

## MGNREGP and Women's Participation in India



### Economics

KEYWORDS :

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#### Introduction

The National Rural Employment Guarantee Programme (NREGP) in India has completed over four years of implementation. In October 2009, the programme was renamed as Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP), but in the rest of the paper we continue to refer to it as NREGP. The Act for the programme was passed by the government in 2005 and implemented initially in 200 backward districts in 2006. The Act guarantees 100 days of work to rural households who undertake unskilled manual work, with 33 per cent of all workdays reserved for women workers. The return to power of the Indian National Congress government in the 2009 elections has been attributed to the implementation of this programme by some activists and political analysts in India.<sup>1</sup> The objectives of the programme as stated in the Guidelines, are to enhance livelihood security while producing durable assets, empowering women, reducing distress migration and promoting social equity. The programme has certainly created additional work – in the financial year 2008-09, 45.1 million households were provided employment under this programme and 2,163 million person days of work was created.<sup>2</sup> Women's participation in this programme has been generally high on the average and increasing, though there are state level variations. This large participation by women is important in itself, and different in magnitude from previous public works programmes in India.<sup>3</sup> It is therefore important to understand and analyse if and to what extent participation in NREGP benefits women workers and reduces labour market inequalities between women and men.

The NREGA was motivated by the fact that India's recent economic growth had not reached large sections of the rural population and that this urban based growth, was deepening divisions in the economy and society. The nineties were termed as a period of 'job-less growth' as high GDP growth rates failed to generate adequate employment opportunities. In fact, during the mid to late nineties (1993-94 to 1999-2000) when annual GDP growth rates increased and stood at over 7 per cent per annum, employment growth rate declined and was only a little over 1 per cent per annum. While the share of the agricultural sector in total employment is reducing, albeit at a low pace, over half of the entire labour force is still engaged in agriculture. But agriculture contributes to less than a quarter of GDP, and is characterized by low productivity and low earnings leading to significant working poverty in rural areas. In 2004-05, the numbers of poor workers in rural India was estimated to be over 74 million (NCUES, 2007). A large share of women workers, especially, works in the agriculture sector. Distress migration from rural to urban areas has been a major phenomenon. But it has failed to create growth and enhance productivity in all sectors as expected in a Lewis kind of model and instead contributed to large informal sectors in urban areas and urban working poverty. Inequality as measured by consumption/expenditure distribution, has risen during 1993-94 to 2004-05, and this has widened disparities between the urban and rural areas as well as within urban and rural

India (Himanshu, 2007). This continuing challenge of poverty and inequality in India is linked to the segmented nature of the labour market, gender disparities in wages and participation and a weak (if at all) social security system.

It was in this scenario of overall crisis of employment and livelihoods, especially in rural areas, that the NREGA was conceived, and passed by the government of the then United Progressive Alliance (UPA). The UPA was led by the Congress party, and supported by the Left parties, and was voted in during the 2004

elections. The NREGA was an attempt at providing universal coverage towards a basic social floor. It is different from previous employment programmes to the extent that it is rights-based and demand-driven, and envisages local government and community participation in its implementation. And the 33 per cent reservation for women workers together with the effort to create women friendly worksites by providing child care at the sites certainly are reasons for increased women's participation. Another potentially important impact is on women's wages, since women's market wages, especially, are usually lower than minimum wages.

The last few years of the implementation of the NREGP under intense public scrutiny has also shown that the programme is important enough to incite passions - and there are divergent groups and different understandings on how this programme is being implemented and who is gaining from it. Prior to passing of the Act by the Parliament, there was intense debate and discussion about the benefits and problems of this and past employment generation programmes. Consequently the NREGA was designed to minimize the well known problems of leakages and targeting in past programmes, including an incentive structure for performance and disincentive for non performance and accountability through periodic social audits for evaluation and improvement (Mehrotra, 2008).<sup>4</sup> The continuing sheer number of articles, the critical opinions expressed and the debate that still surrounds the programme design and implementation are indicative of the public interest in this programme. It has been noted by some (see for example Bhaduri, 2005) that a properly implemented NREGA, has the potential for promoting a growth path based on people's participation and a full employment society with dignity for the poor.

