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**Interests and Participation
of Elites in MGNREGA:
Lessons from Elite Capture
in Karnataka**

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INTERESTS AND PARTICIPATION OF ELITES IN MGNREGA: LESSONS FROM ELITE CAPTURE IN KARNATAKA

Sanjiv Kumar¹, S Madheswaran² and B P Vani³

Abstract

In spite of no such claims in the Act, MGNREGA remains the largest poverty elimination programme. If the poverty elimination goals of this programme were important, its design should have adequate safeguards on the demand side, and initiatives and provisions on the supply side to focus and ensure the poor accessed the programme and benefited from its wage employment and asset components. In this context, this paper attempts to study the interests and status of participation of elites in the wage employment and asset components of MGNREGA and tries to examine the extent of elite capture of wage employment and assets. The study developed an Elite Index based on the socio-economic attributes of the households (HHs) and through the categories of poor, sub-elite, elite and super-elite HHs and primary survey, and the case studies find diverse interests of elites in the programme. The study finds substantial elite capture of wage and more extensive capture of asset components of the programme. The study finds lack of poverty focus in the programme design, where rights and universalism are over relied upon and operational rationing is completely ignored, and finds there was no visible solution against elite capture or preferential access of the poor HHs. It explores its causes, consequences, policy options and ways forward.

Introduction and Background

The MGNREG Act, 2005 came into being to enhance the 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. The Act does not claim to be a poverty elimination or reduction programme; and except women for whom one-third of the programme resources were earmarked, it does not make any preferential identification of any individual or group as its intended beneficiaries. It is a right-based universal workfare programme and claimed the availability of unlimited budgetary support to accommodate every demand. Activists advocated such a universal programme as it was widely known that the targeting capacity of the administration was weak in India. This is supported by Ravallion (2009) who examined the relevance of targeting and concluded that though targeting of poverty alleviation programme may appear budget friendly, given the limitation of the administrative capacity to select deserving beneficiaries and the consequent exclusion error, a universal programme may better reach the poor and the weak. It was widely thought that as it provided unskilled manual labour, its very nature would dissuade better-off households from joining the programme. Karat B (2016), asserted that MGNREGA was not a charitable enterprise, but was extremely hard work.

In spite of no such claims in the Act, MGNREGA remains the largest poverty elimination programme. It may be far from perfect, but a lot more effective than any other existing scheme benefiting the poor (Mookharjee, D, 2014). It is a workfare programme, and the world over, workfare programmes are widely used poverty alleviation interventions whereby participants must work to obtain benefits. (Ravallion, 1991; Besely and Coate, 1992; Lipton and Ravallion, 1995; Mukherjee, 1997;

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Subbarao, 1997; Ravallion, 1998 etc.). These programmes are often resorted to in crisis situations such as those resulting from agro-climatic or macro economic shocks. (Dreze and Sen, 1989; Ravallion, 1998). It addresses poverty in two ways, i.e., first by providing paid work for the unemployed from the poor households, and the second by creating assets of value for the poor families. (Ravallion, 1998). Unlike the Act, MGNREGA Operational Guideline (2013) is open in enunciating its poverty elimination goals.

If these poverty elimination goals were important, the programme design should have adequate safeguards on the demand side, and initiatives and provisions on the supply side to focus and ensure the poor accessed the programme and benefitted from its wage employment and the assets. Furthermore, the design should have also taken enough care to introduce safeguards against 'elite capture' and 'programme capture', so that preponderantly it reached the poor and the neediest. MGNREGA had its own supporters and detractors in equal numbers. Bhalla S. (2012), a critic, argued that it does not help the poor and he believed that no proof was required to substantiate leakages in the programme. He developed an index to classify states on the scale of corruption on the basis of their MGNREGA performance. Ravallion (2012) counter-argued that Bhalla confused mistargeting with corruption, as there was nothing 'corrupt' about people living above the Tendulkar Poverty Line participating in MGNREGS, as the Act that created the scheme did not prohibit those living above the poverty line from participation. In this context, this paper tries to study the interests and status of the participation of elites in the wage employment and asset components of MGNREGA and attempts to examine the extent of elite capture of wage employment and assets, exploring its causes, consequences, policy options and ways forward.

Brief Review of Literature

We cannot proceed with this study without understanding the terms 'poor' and 'elite'. Are poor 'non-elite'? It was definitely tough to define poor, and tougher to identify one. And precisely this was the reason activists did not want any mention in the Act about 'poor' or 'poverty elimination', so that no one was denied the MGNREGA benefit only because she could not establish her status as poor. Broadly, poverty is understood as a condition in which a person or household lacked the resources (financial) for a minimum essential standard of living. Poverty-stricken persons or households may go without proper food (calorie or sufficient nutrition), clean water, healthcare, housing, clothing and education etc.

Measuring poverty was difficult as the perception of what defines basic human needs varies widely according to the income and socio-political beliefs of the observer; hence any decision the government took on the poverty line is likely to give rise to similar debate. But there certainly was a strong case for an official poverty estimate to track the progress in poverty reduction.

Poverty can be estimated either by income or consumption level. In a country like India with a very large informal economy, income is very hard to measure; hence, household consumption is measured to determine poverty; and if consumption falls below a given minimum level, then the household is said to be Below the Poverty Line (BPL). Poverty rate or headcount ratio (HCR) is a proportion of the population with expenditure or income below a pre-specified level referred to as the poverty line. In the context of most developing countries, the poverty line usually relates to a pre-

specified basket of goods presumed to be necessary for above subsistence existence (Panagariya and Mukim, 2014). One of the earliest formulations of poverty line was by a task force of the Planning Commission under the chairmanship of Y K Alagh in 1977, which provided for the first time a poverty line anchored to minimum nutritional requirements, namely 2,400 daily Kcals in rural areas and 2,100 daily Kcals in urban areas, based on the earlier views of Dandekar and Rath (1971). (Ray Ranjan and Sinha Kompal, 2014). The original official poverty estimates in India, provided by the Planning Commission, were based on the Lakdawala poverty line. The recommendation of a 2009 expert committee headed by Prof. Tendulkar led to an upward adjustment in the rural poverty line relative to its Lakdawala counterpart (Panagariya and Mukim, 2014). Ranjan Ray and Sinha Kompal (2014) think that Tendulkar Committee's new methodology for poverty measurement yielded a set of rural and urban poverty line that was deemed too low and generated adverse publicity, and as a knee-jerk reaction, the Rangarajan Committee was constituted to review the methodology for the measurement of poverty. But they further assert that even the Rangarajan Committee missed an opportunity to mark a significant departure from previous approaches (especially in widening the measure of poverty).

In India, identification of poor is done by the state governments based on the information from the Below Poverty Line (BPL) census of which the latest was the Socio-Economic Caste Census 2011 (SECC 2011) (NITI Aayog, 2020¹). Hence the Aayog's Occasional Paper on 'Eliminating Poverty', thought that tracking poverty over time and space was the principal objective behind the measurement of poverty. Poverty line and poverty ratio have three potential uses i.e., identification of poor; the allocation of expenditure on anti-poverty programmes across regions; and measuring and tracking poverty over time and across regions (NITI Aayog, 2020¹).

Based on the agreed methodology, the NITI Aayog (earlier Planning Commission) is responsible to calculate the poverty line in India, based on data collection on the expenditure (poverty line basket) by NSSO. The poverty line basket of goods and services constitutes necessities that satisfy basic human needs. Poverty line and poverty estimation was essential to formulate poor-centric poverty elimination strategies and plans.

