



ESID Briefing No. 11

How commitment and class relations shape MGNREGA implementation in India

KEY FINDINGS:

- The commitment of implementing stakeholders is critical to the success of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). High commitment states tend to perform well; low commitment states tend to perform poorly.
- Capacity is important, but high political commitment can compensate for low capacity.
- Local power relations among classes shape MGNREGA implementation outcomes.
- Where the labour classes form alliances with elites, they benefit from MGNREGA. Where they are isolated, they benefit far less or not at all.
- MGNREGA has more potential for social transformation where the labour classes and 'precarious' classes forge an alliance.

POLICY IMPLICATIONS:

- MGNREGA's mandate should be respected, while encouraging flexibility and innovation.
- States can play to their strengths to improve MGNREGA implementation.
- The centre can help states build commitment at different levels.

India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) guarantees 100 days of work a year to rural Indians. Supporters see it as a transformative social protection policy; detractors claim that it distorts the economy. Despite similar implementation mechanisms, there is significant variation in employment outcomes across states. Research indicates that MGNREGA implementation relies on the supply of work provided, rather than the demand for it.

Since its introduction in 2006 by an Indian National Congress (INC) coalition, MGNREGA has provided work to 50 million people. The election in 2014 of a government led by the Bharatiya Janata Party (BJP), however, could mean that the programme will receive less federal support in the future. The new government has declared it wants to 'minimise governance' – presumably at the expense of social welfare initiatives such as MGNREGA. This could discourage committed state and district actors, although the response of several state politicians and bureaucrats suggests otherwise. Equally, a lack of federal commitment could embolden state actors unwilling to implement MGNREGA.

'Political will' or 'commitment' to policy implementation is often conspicuous by its absence. Technical, apolitical factors are prioritised, leading in turn to technocratic solutions. Commitment, defined as the willingness and intent of actors to undertake

“ They kept talking about development. We needed employment.

Member of the labour classes,
Gajra Panchayat, Gujarat ”

sustained actions to achieve a set of objectives, may be broken down into six components: initiative to adapt systems to implement policy; analytical rigour in preparing for implementation and responding to failure; mobilisation of stakeholders for implementation; application of sanctions; continuity of effort; and political feedback (perception of electoral gains).

There has also been a tendency to attribute policy success or failure to institutional design. It is important to 'bring politics back' into the study of policy impact, by examining the impact of power dynamics among classes at the level of implementation.

Researchers studied political commitment in four states, and class relations in two states, to better understand the factors behind MGNREGA implementation outcomes. The components of political commitment were analysed in the states of Bihar, Assam, Andhra Pradesh and Chhattisgarh, both in relation to each other and to state capacity. Power dynamics among the labour classes and two sub-groupings of elite classes were studied – those with 'precarious' surpluses, and wealthier, higher status 'entrenched' classes – in relation to MGNREGA implementation outcomes.

METHODOLOGY

For the research on political commitment, key informant interviews with implementing actors at all levels were conducted and coded with the Atlas.ti computer program to capture indicators of commitment and allow for comparative case studies. For the research on class relations, ethnographic fieldwork was complemented by interviews in four localities of two states with those who hired out their labour, as well as those who hired labour – the classes of labour versus the precarious and entrenched classes.