Some researchers have emphasized the importance of public employment schemes in reducing inequalities in women's labour market access and poverty (see for example Antonopoulos, 2009). Khera and Nayak (2009) and Pankaj and Tankha (2010) have argued based on field research that even relatively small levels of NREGA employment for women in India have resulted in significant perceived benefits. This paper focuses on women's participation in the NREGP and analyses the potential impact of the programme in the medium term on women's access to wage work and wages of women workers in rural India, using available national and state level data. Women's participation in wage work and the gender gap in wages are amongst the reasons for persistent poverty and inequality in India. Following the introduction, Section 2 focuses on the theory and rationale for employment guarantees and provides an analysis of the rationale of this employment programme. Section 3 analyses the current situation regarding women's employment, especially rural employment in India and highlights the distress of women workers in rural India. Sections 4, 5 and 6 provide some insights into how the NREGP can potentially be beneficial for women workers by increasing their participation in wage work, by increasing their actual wages, and by enhancing their voice. It uses data from the NSSO's last quinquennial round in 2004-05 and official data from the Ministry of Rural Development's (MORD) website on NREGP and refers to some micro level surveys.

Section 7 explores the evidence on poverty. The final section sums up and concludes with some observations on gender inequality and labour market institutions.

#### NREGA as an employment guarantee

Public employment programmes based on labour intensive technologies have been used in developed and developing countries, often as a response to crisis - during the depression,

post war reconstruction, economic crisis, recession as well as during floods, earthquakes, etc. Since the early 1970s, quite a few developing countries have experimented with such programmes in Africa, Asia and Latin America. These include Indonesia's *Padat Karya*, which was relaunched in 1998 after the economic crisis, Argentina's *Jefes De Hogar* in 2002, Botswana's labour Based relief programmes, South Africa's expanded public works programme from 2004, Bangladesh's *Food for Work* programme and India's *Maharashtra Employment Guarantee Scheme* (Devereux and Solomon, 2006). The objective of these public employment programmes is to provide a form of social security by providing a basic income through labour intensive employment, while contributing to public assets. They typically provide a 'fall back' or 'last resort wage employment' opportunity for vulnerable groups who are unemployed and / or underemployed over the year. If properly planned, labour intensive public works programmes can act not only to alleviate poverty, but also enhance economic growth and social equity.

These programmes are based on a Keynesian aggregate demand strategy of direct job creation by the government for a full employment economy. These are usually targeted jobs programme, paying minimum wages, with an aim to create a social floor and have the potential to reduce poverty 'in a politically digestible manner' (Minsky, 1971 p. 20 as quoted in Papadimitriou 2008, p. 4). Minsky (1986) also argued that these 'Employment of last Resort' programmes based on government expenditure would be stabilizing for the economy. In most developing countries, with large informal economies, private sector demand is insufficient to provide full productive employment. Only the government can 'divorce profitability from the hiring of workers and create an inelastic demand for labour' (Minsky, 1986, p. 308). The rationale for these programmes are based on the premise that the government has an active role to play in promoting full employment in developing economies by assuming the role of the market maker for labour (Antonopoulos, 2009).

However, the extent to which these labour intensive public works programmes can have an impact on growth and equity, beyond simply being a last resort fall back coping option for poor households, depends on a number of issues. These include the planning of the programmes, the wage rate, the nature of works and thereby the types of jobs generated and the access and availability of work for women and men.

The main criticism against these programmes have been that they are expensive, ridden with corruption and therefore benefits often do not reach the beneficiaries but are siphoned off by others. In short, these programmes often fail to target the poor and the needy mainly due to design and implementation challenges.