The outline of the long history of changing poverty lines and evolving poverty concepts over time makes it clear that it was a complex phenomenon which had definitional and measurement limitations, but it is clear that it was a differentiating measure (a scale) which marked someone below a threshold as 'poor', and above the threshold 'non-poor' (or 'elite?'). The poor were eligible for accessing a targeted poverty elimination programme, but non-poor (elite) were ineligible to access the targeted poverty elimination programmes. Targeted programmes would provide guidelines on how to identify an eligible beneficiary, and the administrative machinery should have the capability to identify the neediest, and an authority must approve their eligibility to sanction access. This process may appear simple, but has multiple facets with multiple stakeholders' interaction, i.e., officials, PRI elected representative and bankers etc., and beneficiaries would have to face selection/rejection bottlenecks at every step. Any of them may be capable of tilting the balance in favour of an ineligible 'non-poor' (elite); for a range of plausible reasons giving birth to the phenomenon of 'Elite Capture'.

Elite Capture is a widely studied phenomena in social science research. Elite Capture is recognised as a subtle form of corruption, wherein public resources are unequally accessed by certain

unintended individuals of superior social and economic status, in detriment to the welfare of the intended poor (non-elite, disempowered, unaware). Elites are better off groups of individuals with higher socio-economic status, asset ownership, decision-making power and access to information which they often use to capture further resources and benefits for themselves. Researchers have found a paradox that a centralised government may be prone to corruption and a decentralised one exposed to the risk of capture by local elites or interest group politics (Bardhan and Mookherjee, 2002; Platteau and Gaspart, 2004). In case of local governments, it was usually a trade-off between their superior local knowledge and their relative proneness to elite capture (Bardhan and Mookherjee, 2005). Laffont and Tirole (1991) argued that interest group capture happened because of information asymmetry and inefficient regulation or allocation of resources. It is mentioned that the extent of information asymmetry would depend upon the economic base of the political structure. Elite Capture in development projects is problematic across a wide range of cultures, governance contexts and geographical locations. (Musgrave and Wong, 2016).

Rajshekhara et al (2018) studied elite capture in MGNREGA and found that it was due to the presence of ghost workers, ghost person-days of employment and part payment. They said that limited decentralisation, poor governance, inactive civil society and muted voices from below were the factors that explained elite capture.

Broadly, elite capture diverts developmental resources from the intended target groups/stakeholders, distorts programme priority and impairs outcomes. From the literature review, it was very clear that elites had superior social, political and economic status, clout and network, which they could use to extract some benefits from public systems for themselves or their nominees. From the literature review, it was amply clear that we have not come across any studies on the research questions framed earlier and they were important aspects to be examined.

Methodology, Database and Tools for the Study

MGNREGA is being implemented in Karnataka since 2005. This study is part of a wider study which used both quantitative as well as qualitative data at both micro level and macro level. At macro level, secondary data for the study is collected from the MGNREGS website, the state level MGNREGS Directorate, District Programme Officers, Block Programme Officers and Gram Panchayat Officers. To eliminate the effect of annual occasional variations, an average of four years' data is taken, i.e., 2015-16 to 2018-19. The micro level data is collected through a primary survey of households who are beneficiaries (320 HHs) of MGNREGS and also some of those who are not beneficiaries (160 HHs). Implementing stakeholders and others are also interviewed through focused group discussions. Household survey was done in the four districts of Mysore, Ramanagara, Raichur and Belgaum in Karnataka in 2018.

Sampling Design

In order to understand the worker's perspective on various aspects of MGNREGA in Karnataka, with the purpose of ensuring adequate representation, the study followed a multistage sampling procedure. In the first stage, districts were chosen to represent the four administrative divisions in Karnataka. The

choice of the districts was based on the past performance in MGNREGA work. The second stage of sampling involved the choice of taluks and two taluks were chosen from each district based on the past performance - one taluk showing good performance and one showing not-so-good performance - and thus a total of eight taluks were chosen. The third stage was the choice of Gram Panchayats and two GPs were chosen randomly from each taluk, totalling 16 GPs. The final stage involved the selection of households. A stratified random procedure was applied to choose 20 beneficiaries and 10 non-beneficiaries from each GP. In total, 324 beneficiaries and 164 non-beneficiaries constituted our sample. Women and SC/ST were given due representation in these samples. Structured questionnaires were canvassed with the heads of those households.

Elite Index

We would like to take a conservative view of the word elite, and would consider any participant in the programme who is an unintended beneficiary generally as elite. The Act, or its Rules do not mention poor HH as the intended beneficiaries of this universal workfare programme, but a workfare programme providing manual labour opportunity is the most basic poverty elimination tool designed for those who have no skills or other means of livelihood. We have taken the cue from SECC and have collected the socio-economic characteristics of 320 beneficiary and 160 non-beneficiary HHs, as shown in Table 3. For each HH, through a structured questionnaire, the head of the HH was interviewed and their ownership of land, irrigation facility, 10 types of selected assets, educational attainments of the head of the household and details of their social group were collected.

Based on the observed socio-economic criteria, all the households in our sample were classified in four categories of an Elite Index of poor, sub elite, elite and super elite. Poor are those who had the least assets, least land holdings (mostly landless) and the least irrigated land if they possessed land. They were less educated and belonged to the deprived social groups of SCs and STs etc. The methodology adopted to obtain the Elite Index included converting the land holding variable to lie between zero and one using min-mix methodology $(\text{actual}-\text{min})/(\text{max}-\text{min})$; and the same treatment was done for the irrigation variable. For social groups, variable for SC/ST= 0.00, OBC= 0.495 and Others=0.85 values were assigned. For educational level, for Illiterate=0, Primary=0.2, Secondary=0.55, Higher Sec=0.8 and College=1 values were assigned. For asset class, for Cycle=2000; Motor Cycle=30,000; Car=1,50,000; Tractor=6,00,000; Agricultural implements=5000; TV=5000, Fridge/Washing Machine= 10,000 values were assigned; and all these seven values were added and converted to lie between zero and one by min-max method. Further, if the HH owned Kutcha House=0.5 and Pucca House=1 value was assigned; for toilets HHs having toilet= 1, otherwise= 0 value was assigned. For Ration Cards - APL Card=1 otherwise '0.00' value was assigned. After calculating values for each HHs on all these parameters, their values were aggregated for all the indicators to arrive at the Asset Value as 0.7 (7 Value Assets) + 0.1 (House) + 0.1 (Toilet) + 0.1 (Ration Card) and all of them were consolidated as an Asset Index. Now Elite Index was obtained by following the weighted value of the various socio-economic indicators in the following manner: Elite Index = 0.2 land holding + 0.2 Irrigated Land + 0.2 Asset Index + 0.2 Social Group + 0.2 Educational level. The

result of the analysis is tabulated as Elite Classes based on their score with up to 0.10 score=poor; 0.1 to 0.2 =Sub Elite; 0.2 to 0.3 Elite and 0.3 and above as Super Elite.

Raw results of the same are given in Table 1. Family responses on various aspects of MGNREGA are examined in various tables later. We may consider poor and sub-elite as the neediest HHs; and elite and super-elite as better off HHs not requiring the benefits of a workfare programme.