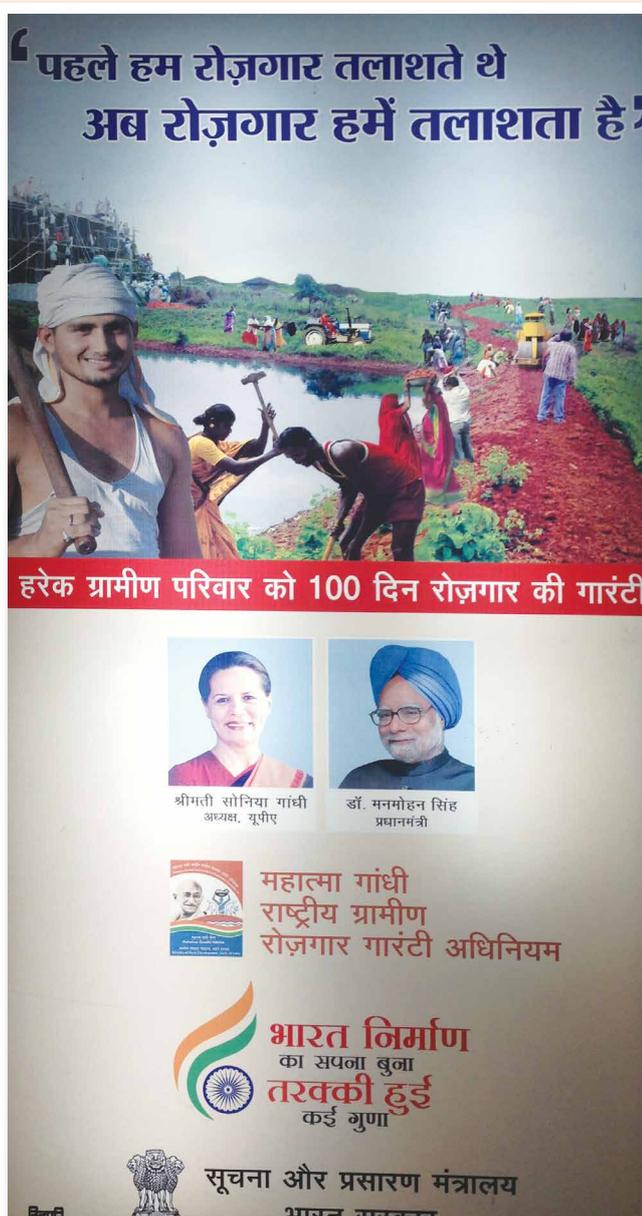
FINDINGS

The commitment of implementing stakeholders plays a critical role in MGNREGA outcomes. High commitment states tend to perform well; low commitment states tend to perform poorly.

It seems logical that a state with high political commitment to implement a given policy is better placed to do so. The high-performing states – Andhra Pradesh and Chhattisgarh – had high levels of commitment to MGNREGA. For example, both states demonstrated high initiative in adapting federal rules to local realities, and there was a high level of decentralisation.

Conversely, the low-performing states – Assam and Bihar – had low levels of commitment. Bihar prepared inadequately for the scheme, with bureaucrats confessing to not having the 'complete picture'. Assam scored low on all indicators of commitment. Combined with low capacity, it is no surprise that MGNREGA implementation outcomes are poor in these states.

But 'high commitment/good implementation' states may not score well on all indicators of commitment. For instance, the initiative taken by Chhattisgarh in adapting systems for policy implementation is negligible compared with that of Andhra Pradesh. But the various components of commitment are interlinked and may compensate for each other; this is the case in Chhattisgarh, which scores high on other indicators.



Poster advertising MGNREGA, with the slogan: "Now I don't have to look for work, work looks for me"

Similarly, 'low commitment/poor implementation' states are not uniformly uncommitted. Bihar, overall a low commitment state, demonstrates a high commitment within its MGNREGA implementing department.

Furthermore, none of the four states examined had support from all stakeholders, such as frontline and top-level government bureaucrats, political party leaders, Panchayati Raj institutions (PRIs) and civil society actors. Though Andhra Pradesh has mobilised strong support from within government, it bypasses PRIs mandated to implement MGNREGA as well as civil society.

Despite the identification of MGNREGA as a flagship programme of the INC, political commitment does not necessarily flow from political affiliation. If this were so, then states controlled by political parties affiliated with the INC would have better MGNREGA implementation outcomes, with the reverse true for those where the BJP holds power. However, INC-controlled Assam has performed poorly, while BJP-controlled Chhattisgarh has performed well.

“ We had no idea how complex MGNREGA was... systems were not there... people were finding it difficult to understand all of it.

Bihar state official

”

Capacity is important, but high political commitment can compensate for low capacity.

Though it is not surprising that the high capacity, high commitment state of Andhra Pradesh is successful, Chhattisgarh is a poor state with low economic and organisational capacity. Limited resources mean that frontline staff, depleted by massive turnover, struggle to ensure the continuity of initiatives.