The National Rural Employment Guarantee Programme of India was passed as an Act by the government in 2005 and for the first time ever, it legislates the 'right to employment'. It was initially implemented in the 200 identified backward rural districts in 2006 and in 2008 expanded to cover all rural districts of the country. The actual roll out of the programme is determined by each State government. Its objective, as stated in the NREGA Guidelines, is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment at prevailing minimum wages for rural unskilled labour in a financial year to a household, while generating productive assets, protecting the environment, empowering rural women, reducing rural to urban distress migration and promoting social equity. It therefore proposes 'a rights- based, job- oriented way' to growth and development – rather than being a resource based employment scheme. Other unique features are its self selection and demand orientation. This means that only those who are in need would apply for work under this programme and if they do, the government is obliged to provide such work, or give them an unemployment benefit. The Act also does away with contractors, a departure from previous public employment schemes, and specifies that the labour capital ratio in the public works programmes must be at least 60:40. The Right to Information Act was passed by the government in 2005, prior to the NREGA, and it was expected that this would help to restrict or

minimize leakages from the NREGA, a usual major problem in past public employment schemes.

Several provisions in the Operational Guidelines for the NREGA seek to encourage women's effective participation in the programme, both as workers and as managers of the programme. The guidelines spell out clear instructions for equal payment of wages for men and women and that at least one-third of the beneficiaries shall be women who have registered and requested for work under the scheme. A crèche is to be provided if there are more than five children under 6 years of age and that payment to the crèche in charge will not be included as part of the work measurement. As per the guidelines, each work shall be monitored by a local Vigilance and Monitoring Committee which shall be composed of members from the immediate locality or village where the work is undertaken, to monitor the progress and quality of work. The Gram Sabha<sup>5</sup> is expected to ensure that women are represented on this Committee. The guidelines mention a social audit forum to be convened by the Gram Sabha every 6 months as part of the continuous auditing process, and that the timing of the forum should be convenient in particular for NREGP workers, women and marginalized communities. By recognizing single persons as a 'household', the act makes it possible for widows and other single women to access this work.<sup>6</sup>

To promote women's participation in the NREGA, some state governments have introduced specific features to the scheme. Andhra Pradesh, Bihar and West Bengal have introduced different (reduced) task rates for women. Some states such as Kerala and Himachal Pradesh pay the minimum wages based on a day's work, not piece rated, which has enabled women to attain stipulated minimum wages more easily than under a piece rated system. States, such as Andhra Pradesh and Orissa were the first to pay wages through a bank account to ensure that leakages are minimized. Since September 2008, the government has made it mandatory to switch to bank payments to minimize corruption, although the roll out of this provision is contingent on the speed with which individual bank accounts can be opened. Khara and Nayak (2009) asked women in surveys about their preference, and about 53 per cent preferred to be paid through the bank. However, payment through bank accounts could have a negative impact for women if the woman worker has no control over the family bank account. Perhaps it would be better if there were different job cards for each adult member of the households, and different bank accounts for men and women in the household. At present, job cards are issued to households although payments are then made into individual bank accounts.

#### Women's employment in rural India

Women workers constitute about 32 per cent of the Indian workforce and their share in employment has been on the rise (NSSO data). Most of these women workers are based in rural India. This is because typically rural areas are poorer, and poorer women are more often in paid employment than women from better-off households where social norms and patriarchal values restrict women's entry into the labour market.<sup>7</sup> In rural India, labour force participation rate for women in 2004-05 was 36.6 per cent as compared to 22.3 per cent for urban women. But in recent years, the urban labour force for women is growing at a faster pace than that of rural women (for urban women from 19.7 per cent in 1999-2000, and for rural women from 34 per cent). However, there are also very significant differences across states in India.

Of the 132 million women workers in rural areas in 2004-05, over 8 per cent were subsidiary workers. Between 1999-2000 and 2004-05, there has been an increase in women's labour force participation rates, but between 1993-94 and 1999-2000, there was a decline. One explanation for this decline is provided by Sarkar (2008) who notes that this decline is largely attributed to a decline in the female subsidiary labour force, possibly discouraged or crowded out of a labour market when opportunities were few (Sarkar, 2008).