Table 1: Elite Profile of Sample HHs

Sl. No.	Group (Elite Score)	Beneficiary		Non-Beneficiary	
		Number	%	Number	%
1	Poor (<0.1)	70	23.0	34	23.8
2	Sub-Elite (0.1 to 0.2)	89	29.3	50	35.0
3	Elite (0.2 to 0.3)	99	32.6	50	35.0
4	Super-Elite (>0.3)	46	15.1	9	6.3
Total		304*	100.0	143*	100.0

Source: Authors' construction based on Primary Survey (Beneficiary Questionnaire, 2018)

(* These numbers are different than Table – 2 as some HHs data were insufficient to classify them. Table 4 to 16 use Data based on Table – 1 only.)

Primary Evidences and Discussions

House Listing Details

House listing in our 16 sample GPs in 8 Taluks, in four Districts found 26,659 HHs, out of which 20,694 (77.62 per cent) had job cards and the rest 22.38 per cent of the HHs were without cards.

Household Characteristics

Table 2: Distribution of Households According to Socio Economic Characteristics

			Beneficiary		Non Beneficiary	
			Number	%	Number	%
1	Educational Level	Illiterate	113	34.9	61	37.1
		Primary	52	16.1	32	19.6
		Secondary	114	35.2	58	35.7
		Higher Sec (PUC)	37	11.5	11	7.0
		College & above	7	2.3	1	0.7
		Total	324	100.0	164	100.0
2	Asset Category	Lower Middle Class	90	27.6	72	44.1
		Middle Class	173	53.3	77	46.9
		Upper Middle Class	62	19.1	15	9.1
		Total	324	100.0	164	100.0
3	Landholding category	Landless	108	33.4	80	49.0
		Marginal [<1hec]	124	38.4	61	37.1
		Small [1 to 2 hec]	58	17.9	14	8.4
		Semi Medium [2 to 4 hec]	33	10.3	9	5.6
		Total	324	100.0	164	100.0

4	Social Category	SC	68	21.0	42	25.6
		ST	58	17.9	35	21.3
		OBC	142	43.8	48	29.3
		Others	56	17.3	39	23.8
		Total	324	100.0	164	100.0

Source: Authors' Construction based on Primary Survey, (Beneficiary Questionnaire, 2018)

Table 2 examined socio economic characteristics of various (324 beneficiary and 164 non-beneficiary) HHs who were surveyed through a structured questionnaire. The table clearly shows that non-beneficiary HHs had more illiterates and the landless among them, and they had lower asset and land holdings. We have data to show that non-beneficiaries had less irrigation facilities in their land. This is raw data and shows clearly that non-beneficiary HHs as a group were needier and more deprived than the beneficiary HHs and hence had a stronger need of a programme like MGNREGA.

Elite Status in our Sample GPs (Beneficiary and Non-Beneficiary HHs)

Table 3: Elite Status of HHs in 16 Sample GPs (Projected based on Primary Data)

Sl. No.	Subject		Poor	Sub Elite	Elite	Super Elite	Total
1	Beneficiary	No	4756	6063	6746	3124	20694
		%	76.98	74.39	76.36	89.25	77.62
2	Non Beneficiary	No	1419	2087	2088	376	5965
		%	22.96	25.6	23.63	10.74	22.37
3	Total	No	6178	8150	8834	3500	26659
		%	100	100	100	100	100

Source: Authors' Construction based on statistical projections based on Primary Survey and 2018-19, Beneficiary Questionnaire.

Table 3 converts the entire sample HHs, (See Table 1, and the raw HH data of Table 2, and methodology), into four groups of poor, sub-elite, elite and super-elite based on our 'Elite Index'. Based on the proportion of sample HHs in Table 1, all the 26,659 (Total households listed in 16 sample Gram Panchayats) HHs through a statistical projection are arranged in the four elite categories. These four categories may be artificial, but are based on verifiable socio-economic criteria, hence they give a reliable estimate of graded socio-economic groups, where the poor were definitely most deprived being landless, without irrigation, illiterate, asset less and more from deprived social groups; sub-elites were slightly better than them, elites and super-elites had the best endowments having more landholdings, assets, irrigation facilities and education etc.,

We may not be wrong if we consider the poor and sub-elite as needier and deserving a poverty elimination programme like MGNREGA, and elite and super-elites as better off and not in such pressing need. The table conclusively showed that a large number of elites (6746) and super-elites (3124) were beneficiary HHs and participating in the programme; and some needier poor (1419) and sub-elite (2087) HHs were non-beneficiaries and being weaker but excluded. Elite and super-elite beneficiary HHs participating in MGNREGA (together 9878 HHs) represent inclusion error, who were ineligible (or less deserving) but who self-selected themselves into the programme; and poor and sub-

elite non-beneficiary HHs (together 3506 HHs) represented exclusion error, who were eligible (deserving) but outside the programme. Hence 9870 elite/super elite beneficiary HHs consisting of 37 per cent of the total HHs listed represent inclusion error, who have elbowed out another 3506 (13.15 per cent) non-beneficiary poor/sub-elite HHs, who were more deserving, representing exclusion error. Furthermore, the inclusion of elites in the programme also reduces the share of the participating poor HHs whose average manday's availment is reduced considerably. (See Table 4 also).

Labour History of Households

Table 4: Labour History (Average Mandays Per Household in last One Year) of Various Elite Categories

	Beneficiary		Non Beneficiary
	MGNREGA	Private	Private
Poor	56.0	168.6	131.2
Sub Elite	52.6	168.5	156.1
Elite	51.1	226.0	153.7
Super Elite	62.6	319.9	156.7
Total	54.4	209.3	149.8

Source: Authors' construction based on Primary Survey, (Beneficiary Questionnaire, 2018)

Table 4 gives the labour history of various beneficiary and non-beneficiary HHs. Overall, beneficiaries worked 54.4 days on MGNREGA and 209.3 days on private work, whereas non-beneficiaries work for 149.8 days on private work alone. This broadly shows that non-beneficiaries also do similar manual work in private, but do not participate in MGNREGA. Beneficiary HHs are more resourceful in getting private work, as they do 168 to 319 days of private work, whereas non-beneficiary HHs do 131 to 156 days of private work in a year. Across elite categories, the poor were less resourceful in getting private work than elite or super-elite HHs. This table conclusively shows that non-beneficiaries were ready to do manual labour and required MGNREGA work, but were unable to participate in the programme for various reasons.

Awareness Levels in the Households and Source of Information on MGNREGA

Table 5: Awareness about the Processes under MGNREGA (percentage HHs)

SL. No.	Awareness About	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Awareness on indent of work and issue of acknowledgement	27.9	35.3	45.0	60.0	39.8
2	Awareness on giving work within 15 days of indent	22.5	25.4	43.6	52.7	34.2
3	Awareness on 100 days of work in a year a person is entitled to get under MGNREGA	22.1	32.4	48.3	61.8	38.9
4	Awareness on wage rate a person is entitled to	57.9	58.5	65.4	72.5	62.8
5	Awareness on if men and women are paid different wage rates	38.5	32.4	41.6	54.5	39.6
6	Awareness on unemployment allowance if work is not allotted within 15 days of applying	8.7	13.7	20.1	34.5	17.2
7	Awareness on if employment is not provided within five kms, the workers are entitled to travel expenses up to 10% of the wage	8.7	12.9	20.8	30.9	16.8
8	Awareness on at least one-third of the jobs under the MGNREGA scheme should be allotted for women	5.8	13.7	20.8	29.1	16.1
9	Awareness on timely payment of wages	28.8	33.1	41.6	61.8	38.5
10	Awareness on payments through bank	77.9	76.3	83.2	90.9	80.8
11	Awareness on interest payment for delayed payment	6.7	11.5	16.1	29.1	14.1
12	Awareness on benefit related to workplace	13.5	20.9	30.9	45.5	25.5
13	Awareness on involvement of contractor	13.5	15.1	18.8	36.4	18.6

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 5 examined the awareness levels of various elite groups about MGNREGA and its processes. The overall awareness level was very poor for most of the parameters, except for payments through bank (80.8 per cent) and wage rate (62.8 per cent). For all other parameters, awareness levels of poor and sub-elite were much lower than the elite and super-elite HHs. These data show an information asymmetry between groups, the poor being the most disadvantaged.