Chhattisgarh's strong commitment to the scheme at all levels, however, has facilitated civil society involvement and led to high public awareness. This has boosted demand for work that, in turn, the state is committed to delivering.

Local power relations among classes shape MGNREGA outcomes.

MGNREGA work offers alternatives to those hiring out their labour. But it also fuels fears among some, particularly the small and marginal farmers from the precarious classes hiring labour, that their long-term interests are threatened. Many believe that MGNREGA raises the cost of agricultural labour and leads to labour shortages.

Further, MGNREGA work is meant to be labour-intensive – using a labour-to-materials ratio of 60:40 – so as to provide work to a maximum number of labourers. Contractors from the entrenched classes, on the other hand, benefit from the use of materials and machinery contracted through them. The change in federal government has intensified lobbying to adjust this ratio to 51:49 through a parliamentary amendment. Implementation is thus vigorously contested; class competition can be crucial in shaping MGNREGA outcomes.

Each of the Gram Panchayats studied represents a specific permutation of class relations and power arrangements. While the labour classes were able to benefit from MGNREGA in Gajra Panchayat (Gujarat state) and Sargana Ward 1 Panchayat (Bihar state), they were much less successful in Hardi Ward 3 (Gujarat) and Roshanar Ward 5 (Bihar).



Where the labour classes form coalitions with elites, they benefit from MGNREGA. Where they are isolated, they benefit far less or not at all.

In Gajra, the entrenched classes were very influential, and forged political coalitions with the labour classes to undermine the emerging political clout of the precarious classes. They did so by colluding with the local administration and labour classes to complete MGNREGA work using machinery/materials in contravention of the limits set by law. They made a profit on the contracts and paid jobcard holders for their (unused) labour.

In Sargana, the precarious classes had disputes with the labour classes over agricultural wages, but both resented the entrenched classes. They therefore forged a political coalition to contain the influence of the entrenched classes. The newly elected president of the Panchayat, a member of the precarious classes, thus supported the introduction of MGNREGA to retain the backing of the labour classes.

In Hardi, the entrenched classes had mostly emigrated. This left the precarious classes, hostile to MGNREGA, in control. The labour classes had long clashed with the precarious classes over agricultural wages, and only managed to get limited access to MGNREGA work.

In Roshanar, the precarious classes were incorporated into the patronage networks of the entrenched classes. Together, they forged a coalition to maintain their control over labour. Isolated by the elites, the labour class were almost completely unable to access MGNREGA work.

MGNREGA has more potential for social transformation where the precarious classes and the labour classes forge an alliance.

The labour classes in Gajra and Sargana were able to gain employment under MGNREGA. This does not mean that the transformative aspect of the programme is equivalent. In Gajra, MGNREGA is incorporated into a political settlement, the focus of which is to preserve the power of the entrenched classes. In Sargana, MGNREGA was part of a more egalitarian political settlement, the focus of which is to undermine the political power of the entrenched classes. Here, the labour classes sought to assert their equality vis-à-vis other classes. Sargana is therefore more likely to confront and address inequality than Gajra.

The restricted access to MGNREGA work for the labour classes in Hardi and Roshanar, too, is not equivalent. Though Hardi is controlled by the precarious classes, the labour classes are at least able to obtain jobcards and apply for work. In Roshanar, where the entrenched elites are in control, the labour classes cannot even access jobcards.

POLICY IMPLICATIONS

The insights gained from the vantage points of political commitment at the state level, and class relations at the grassroots level, offer several lessons:

MGNREGA's mandate should be respected, while encouraging flexibility and innovation.

The federal government appears to be considering several changes to MGNREGA: funding cuts, restriction of districts covered, and adjustments to the labour-to-materials ratio of MGNREGA works. Though in practical terms funding and coverage restrictions could be realised simply by delays by the federal government, parliamentary amendments to MGNREGA are difficult to achieve. The labour-to-materials ratio may indeed be adjusted, encouraging further collusion between elites and labour classes in favour of materials-intensive works, fostering corruption and undermining the fundamental MGNREGA mandate to provide work to those who need it.