While the unemployment rate is usually low in developing countries and in India, it is clear that there has been a rise in unemployment over the last two decades. In the mid nineties,

for the first time, rural female unemployment, especially for the age group 15 to 19 and 20 to 24 was observed to be substantial, standing at 4.2 per cent and 4.9 per cent respectively for the two age groups for rural usual principal status women workers. During the two decades from mid 80s to 2004-05, women's unemployment rate doubled in rural areas while it increased by about half in urban areas. Moreover, rural women's usual status unemployment rate for the age group 15-29 was 7 per cent in 2004-05 while it was 5.2 per cent for rural men for the same age group.

More than four fifths of all women working in rural areas are engaged in agriculture (83.3 per cent, 106 million), which is the least productive sector in India and characterized by widespread poverty.<sup>8</sup> While there has been a decline in the share of all workers in agriculture as compared to other sectors, and a decline in men in agriculture, the share of women in agriculture has been on the rise. Indeed, the share of women in agriculture increased from 39 per cent in 1999-2000 to 42 per cent in 2004-05. State level NSSO data shows that there has been a rise in female agricultural workers in 12 of the 15 major states in India and in some states, women constitute more than half of all agricultural workers (Haryana, Himachal Pradesh, Maharashtra, Rajasthan and Tamil Nadu). Women therefore, are finding it harder to shift away from agriculture (ILO), while men are moving out of agriculture, possibly migrating to urban or semi urban areas in search of better opportunities. In agriculture, women are engaged as cultivators/farmers, casual wage labour and unpaid family workers. There is therefore a clear feminization of agriculture (Kanchi, 2009).

Since a large share of women workers are engaged in agriculture and many of them as casual wage labour, the trend growth rate of agricultural wages is an important indicator of women's wellbeing in rural areas. Figure 1, taken from Karan and Sakthivel (2008) shows that rate of growth of real agricultural wages, while rising, has been lower than that of non-agriculture.

The figure demonstrates that non-farm wages and its annual growth were higher than those of agricultural wages during the period 1983/1993-94, and this difference has only widened during the period of 1993-94/2004-05. The lower agricultural wages also possibly explain the reason why men are moving out of agriculture and women are left behind.

To sum up, workers in rural India, a majority of who are illiterate and unskilled, have few opportunities but to engage in agricultural activities. It appears that while men often manage to move out into other activities or migrate to other areas in search of work, women have fewer options. They remain as a flexible labour force in agriculture - as own account workers, casual agricultural labour or unpaid family workers. Rural female unemployment has also been on the rise, and is higher than rural men's unemployment rate.

The NREGA is important because it provides an opportunity for women to work in their villages, and secondly since it is supposed to be at minimum wages, it has an impact on wages/earnings of women. To the extent that the NREGA brings together many similarly situated women in the workplace, it provides an opportunity for organization and women's voice. The following three sections examine each of these issues, and where possible uses available data to assess the impact, both actual and potential, that the NREGA has on women workers.

### Impact of NREGA on women's work participation

Data from the official site of the government show that share of work days going to women in NREGA has been on the rise (Fig. 2). On the whole it was 368 million (40 per cent) in 2006-07, 475 million (44 per cent) in 2007-08, 1,036 million (47.8 per cent) in 2008-09; 1,364 million (48.1 per cent) in 2009-10 and in the current year, so far 359 million (49.5 per cent). Women's participation varies across states and across districts within a state. While the Act desires that at least one third of the work days generated should go to women, the actual proportion varies (ranging from 4 per cent in Jammu and Kashmir to 85 per cent in Kerala, 2008-09).

There is, in general, a correlation between women's work participation in rural areas as measured in the NSSO 2004-05 survey and the share of work going to women in the NREGA in 2008, as shown in the scatter plot below. Kerala seems to be an outlier, where women's rural workforce participation rates are about average as per the 2004-05 data, but share of NREGA works going to women is the highest. This may imply a latent demand for work by women that has been realized by the NREGA.