Table 6: Source of Information about MGNREGA (Percentage HHs)

Sl. No.	Beneficiary	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Not Answered	33.7	21.6	9.4	3.6	18.1
2	Gram Panchayat	48.1	57.6	71.8	72.7	62.0
3	Friends	5.8	9.4	6.7	7.3	7.4
4	Mate	7.7	5.0	8.1	3.6	6.5
5	Others	4.8	6.5	4.0	12.7	6.0
6	Total	100.0	100.0	100.0	100.0	100.0

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 6 examined the source of information about MGNREGA and GPs (62.0 per cent) were the most important source of information. They are also the formal source of information and awareness. Across social groups, the poor (48.1 per cent) had the least access to a formal source (GP) of

information, followed by sub-elite (57.6 per cent), elite (71.8 per cent) and super-elite (72.7 per cent) HHs respectively. About 18.1 per cent of the respondents were non responsive, and proportion-wise poor (33.7 per cent) were the largest, followed by sub-elite (21.6 per cent), elite (9.4 per cent) and super-elite (3.6 per cent) respectively. This table again re-confirms the information asymmetry between groups and the poor having the greatest handicap in accessing awareness from formal sources of information like gram panchayats.

Obtaining Job Cards, Demanding Work and Obtaining Work

Table 7: Delay in Getting Job Card (Percentage HHs)

Sl. No.	Time Taken	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	<15 days	75.5	67.6	78.7	83.7	75.8
2	16 to 30 days	14.3	20.3	17.0	7.0	15.8
3	31 to 60 days	6.1	8.1	4.3	7.0	6.2
4	>61 days	4.1	4.1	0.0	2.3	2.3
Total		100.0	100.0	100.0	100.0	100.0

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 7 examined the delay in getting job cards. About 75.8 per cent of HHs got it within 15 days, 15.8 per cent in 16-30 days, 6.2 per cent in 31 to 60 days and 2.3 per cent with an inordinate delay of more than two months. About 4.1 per cent of the poor and 4.1 per cent of sub-elite got it after two months. It shows some of the handicaps encountered by the poor and sub-elite HHs in getting job cards.

Table 8: Average Number of Days of Work Availed etc. (Percentage HHs)

Sl. No.	Subject	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Did you face any difficulty in getting work	22.9	21.3	17.2	10.9	18.8
2	How many days it took to receive the wage	45.3	37.0	25.5	22.8	32.7
3	Percentage of HHs who availed 100 days of work	21.4	22.5	32.3	28.3	26.3
4	Percentage of HHs who said that their quality of life improved after MGNREGA	49.3	64.0	77.6	87.0	68.7

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 8 examined four different aspects. About 18.8 per cent of the HHs faced difficulty in getting work, out of which poor (22.9 per cent) had the largest internal proportion, followed by sub-elite (21.3 per cent), elite (17.2 per cent) and super-elite HHs (10.9 per cent) respectively. Similarly, on an average it took 32.7 days to receive wages, but poor were at a handicap to receive wages in 45.3 days, followed by sub elite (37 days), elite (25.5 days) and sub-elite HHs (22.8 days) respectively. Overall about 26.3 per cent HHs availed 100 days of work and across groups, poor (21.4 per cent) had the lowest internal percentage, followed by sub-elite (22.5 per cent), elite (32.3 per cent) and super-elite HHs (28.3 per cent) respectively. percentage of HHs who said their life improved after MGNREGA launch, was again lowest for the poor (49.3 per cent), and followed by sub-elite (64 per cent), elite (77.6 per cent) and super-elite HHs (87 per cent) respectively. This table shows clearly that the poor

and sub-elite HHs were at a disadvantage and faced more difficulty in getting work, waited longer to receive wages, got less frequently 100 days of work and were less satisfied with the MGNREGA programme.

Grassroots Participatory Planning and Monitoring

Table 9: Participation in Gram Sabha and Quality of Life (Percentage HHs)

Sl. No.	Subject	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Percentage of HH who are aware of MGNREGA programme planning	7.2	21.3	30.3	54.3	26.1
2	Percentage of respondents who said that they participated in the gram sabha	31.4	38.6	46.5	65.2	43.6
3	Percentage of respondents who said the schemes are discussed in Gram Sabhas	47.8	53.4	70.7	82.6	62.3
4	Percentage of respondents who participated in Review Process during Spot Inspection	40.0	37.5	46.4	60.0	44.6

Source: Authors construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 9 examined several attributes including participation in Gram Sabha etc. About 26.1 per cent of the HHs were aware of MGNREGA programme planning at the grassroots, and out of them the poor (7.2 per cent) were the least aware followed by sub-elite (21.3 per cent), elite (30.3 per cent) and super-elite (54.3 per cent) HHs respectively. About 43.6 per cent of HHs participated in the Gram Sabha, and out of them poor (31.4 per cent) were having the lowest participation, followed by sub-elite (38.6 per cent), elite (46.5 per cent) and super-elite HHs (65.2 per cent) respectively. About 62.3 per cent of the respondents thought the schemes were discussed in GP, and poor (47.8 per cent) had the lowest proportion, followed by sub-elite (53.4 per cent), elite (70.7 per cent) and super-elite HHs (82.6 per cent) respectively. About 44.6 per cent of the respondents participated in the review process during spot inspection, out of which the poor (40 per cent) and sub-elite (37.5 per cent) had lower participation than the elite (46.4 per cent) and super-elite (60 per cent) HHs respectively. Hence on all the parameters examined, elite and super-elite HHs were better placed than the poor and sub-elite HHs.

How Money Earned is Spent

Table 10: Spending Pattern of MGNREGA Wages

Sl. No.	Item of Expenditure	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Toward Food	25.9	23.9	22.9	23.5	23.9
2	Education	16.5	16.1	16.6	14.5	16.1
3	Health	18.1	19.0	18.0	16.9	18.2
4	Repayment of Loan	11.9	11.8	12.2	9.6	11.7
5	Ceremonies	11.9	13.5	13.4	16.9	13.6
6	Clothing	13.6	15.2	15.6	18.1	15.4
7	Others	2.1	0.6	1.2	0.6	1.1
Total		100.0	100.0	100.0	100.0	100.0

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 10 examined how money earned from MGNREGA was spent. Poor spent almost 25.9 per cent on food, whereas elites spent 22.9 per cent only. On ceremonies poor spent 11.9 per cent and super-elites spent 16.9 per cent. Poor HHs spent 16.5, 18.1, 11.9, 13.6 per cent on education, health, repayment of loan and clothing respectively. The pattern of expenditure shows that families were needy and required MGNREGA wage income for their immediate use; as expenditure on food, health, loan repayments, education cannot be postponed. Only ceremonies differentiate these groups in their expenditure pattern, as it was a non-essential item and super-elites HHs (16.9 per cent) compared to poor HHs (11.9 per cent) were spending about 42 per cent higher on ceremonies.

