

**Working Paper 504**

**Social Capital and Tapping  
Community-Based  
Organisation's Convergence  
Potential with MGNREGA:  
A Micro Study in Karnataka**

**Sanjiv Kumar  
S Madheswaran**

# **Social Capital and Tapping Community-Based Organisation's Convergence Potential with MGNREGA: A Micro Study in Karnataka**

**Sanjiv Kumar and S Madheswaran**

**Published and Printed by:** Institute for Social and Economic Change  
Dr V K R V Rao Road, Nagarabhavi Post,  
Bangalore - 560072, Karnataka, India.

**ISEC Working Paper No. 504**

December 2020

*Institute for Social and Economic Change (ISEC) is engaged in interdisciplinary research in analytical and applied areas of the social sciences, encompassing diverse aspects of development. ISEC works with central, state and local governments as well as international agencies by undertaking systematic studies of resource potential, identifying factors influencing growth and examining measures for reducing poverty. The thrust areas of research include state and local economic policies, issues relating to sociological and demographic transition, environmental issues and fiscal, administrative and political decentralization and governance. It pursues fruitful contacts with other institutions and scholars devoted to social science research through collaborative research programmes, seminars, etc.*

*The Working Paper Series provides an opportunity for ISEC faculty, visiting fellows and PhD scholars to discuss their ideas and research work before publication and to get feedback from their peer group. Papers selected for publication in the series present empirical analyses and generally deal with wider issues of public policy at a sectoral, regional or national level. These working papers undergo external review but typically do not present final research results, and constitute works in progress.*

*ISEC working papers can be downloaded from the website ([www.isec.ac.in](http://www.isec.ac.in)).*

© 2020, Copyright Reserved

The Institute for Social and Economic Change,  
Bangalore

Working Paper Series Editor: **M Balasubramanian**

# SOCIAL CAPITAL AND TAPPING COMMUNITY-BASED ORGANISATION'S CONVERGENCE POTENTIAL WITH MGNREGA: A MICRO STUDY IN KARNATAKA

Sanjiv Kumar<sup>1</sup> and S Madheswaran<sup>2</sup>

## Abstract

*Despite MGNREGA being hard work and right-based universal programme, where any needy household could self-select themselves, many poor households have failed to access the programme, and many not so poor households are accessing it. It is widely believed that awareness, Social Capital and involvement of CBOs are partly responsible for the differential access exhibited by certain households across states. Kerala's Kudumbasree represented a successful SHG model, whereas Raichur's GRAKOSS represented a successful Trade Union of agricultural workers who could harness the potential of networks and facilitated access and inclusion. This study explored the potential of SHGs, TUs and Cooperative-Societies in leveraging the benefits of various development programmes like MGNREGA. The study tries to explore the strength, weakness; opportunity and threats (SWOT) in the context of the above organisations to find policy lessons and to explore ways forward. The study tries to identify, through case study and ethnographic evidence, various elements of Social Capital existing in several grassroots organisations which makes them an effective forum for development convergence. Perspectives of various stakeholders and primary data from a micro-study in Karnataka have been used to evaluate comparative suitability of those organisations for convergence.*

## Background and Contextualisation

The basic premise underlying (right-based universal) programme like NREGS, as opposed to welfare, involves self-selection. (Besely and Coate, 1992). Despite MGNREGA being hard work and right-based universal programme, where any needy household could have self-selected themselves into the fold, many poor households failed to access the programme, and many not so poor households were accessing the programme across states. It is widely believed that awareness, social capital and involvement of Community-Based Organisations (CBOs) are partly responsible for the differential access exhibited by certain households. Kerala State's experience of being one of the 'star states' Imbert and Papp (2015), has often been attributed to the mobilisation of women through their Kudumbasree<sup>3</sup> network, which is capable of bridging awareness gap, thus, facilitating the convergence of various development programmes including MGNREGA. In Karnataka GRAKOOS<sup>4</sup>, a Trade Union, organises poor

---

<sup>1</sup> Chief Electoral Officer and Additional Chief Secretary, Government of Karnataka. The views in this paper are personal.