There is however, in a majority of states, a difference between women's participation in NREGA and women's participation in the rural workforce, as per data from 2004, prior to the implementation of NREGA, with the latter being lower. This is also true, in general, when rural and urban workforce participation rates are compared with participation in NREGA. NSS data on women's work participation rate (WPR) (principal + subsidiary status) and the percentage of workdays going to women on NREGA shows that in Rajasthan and Tamil Nadu for example, women account for over 70 per cent of the workdays in NREGA while the WPR (PS + SS) from the NSSO is just around 40 per cent. Rajasthan stands out for several reasons - largest number of workdays generated overall, one of the highest proportions going to women - and the only state where the share of women in NREGA has actually fallen from since 2006. In Gujarat, Maharashtra and Uttar Pradesh however women's overall WPR is greater than their share in the NREGA. However, in general, as Chandrashekar and Ghosh (2009) note, as far as recognized economic activity goes, women are participating in NREGA much more actively than they participated in other forms of recorded work. Part of this could be due to the fact that so far the NSSO data in India has failed to recognize women's work, and a lot of women who would be involved in unpaid work are now getting a chance of paid employment which is showing up in official data.

The implementation of NREGA has been decentralized and the panchayat<sup>10</sup> plays a critical role - in certifying eligibility and issuing job cards, deciding when to open a worksite, what the nature of work will be and monitoring the works done. In practice the district administration continues to play an important role particularly in deciding the nature of works. Technical approval to proposals is one of the factors slowing down or limiting choices. Women are represented in all panchayats with a reservation of 33 per cent (now 50 per cent) for women. In understanding the actual outcomes from NREGA we need to understand the nature of local dynamics, power struggles and dominance. For example, despite the legal guarantee, there are reports that single women find it difficult to get work.<sup>11</sup> As is to be expected, the behaviour of local institutions shows the influence of local politics and interests. Traditionally certain groups hold a position of dominance, for reasons to do with caste, gender, income, etc. The NREGA in contrast seeks to be inclusive of all groups and ensure assistance and outreach to the most marginalized persons. To ensure that there is a local consensus on these concerns to match the national consensus calls for the creation of 'pre conditions' - typically through mobilizing, organizing and training, including information, education and awareness raising efforts, with special effort to involve women.<sup>12</sup>

States where persondays of work created for women has been greater than the stipulated 33 per cent include Kerala, Tamil Nadu, Rajasthan, Sikkim, Andhra Pradesh, Tripura, Chhattisgarh, Karnataka, Meghalaya, Maharashtra, Manipur, Nagaland, Madhya Pradesh, Orissa, Uttarakhand, Mizoram, Himachal Pradesh, Gujarat (2008-09 data). States where the share is lower include Bihar, Jharkand, Haryana, Assam, West Bengal, Punjab, Uttar Pradesh, Arunachal Pradesh, Jammu and Kashmir. Overtime, states with lower shares are under pressure to reach at least the 33 per cent level. Why women's participation varies so much across states depends on a number of factors - reasons range from socio-cultural norms around women's work, mobility and intra household allocations of roles and responsibilities; individual household factors like levels of care responsibilities and numbers of adult women in the house; health status; opportunity costs - other market opportunities and market wages for men and women; efficiency of implementation and information flows to and within households; mobilising by NGOs and activ-

ists; in the case of Kerala, the fact that Kudumbashree, the state poverty eradication mission which is wholly managed through women's groups has been placed in charge of NREGA implementation has also made a difference to the level of women's participation.

#### Conclusion

From the start, Rajasthan has shown the highest number of workdays generated through NREGA. The numbers of men and women recorded as participating in the programme shows increase. The increase is much more for men, bringing down the proportionate share of women. It does seem that initial lack of enthusiasm on the part of men led to women largely accessing the programme. But as wages, <sup>13</sup> area covered and awareness all increase, there has been a huge response from men as well.

The active part played in social audit and awareness campaigns by activist groups in Rajasthan has been an independent factor stimulating the programme growth. Provision of child care facilities is one of the entitlements provided under the NREGA to encourage women to work. While this is a welcome development, surveys and anecdotal evidence suggest that this provision is not always available. While some workplaces in some regions have indeed provided crèches for children at the worksite, there are others that have not. In Focus Group Discussions that were carried out in Sirohi by the ISST, it appears that small girls have been taken out of school to look after younger siblings while the older women folk work in the NREGA sites. As one participant observed 'we will fill our stomachs first, study comes later' (Bhattacharya and Sudarshan, 2008).