Awareness and Participation in Accountability Organisations

Table 11: Awareness about Social Audit (in %)

Sl. No.	Category	Knowledge about Social Audit	Percentage of Participation in Social Audit
1	Poor	4.90	3.03
2	Sub Elite	7.91	5.11
3	Elite	12.75	10.88
4	Super Elite	29.63	22.64
Total		11.49	8.72

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 11 examined the awareness and Social Audit participation of beneficiary HHs. As a group poor (4.9 per cent) were the least aware, followed by sub-elite (7.91 per cent), elite (12.75 per cent) and super-elite HHs (29.63 per cent) respectively. Out of those who were aware, only 8.72 per cent of them participated in Social Audit and out of these the poor (3.03 per cent) were least, followed by sub-elite (5.11 per cent), elite (10.88 per cent) and super-elite HHs (22.64 per cent) respectively. The table shows less awareness and participation of poor and sub-elite HHs in the Social Audit process. Clearly, the Social Audit process also shows pronounced elite capture.

Table 12: Awareness on Ombudsman

Sl. No.	Category	Knowledge about Ombudsman	% of Beneficiaries Who have approached Ombudsman	% of Beneficiaries Who Have Been Benefited Among those Who Approached
1	Poor	5.9	5.1	83.3
2	Sub Elite	8.1	7.4	90.9
3	Elite	12.2	10.2	83.3
4	Super Elite	27.8	13.2	46.7
Total		11.4	8.5	74.0

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 12 examined awareness and approach to Ombudsmen. Overall, about 11.4 per cent of the HHs was aware of Ombudsmen; and out of those who were aware, only 8.5 per cent approached the Ombudsman; and out of those who approached them about 74 per cent thought that Ombudsmen were helpful. Across social groups, the poor (5.9 per cent) were the least aware, followed by sub-elite

(8.1 per cent), elite (12.2 per cent) and super-elite HHs (27.8 per cent) respectively. Among those who approached Ombudsman, the poor (5.1 per cent) were the least, followed by sub-elite (7.4 per cent), elite (10.2 per cent) and super-elite HHs (13.2 per cent) respectively. Satisfaction level was least for super-elite HHs in this case. This table conclusively shows a sharp information asymmetry about Ombudsmen across social groups and poor were at the greatest disadvantage and they rarely approached Ombudsmen. The institution of Ombudsman also showed a sharp elite capture of the process.

Benefits of Assets

Table 13: Quality of Assets and Satisfaction

Sl. No.	Subject	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	% of HHs satisfied with the quality of public work	88.4	88.3	82.4	92.0	87.0
2	% of HHs who got the work done in their land (individual work)	22.4	36.0	49.0	80.0	43.29
3	% of respondents who were satisfied with the individual work	59.2	79.4	83.5	92.3	78.8

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 13 examined the quality of assets and satisfaction levels of the beneficiary HHs. Overall, 87 per cent of the HHs were satisfied with the public works. About 43.29 per cent of the respondent HHs got individual work done on their land, and out of those who got individual work on their land 78.8 per cent were satisfied. Across social groups, the poor (88.4 per cent) were less satisfied and super-elite HHs (92.0 per cent) were most satisfied about the public works. But among the HHs getting individual work done on their land; poor (22.4 per cent) were the least, followed by sub-elite (36 per cent), elite (49 per cent) and super-elite HHs (80 per cent) respectively. Also poor HHs (59.2 per cent) were the least satisfied with their individual work, followed by sub-elite (79.4 per cent), elite (83.5 per cent) and super-elite HHs (92.3 per cent) respectively. The table showed considerable elite dominance (or capture) among the beneficiaries of the individual assets under MGNREGA and their satisfaction level also showed elites being more satisfied and poor being less satisfied with their individual works.

Table 14: Distributions of Households Benefited from Individual Work under MGNREGA

Sl. No.	Subject	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	% of beneficiary HHs who got the individual work done on their own land (HH Survey Questionnaire)	22.4	36.0	49.0	80.0	43.73
2	Total HHs within the Elite Category in the Sample GPs (projected)	4,756	6,063	6,746	3,124	20,694
3	Out of HHs at (2) above who got individual work on their land. [based on (1) and (2)]	1,065	2,182	3,305	2,499	9,051
4	Percentage (among elite categories)	11.76	24.10	36.51	27.61	100

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Statistically projected data from Table 14 on HHs who got individual works on their land for the whole job card population (20,694) (beneficiary HHs) listed for our 16 GPs; and item 4 in this table gives percentages within elite categories of the beneficiaries who got work done on their land. Only

about 11.76 per cent of the individual assets were created for the poor HHs, followed by 24.10 per cent for sub-elites, 36.51 per cent for elites and 27.61 per cent for super-elite HHs respectively. As our random stratified sample HHs are strong enough to do this projection, for the 16 GPs this may be an approximation, but a good representation of reality. This table conclusively shows that two-thirds (61.42 per cent) of the individual assets created under MGNREGA in our sample GPs were cornered by the elite and super-elite HHs, and asset benefit showed a much sharper and pronounced elite capture.

Table 15: Types of Work done in Individual Land (Percentage of HHs)

Sl. No.	Types of Work	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Bunding	41.2	29.7	22.0	11.9	23.2
2	Plantation	17.6	5.4	13.6	16.7	12.9
3	Farm Pond	11.8	24.3	28.8	35.7	27.7
4	Land Levelling	23.5	27.0	30.5	28.6	28.4
5	House Construction	0.0	5.4	0.0	0.0	1.3
6	Toilet	0.0	2.7	3.4	2.4	2.6
7	Borewell Recharge	5.9	5.4	1.7	4.8	3.9
8	Total	100.0	100.0	100.0	100.0	100.0

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 15 examined types of individual work done on the private land. It is noteworthy that poor HHs has sizeable numbers of landless HHs, and on their private homestead only houses or toilets could be constructed, but those most vulnerable (landless) HHs are also the most neglected ones and their interests are not protected under MGNREGA, as they did not get any asset. Farm pond and land levelling are two of the costliest assets and elites (28.8, 30.5 per cent) and super-elites (35.7, 28.6 per cent) obtained them more frequently. This gives another dimension of the elite capture of assets.

Table 16: Distribution of Additional Income From Individual Assets in a Year (Percentage of HHs)

Sl. No.	Rs. Range	Poor	Sub Elite	Elite	Super Elite	Overall Average
1	Up to 5,000	69.2	69.2	54.3	48.4	57.8
2	5,000 – 10,000	23.1	23.1	23.9	25.8	24.1
3	10,000 – 20,000	7.7	7.7	17.4	12.9	12.9
4	20,000 – 25,000	0.0	0.0	4.3	9.7	4.3
5	25,000 and above	0.0	0.0	0.0	3.2	0.9
6	Did not answer (%)	81.4	70.8	53.5	32.6	61.8
7	Modal Income	2500	3000	3000	3000	3000

Source: Authors' construction based on Primary Survey (Beneficiaries Questionnaires, 2018)

Table 16 examined the additional income obtained by HHs from sustainable productive assets. Many of the respondents have not understood the question and have failed to reply as they do not have tangible income from the individual assets created on their land. Among the groups, poor (81.4 per cent) were the least clear, followed by sub-elite (70.8 per cent), elite (53.5 per cent) and super-elite HHs (32.6 per cent) about how much income they got from the productive asset annually. Out of those

who responded, more frequent were those having only Rs. 5000 (57.8 per cent), followed by Rs. 5000 – 10,000 (24.1 per cent); Rs. 10,000 to 20,000 (12.9 per cent), Rs. 20,000 – 25,000 (4.3 per cent); and 0.9 per cent having more than Rs. 25,000 respectively. In the higher income brackets of above Rs. 10,000 were only elite and super-elite HHs. This table conclusively shows that the tangible outcome (monetary income per year) of the asset may be negligible and its livelihood promotional and multiplier impact may remain debatable. Data further shows that elites and super-elites got better assets and elite capture of individual assets under MGNREGA showed pronounced quantitative as well as qualitative dimensions.

