in 2020–21, the average days of employment per household has been declining since 2015-16. This also shows the increasing demand of MGNREGS especially in the lockdown year. While MGNREGS was successful in dampening the impact of the lockdown induced unemployment and reverse migration in Palghar. It absorbed a substantial amount of influx of migrant labour by providing more than double the jobs between April and August than the year before. However, it did not provide adequate wage income to its beneficiaries despite the wage hike. Despite the contribution of the scheme toward the beneficiaries' food consumption, the poor social utility of the assets created under the MGNREGS along with a general dissatisfaction with the employment provided left beneficiaries less than satisfied with the scheme. A large part of this dissatisfaction can be traced to the untimely availability of funds cited by the village *Sarpanches* and the overwhelming demand for jobs.

While a significant amount of labour was absorbed, the supply of employment under MGNREGS could not match the demand in its totality. Firstly, this shortfall can be addressed by incorporating better training, development and sensitisation for those involved in the process of implementation. Secondly, bank transfers are a need of the hour in MGNREGS. Palghar has seen a dominant preference toward the use of cash. This causes greater room for delay and malpractices (Adhikari and Bhatia, 2010). Using bank payments not only increases the efficiency in the payment process by

integrating the scheme with the formal banking system but also allows for a better check mechanism, viz. timely release of wages and reducing the leakages in the process. Moreover, Das *et al.,* (2021) found that personalised information of wage credit listing to beneficiaries' bank accounts, reduced last mile payment delays. Here GRS (Gram Rojgar Sevak) and *Sarpanch* can contribute to information dissemination of not only wage credit listing but also beneficiaries' rights for the better implementation of the programme. Thirdly, the performance measurement and accountability mechanisms need to be established. While audits exist, there is enough literature to show that they have failed in ensuring the optimum efficiency (Adhikari and Bhatia, 2010; Chopra, 2019b; Fischer and Ali, 2019; Maiorando *et al.*, 2016). This is largely due to the lack of accountability mechanisms on those directly involved in the process of implementation. This calls for a need to form a system that holds people in the grassroots accountable for their inaction. Fourthly*, Sarpanches* received little input from gram panchayat and grassroot institutions while planning MGNREGS activities. *Sarpanches* also highlighted untimely receipt of funds, as well as insufficient funds, which forced them to resort to borrowing to fill the deficit. This indicates a unidirectional decision-making process that has contributed to the scheme's inefficiency. To rectify this, a more bottom-up approach will allow for comprehensive identification of funds required and the urgency of the request. The beneficiaries report dissatisfaction in the jobs they performed because of the poor social utility of the assets created under the scheme. A democratic approach in deciding assets, that is beneficial to society itself, will help address the current dissatisfaction.

It is evident that the additional funds (with *Atma Nirbhar* package) for MGNREGS were insufficient to cover the cost of providing 100 days of wage employment at the notified wage rate to all of the demanding households. The amount of MGNREGS funds required to generate 100 days of employment in Maharashtra would amount to ₹4,484 crores,[4] compared to ₹2,020 crores spent in 2020–21. Finally, the annual fund allocation under MGNREGS for Maharashtra must be doubled, in order to provide close to the 100 days of wage employment.

NOTES

1) Man-days and person-days and work-days are used interchangeably in this article.

2) The MGNREGA database showcased that households demanding jobs under MGNREGS varied from year to year. The demand for work is influenced by numerous factors including rainfall, availability of alternative and remunerative employment opportunities outside MGNREGS (Government of India, 2020a).

3) Malwade and Kegva villages are listed under the name "Malwada" and "Kegawa" respectively on NREGA website.

4) This amount was estimated on the basis of a simple calculation, which ensures that the cost covers all demanding households for 2020-21 for Maharashtra are provided work at the notified wage rate for the promised amount of 100 work days.

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