MGNREGA's main provisions, such as employment on demand, minimum wages and the building of community assets, should be non-negotiable. But some flexibility and innovation at the state level (for example to expedite federal payments to poor states) may be needed to match ground realities and encourage commitment towards MGNREGA among implementing stakeholders.

States can play to their strengths to improve MGNREGA implementation.

The example of Chhattisgarh illustrates how high commitment can offset low capacity. Bihar has low overall commitment, but the active problem-solving approach manifested at the time of the field visit, as well as the high commitment of the implementing department, suggested the state is making up for its poor initial preparation. Both states have also been innovative in recruiting dynamic external consultants, who have become involved in implementation.

The centre can help states build commitment at different levels.

Political will is likely to change over time, especially in the face of changing circumstances and the changing mix of actors involved in policy implementation. It is crucial for the centre to provide a positive framework for states by emphasising federal-level commitment to MGNREGA.

One way to build commitment at the grassroots level would be to popularise the ways in which MGNREGA benefits small and marginal farmers, or the precarious classes. This could be done by enabling and prioritising improvement works on their farms to secure their political support. The combined support of the agricultural labourers and the precarious classes would make for a formidable coalition in support of MGNREGA. This would have the dual advantage of protecting farmers' livelihoods, as well as securing employment for agricultural labourers and, hopefully, reducing the social tension between the two classes. This would contribute to making MGNREGA a truly transformative programme.

Future research

Research is needed to better understand why actors become motivated or demotivated. This applies as much to class relations – understanding why different groups of elites or labourers behave the way they do – as it does to understanding why different institutional stakeholders are committed or not to implementing MGNREGA.

FURTHER READING

Chopra, D., 'Political commitment in India's social policy implementation: shaping performance of the MGNREGA' (*ESID Working Paper*, forthcoming).

Roy, I., 'Political settlements and social protection: the implementation of India's NREGA' (*ESID Working Paper No. 46*).

ABOUT THIS BRIEFING

This briefing draws on the findings of two ESID Working Papers: 'Political settlements and social protection: the implementation of India's NREGA' (No. 46) by Indrajit Roy (University of Oxford); and 'Political commitment in India's social policy implementation: shaping performance of the MGNREGA' (forthcoming) by Deepta Chopra (Institute of Development Studies). It was drafted by Rabi Thapa, with inputs from Indrajit Roy, Deepta Chopra, Kunal Sen (University of Manchester), and Anindita Adhikari (Research Associate, ESID, and Centre for Policy Research, Delhi).

The **Effective States and Inclusive Development Research Centre** (ESID) is an international partnership of research and policy institutes led from the Institute for Development Policy and Management (IDPM) and Brooks World Poverty Institute (BWPI) at the University of Manchester. ESID is funded by the UK Department for International Development (DFID).

ESID researchers are based in Bangladesh, Cambodia, Ghana, India, Malawi, Peru, Rwanda, South Africa, Uganda, UK, USA, Zambia and elsewhere.

ESID is led by David Hulme, Chief Executive Officer; Samuel Hickey and Kunal Sen are Research Directors; Julia Brunt is the Programme Manager; and Pablo Yanguas is Research Associate.

DFID funds four Research Programme Consortia (RPCs) on governance and development, of which ESID is one. The others are the International Centre for Tax and Development (ICTD) at IDS, the Justice and Security Research Programme (JSRP) at LSE and the Secure Livelihoods Research Consortium (SLRC) at ODI.

www.effective-states.org

This document is an output from a project funded by the UK Aid from the UK Department for International Development (DFID) for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of or endorsed by DFID, which can accept no responsibility for such views or information or for any reliance placed on them.

DW2063.03.15

esid | Effective States and
Inclusive Development

identifying routes to social justice

Effective States and Inclusive Development Research Centre

School of Environment, Education and Development

The University of Manchester

Oxford Road

Manchester

M13 9PL

UK

email: esid@manchester.ac.uk

 [#effectivestates](https://twitter.com/effectivestates)

March 2015.