Case Study 1: Unmet Demand and Toil of GRAKOOS, a Trade Union

GRAKOOS is a state level registered trade union (2009-10) of rural agricultural workers, which started in northern Karnataka and strives to get its member HHs 150 days work under MGNREGA in the drought-stricken taluks, along with promoting access to Housing, Pension, Ration and some other development programmes. They mobilise and organise poor landless labourers to strengthen grassroots democracy at the GP level to ensure corruption free participatory governance with equity and inclusiveness. Their achievements across Karnataka speak volumes about their efficacy. In the last financial year they could obtain on an average 120 days (against the district average of 59.22 days, and state average of 45.59 days) work for their 40,000 HHs earning on an average Rs. 32,000 per family with a cumulative earning of almost Rs. 125 crore in the drought declared taluks (where entitlement was 150 days per HH). They pointed out that a norm of a mere 100 days work per HH was highly insufficient, as most of the poor HHs may have at least three workers who could together do more than 100 days work within a month. They further clarify that in chronically drought-affected areas, demand for work was acute and any HH demanding work was needy and capable of completing 100 days work in one stretch. As per their opinion, low average mandays per HH was a result of rationing and official apathy and not due to lack of demand. They further say that there was delay in giving work and delay in payments, which dissuaded the poorest and the neediest who required money immediately to go out of the programme.

They faced challenges of an entrenched power structure, apathetic panchayat officials, insensitive bankers and used democratic methods of dharna, demonstrations to protest for job cards, opening bank accounts, getting acknowledgements to their work indents, giving work within 15 days, unemployment allowance etc. After initial shock and resistance, officials and grassroots elected representatives relented and found no other alternative but to respond. Their most important challenge was to convince poor daily wage workers that they would get their work early and payments in 15 to 30 days, which often they had experience of getting after two to three months.

Source: Group discussions with Raichur GRAKOOS members, 2018-19

Case Study 2: What Political Elites Expected From MGNREGA

From the one-to-one and group discussions with various implementing stakeholders at various levels, we tried to gather the monitoring priorities and strategies of those functionaries. At the village level, most of them expressed the view that MGNREGA remains the largest programme from the point of view of the budget entrusted to the Gram Panchayats. Hence both elected representatives and officials consider it an important programme and were interested to plan, implement and monitor this programme. It gave them an opportunity to help the needy households with wage employment and favoured households with productive sustainable assets. It provided an opportunity to procure material and employment of certain chosen skilled workmen, mate and other functionaries. The complex implementation process also provided them enough scope for using resources for publicity and seeking rents through concealed use of rented and ghost job cards, use of machinery and employment of contractors. Many of them expressed the view that availability of fund is one of the most critical problems in the programme and hence real demand gathering, acknowledging indent of work and monitoring demand and supply of work is generally not possible in practice. For Gram Panchayat elected representatives and functionaries, MGNREGA was unequivocally a supply-driven programme and annual allocations were indicated to them from the Zilla Panchayat before the financial year, based on which they planned for the next year. Both labour budget and work plan month-wise were prepared based on the previous year's performance. Most of the works were suggested by the GP elected members. Budget was divided for their wards and they suggested both public and individual works to be taken up and based on how well it fitted the guidelines, those were included in the plan. It was clear from the discussion that the role of the Gram Sabha was limited to perfunctorily fulfilling the need of the prescribed processes, and participatory planning and monitoring was more or less a namesake affair.

Source: Gist of points emerging out of group discussion with the elected PRI representatives in Raichur district, Karnataka, 2018-19.

Case Study 3: Approaching Right to Information (RTI) to Settle MGNREGA Score: Participation of Elite

Some of the stakeholders who are not able to get assistance from the legislators (to access information through LA/LC question), or getting their dispute settled through Social Audit or Ombudsman often resort to collecting information through RTI. From the group discussions in the field it is amply clear that poor MGNREGA beneficiaries who are generally hand-to-mouth and are on constant search of work, would never be the ones approaching RTI. In their opinion mostly it is PRI political rivals and rival contractors who approach RTI authorities to settle their scores.

Table 17: MGNREGA RTI, 2005, Number of Questions Replied in Time

Sl. No.	Year	Applications received	Disposal Appellate Authority	Disposed by RTI Commission
1	2015-16	103	-	-
2	2016-17	121	-	1
3	2017-18	151	-	4

Source: Authors' construction based on data from RDPR, Annual Reports, Karnataka

Earlier, Kumar Sanjiv and Madheswaran S. (2019) had found (in their paper on Ombudsman) in a group discussion with Ombudsmen that some of them opined that the large-scale reversal of their orders at the appellate authority was largely due to professional RTI activists filing cases and they (Ombudsmen) further opined that often after obtaining their pound of flesh, they turned hostile at the appellate stage. Ombudsmen were unanimous that a large number of cases were filed by defeated PRI members. Invariably, most of the works related cases arose out of contract-related rivalry of the petty politicians.

Source: Authors' construction based on RDPR, GOK Archives 2019, group discussions in Belgaum and Raichur Districts.

Case Study 4: Acknowledgement of Indent of Work in 16 Sample GPs: Case of Unmet Demand?

From our sixteen sample GPs, we collected 42 social audit reports and tried to analyse how many of them found a proper demand acknowledgement system.

Table 18: Demand Monitoring in Karnataka					
Sl. No.	Question	Response gathered and recorded in the Social Audit Reports by the Auditors			
		Yes	Mostly	Some	No
1	Is there a process to register demand and give receipt	10	14	7	69
2	Is there unmet demand for work	45	0	7	48

Source: Authors' construction based on 42 Social Audit Reports

Hence there was hardly any convincing system of demand acknowledgement and there was substantial unmet demand for work.

Source: Authors' construction based on Social Audit reports collected from 16 GPs, 2019, and group discussions in Belgaum and Raichur districts.

Case Study 5: Travails of Beliappa of Shamanewady GP, Belgaum District

During Social Audit, Beliappa told the auditors that he has neither done the 45 days work accounted against him nor received payments for the same in the year 2015-16. But as the payments were made through his bank account, based on the audit report, the GP authorities were giving him notice after notice to recover the said amount from him. They had suspended his HH job card and they had not given any MGNREGA work further to any member of his HH. Beliappa had neither capability nor support to investigate what had happened to his bank account and how the amount was drawn. Authorities were not interested to investigate the bank fraud or irregularity, but were only interested to silence an (innocent?) informer to the audit, just to show their diligence on compliance to social audit. When we visited this Gram Panchayat in 2019, in our presence, he represented before the District Programme Officer that he was suffering for the last three years. Beliappa's case highlights the travails of a poor HH who have to remain silent if they wanted to participate in the programme and overlook some of the transgressions and injustice done to them; otherwise, the system makes their life miserable.

Source: Authors' construction based on Beliappa's statement before us in the presence of GP and District authorities, 2019.

General Conclusions, Policy Implications and Ways Forward

In spite of no claims in the Act and the Rules, MGNREGA remains unmistakably a workfare poverty elimination tool, like its forerunners like JRY, EAS, NREP or RLEGP programmes implemented by the Rural Development Ministry; and has substantial budgetary support unmatched in developmental history across the globe. There are two ways in which a workfare programme may reduce poverty. The first is by providing wage employment with a conditional cash transfer to those ready to do hard unskilled manual labour, and second by creating productive assets of value for the poor families. It was an unusual programme which created statutory rights of guaranteed wage employment of 100 days to every willing household. Hence it was a universal programme open to one and all and claimed demand-driven unlimited availability of budgetary support. The programme envisaged right-based self selection as a panacea to break entry barriers to universalise access and inclusion; and its very nature of

conditionality of hard and low wage labour was thought to be a barrier against the unwarranted entry of elites.

Our primary evidence shows that there were a large number of non-beneficiary HHs who were needier than some of the beneficiary HHs. We have developed a useful Elite Index to categorise our sample HHs into classes of poor, sub-elite, elite and super elite for better comparison. These four categories may be artificial, but are based on verifiable socio-economic criteria, hence they give a reliable estimate of graded socio-economic groups, characteristics, where poor were definitely more deprived being landless, without irrigation, illiterate, asset less and belonging to handicapped social groups (SC/STs); sub-elites were slightly better than them, elites were better off than sub-elites, and super-elites had the best endowments, having more land holdings, assets, irrigation facilities and education etc. Our Elite Index gave 20 per cent weight to land holding, 20 per cent to irrigation, 20 per cent to asset holdings, 20 per cent to education, and incorporated 9.9 and 17 per cent social group premium for OBC and Others (to neutralise social disabilities of SC/STs). We think those represented well the socio-economic reality. Boundaries of different elite categories may be artificial and debatable, but are reasonable as the overall category matches with the size of the poverty ratio at present prevailing in Karnataka. Based on these categorisations, our primary data conclusively substantiated high inclusion (of 37 per cent) error and elite capture of the wage component of the programme in our sample GPs. Data further showed high exclusion error (of 13.15 per cent), pushing out some of the more deserving poor and needier HHs of the programme. The labour history of non-beneficiary HHs conclusively showed that they were ready to do manual labour and required MGNREGA work, but were unable to participate in the programme for some reasons. The labour history further showed that even poor (56.0 days) and sub-elite (52.6 days) HHs did not get 100 days work as a large number of elites were participating in the programme, reducing the share of the needier HHs.

Awareness levels showed a marked information asymmetry between elite groups and the poor HHs who were the most markedly disadvantaged, which may partly explain their differential access. Information asymmetry may partly be due to the differential access of those groups to the formal source of MGNREGA information, i.e., the Gram Panchayats, and the poor were having the greatest handicaps. The poor had some problem in getting job cards and work; and had to wait longer to receive wages, got less frequently 100 days of work and were least satisfied with the MGNREGA programme. Evidences are clear that the awareness and participation in grassroots processes and gram sabhas was least for the poor. How money earned under MGNREGA was spent further substantiated that elites were 'elite' and were spending 42 per cent more on ceremonies than the poor HHs. The poor spent almost 26 per cent of their earning on food which confirmed their credentials as poor. Awareness and participation in accountability institutions like Social Audit and Ombudsman showed a pronounced information asymmetry and elite capture.

Our data further showed considerable elite dominance (or capture) among the beneficiaries of the individual assets under MGNREGA, and the elites were much more satisfied with their individual assets. Our data conclusively showed that two-thirds (61.42 per cent) of the individual assets created under MGNREGA in our sample GPs were cornered by the elite and super-elite HHs, and the benefit of assets showed a much sharper and pronounced elite capture. HHs with larger landholdings benefitted

more and had costlier assets allocated to them. Our primary data further showed that the tangible outcome (monetary income per year) from the asset maybe negligible and its livelihood promotional and multiplier impact may remain debatable. Our data further showed that elites and super-elites got better assets and elite capture of individual assets under MGNREGA showed pronounced quantitative as well as qualitative dimensions.

'Toil of GRAKOOS' drew our attention to a huge unmet demand and various challenges faced by the workers. Members of the union collectively negotiated a better deal for themselves, and got an average of 120 days of work per HH, against a state average of 45.59 days and district average of 59.22 days; hence one could imagine the plight of the unorganised HHs. They encountered challenges from the entrenched power structure, apathetic panchayat officials, insensitive bankers and every stage of the MGNREGA had bottlenecks which could trap and eliminate a poor, weak and needier HH. 'Approaching right to information', case study showed the deeper involvement of elites in the programme and their proxy wars. The case study on 'Acknowledgement of indent of work' showed a lack of a convincing system of demand acknowledgement, puncturing the claim of a demand-driven programme. The case study of 'Travails of Beliappa' showed a case of bogus bill and substantiated whispers of ghost or bogus cards, prevalence of contractors and machines and explained partly the deafening silence over them, as anyone who even innocently raised his voice and asserted the truth was viciously victimised like Beliappa, and the system rebounded on him.

Let us examine the demand-side predicament and issues first. It was an Act (2005) supported right-based programme, and any adult willing to do wage labour could apply for the job card, and any member of a HH possessing a job card was assured 100 days wage employment in a year. There was no other entry barrier to the programme except the requirement of hard manual labour and low wage. Universalism and rights opened the programme to the non-poor, but it did not make the programme automatically universal. But opening access to all and sundry enhanced competition for the poor. The non-poor who had to earlier make an effort to enter a targeted programme through greasing palms or other manipulations were free to access it as a matter of right. The rationale of activists advocating a right-based universal programme was that no needy individual or HH should be refused the benefit of wage employment only because he failed to prove their HH poverty status and eligibility credentials. But the process of getting a job card and bank account as an entry point still remained a bottleneck, and the poor could encounter resistance at each step as our primary data and the GRAKOOS case study highlighted.

The self-selection mechanism and getting acknowledgement for their demand for work was another major entry barrier which remained unshattered. Self-selection required higher order awareness of the programme and the information asymmetry between the poor and the elite HHs as we saw in our primary data went in favour of the elite HHs, who with their better access to formal sources of information like Gram Panchayats and their better participation in Gram Sabhas and its participatory decision-making processes were in a better position to access the benefits of the opportunities opened by the rights and the universalism. Elites were better networked, knew how to obtain demand acknowledgement and had alternative work and livelihood to fall back upon while waiting for the work to start, which luxury the poor did not enjoy. Being hand to mouth, the poor wanted work and wages

immediately. Often in customary practice, the poor may be getting part of the wages as advance and would prefer a more predictable long-term work engagement and hence were unable to wait for MGNREGA work. Under-employed in their own land or unemployed women doing household work had more patience and opportunity to join MGNREGA. As we gather from the GRAKOOS case study, the trade unions' most important challenge was to convince poor daily wage workers that they would get their work early and payments in 15 to 30 days, which often they had the experience of getting (in a public programme) after two to three months.

Apart from this, as it was a universal programme with self-selection, the programme became passive from the perspective of the implementing machinery on the demand as well as on the supply side. It was not their duty any more to actively search for the poor as they were not targeted, there was no focussed effort to build their awareness, organise and mobilise them and actively facilitate their participation. In essence, there was no focus as there were no target groups. The implementing machinery could even say in a demand driven programme, 'as there was no demand hence no one was coming for the wage employment'. In effect, on the demand side, nothing changed as far as individual poor HHHs' approach to a public programme and inherent bottlenecks encountered by them was concerned. Poor HHHs had less awareness, less assets and alternatives to fall back upon and less waiting (or holding) capacity to get work, wage or justice from any infringement of rights, hence their access was self-limiting. Furthermore, the programme became more complex and daunting with the new concepts of rights, self-selection, demand and acknowledgement etc.

The inherent handicaps of the poor became much more acute when occasions came to approach Social Audit or Ombudsman, and hence those processes showed a more pronounced information asymmetry and elite capture. But simultaneously, the right-based universalism legitimised the demand and access of elite HHHs, and with their better awareness and superior access to GPs, and GSs coupled with choices to fall back upon their own land, asset, savings etc., their participation improved considerably. Barring for women, there was no reservation for any group in the programme; hence in a competitive situation, the elite could elbow out all their poorer brethren. In the case of assets again, as there was no earmarking and all the assets were land based, HHHs with more land, who often were elites, benefitted proportionate to their holdings. Among the assets, only the rural infrastructure consisting predominantly of roads benefitted everyone equally; but public works related to water resource development and individual works benefitted mostly the land-owning elites. And as per the guidelines, the wage employment money up to 100 days for such individual works also accrued to the beneficiary HH getting the asset as per the policy.

It is an open secret that resources in developing countries for any programme, even for those for the poor, cannot be unlimited, and the myth of right-based demand driven nature of the programme went further against the poorer HHHs. Frequently, there was ad hoc rationing of funds year after year, and states like Karnataka deployed their own funds for MGNREGA implementation and were adapting to recoup them after a delay of more than 12 months, which poor states could ill afford. Rationing imposed competition for inclusion and elites with better clout, network and holding capacity could elbow out the needier poor HHHs. Rationing helped the richer states and regions where both the state had better capacity to deploy temporarily their own funds to continue the programme, and more elite

participated who had better holding capacity to negotiate the prolonged fund crunch and delayed payments.

Right-based universal design opened up the programme to everyone without ensuring enough resources to satisfy all the demands and self selection. The inherent predicament of poor HHS trapped them in their own negative vicious cycles and forced them to lose the race to better equipped elites. We fully agree with Bhalla (2012) that this programme has failed as a poverty elimination tool and is serving a very limited purpose. Furthermore, we have explored only the above-the-ground reality, but certainly MGNREGA with its easy to rent cards (or ghost cards) and machine execution costing a fraction of what wage labour could deliver, certainly has a substantial subterranean existence. The case study 'What political elites expected from MGNREGA' illustrated vividly the range of interests and engagement of grassroots PRI representatives in the programme; and their happiness with the programme is not concealed to anyone. It gave GP elected representatives the opportunity to help the needy households with wage employment and favoured households with productive sustainable assets. It provided an opportunity to procure material and give employment to chosen skilled workmen and other functionaries. A complex implementation process also provided them enough scope for using resources for publicity and seeking rents through concealed use of ghost and rented cards, use of machinery and contractors. Most elected representatives were unanimous that availability of funds was one of the most critical problems in the programme and hence real demand gathering, acknowledging indent of work and monitoring demand and supply of work was not possible in practice. For them, it was a supply-driven programme, where plan was made as per available budget, as indicated at the beginning of the financial year. Most of the works were suggested by the GP members, for whom budget was divided ward wise. It was clear from the group discussion that prescribed process and participatory planning and monitoring was only on paper. It appears that in the initial few years, the die was cast and those GPs and districts who were better administered achieved better programme expenditure and retained their pre-eminence year after year. The same trends were reflected in the performance of regions and states.

From evidence before us, it is clear beyond doubt that MGNREGA may be a right-based programme as per the law, but in practice it was like any other budgeted programme. Evidence is clear that the programme lacked a poverty focus, where rights and universalism are over relied upon, and operational rationing was completely ignored. There was no visible solution against the elite capture or preferential access of the poor HHS. Our evidences do not support the contention of Ravallion (2009) that through targeting a poverty alleviation programme may appear budget friendly, but given the limitation of administrative capacity to select deserving beneficiaries and consequent exclusion error, a universal programme may better reach the poor and the weak. A right-based universal programme was too cumbersome for the poor, and compounded their predicament of their unusual socio-economic contexts; which hindered their ability to compete with the rights of the elites, and participate in the programme. The poor needed to be identified as discrete target groups and required a direct approach to handhold them for building their awareness and capacity and preferably earmarking within the programme. A targeted programme may exclude a few poor, but at least it can be debated, identified

and corrected; but a right-based universal programme does not leave even that scope, as everyone is having a justification as per his own right to participate, and no one is accountable.

In a workfare programme, the weakest link is concurrent monitoring, and lack of monitoring was a good cover to conceal renting cards, contractors and machines which may co-exist with elites. These inherent weaknesses and budgetary constraints may have an alternative in 'targeting within universalism' as a best of both strategy, as Jacques O, and Noel A. (2018) suggested in some other context. Socio Economic and Caste Census 2011 (SECC – 2011) had excellent criteria to identify families under automatic inclusion and families with at least one deprivation indicator which could be a good marker to identify the poor HHs and actively persuade them to join the programme. In 2011 in Karnataka, SECC mapped HHs, and only 32,212 families were under automatic inclusion, and 13,84,465 families were with at least one deprivation indicator. As our own Elite Index shows, we can identify such families objectively and focus our resources to reach them. SECC 2011 had five criteria for automatic inclusion, i.e., HH without shelter, destitute living on alms, manual scavenger, primitive tribal group and legally released bonded labourers; and seven deprivation parameters, i.e., HH with only one room Katcha walls and roof, no adult member between the ages of 16 and 59, female headed household with no adult male member between 16 and 59, HH with disabled member and no able-bodied adult member, SC/ST HHs, HH with no literate adult above 25 years and landless HH deriving a major part of their income from manual casual labour. These were excellent objective criteria.

Labour history of HHs is difficult to explain, as contrary to logic, a non-beneficiary HH depending solely on private labour did fewer days work in a year than beneficiary HHs; and within beneficiary groups, poor and sub-elite did much less private work than elites and super elites. In group discussions, it was pointed out that it reflected low aspirations and complacency among the poorest. One woman pointed out that her husband sparingly goes for work since the Anna Bhagya scheme was introduced, providing 20 KG rice per family per month at Rs. 1. It may be true, but required more focussed research. But lack of aspiration and enthusiasm to access a programme requiring hard labour to get wages is certainly a plausible reason. In practice, elites and official machinery join together to find ways to get over hard work through machinery and contractors, but for the poor, such options appear to be difficult.

The case study on GRAKOOS trade union has another important policy option. Organising the poor and the weak is an excellent solution. GRAKOOS could organise more than 40,000 poor HHs, raised their aspirations, trained them to participate in the grassroots decision making processes of the Gram Panchayat, and empowered them to demand their rights and get their grievances redressed by both using institutions under the NREG Act, and resorting to dharnas, protests and demonstrations. They could make official machinery responsive and got on an average 120 days of work per HH, against the state and district averages of 45.59 and 59.22 respectively. But this may not be an easy task as at present only four per cent of the beneficiary HHs in our sample were organised into trade unions. The programme should think of facilitating TUs and earmark resources for the same. Organised poor can leverage the strength of their network to raise their own awareness, improve participation and access not only both the benefits under MGNREGA, but also access other development programmes.

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