<sup>2</sup> Director and Professor, Institute for Social and Economic Change.

<sup>3</sup> Kudumbasree is a network of Women's Self Help Group in Kerala. At the primary level, Neighbourhood Groups (NHGs) each consisting of not more than twenty women are formed, these NHGs in a Given Panchayat Ward are then organised into an Area Development Society (ADS) and those societies are further organised under a Community Development Society (CDS) in each Village Panchayat/Municipality. A major policy decision by the Kerala Government in the year 1998 entrusted the implementation of all the anti-poverty programs through Kudumbasree network in the State.

<sup>4</sup> Grameen Coolie Karmikara Sangathan (GRAKOOS) is an apolitical state-level registered TU (2009-10) of rural agricultural workers started in Northern Karnataka, aimed at mobilising and organising the poor to strengthen corruption-free grassroots participatory democratic governance based on equity and inclusiveness, to ensure benefits of public programs like MGNREGA, Housing, Pension, Ration etc. reach all their members. They started by forming groups of 15 to 20 households in each habitation and trained them on the MGNREG Act and their rights and responsibilities under the program.

agricultural workers and empowers them to participate in the right-based programme by asserting their rights through collective action.

Right-based programme with self-selection required higher-order awareness about rights and processes to indent work, get acknowledgement, get work and wage in time and use enforcement mechanism if any of the rights were infringed. Networks are known to be effective in organising, empowering and raising awareness; and also sometimes act collectively on behalf of the individuals. MGNREGA is a workfare programme which eliminated poverty in two ways, i.e., first by providing paid work for the unemployed from poor households, and second is by creating an asset of value to poor families (Ravallion, 1998). Its wage employment component was an intervention in the labour market where Trade Unions have been proven network, which effectively empowered workers and facilitated social dialogue to resolve issues.

Agriculture labour was the least organised in India. Due to their lack of organisations, they were the weakest stakeholder in the rural labour market, incapable to negotiate even minimum wage and reasonable working condition and were often victims of exploitation. One of the prime reason for their lack of organising capacity was that each of them working on an isolated farm with a different employer where the opportunity to interact for collective action was limited. They were further constrained by resources which could be spared for collective bargaining. Feudal agrarian set up bestowed the landlords with disproportionate power and influence. In such context MGNREGA with its right-based universal architecture infused hope that public employment will provide a common worksite where workers could meet, communicate, organise and initiate the virtuous cycle of alternative wage employment, better wage and working condition. It also kindled hopes of organisation, social dialogue and all-round inclusive development.

In our 16 sample Gram Panchayats, we have 26,659 households, out of which 20,694 (77.62 percent) are having job cards. Hence, a sizable number of households (22.38) remained outside the fold of MGNREGA. Annexure – 1 compared the socio-economic characteristics of a beneficiary and non-beneficiary households. With a cursory perusal, one may note that in general beneficiary households are having better land and asset holdings, education and are more often from the non-SC/ST groups. From Annexure – 2 we may gather that, both beneficiary and non-beneficiary households are having similar wage labour history. Hence our sample households also conclusively demonstrated that there were many households with lesser land and asset holdings, lesser education and belonged to socially-deprived groups; and needed participation in the wage employment of MGNREGA, but were not participating in the programme.

In the light of foregoing discussions, this micro-study explores the role of certain network-based organisations like Self-Help Groups (SHGs), Trade Union (TU) and Cooperative Society (CoS) in leveraging their network capacity to harness Social Capital for converging the benefits of various development programmes like MGNREGA. The study tries to explore the strength, weakness, opportunity and threats (SWOT) in the context of the above organisations to find policy lessons and to explore ways forward. The study also tries to identify, through case study and ethnographic evidence, various elements of social capital existing in various grassroots organisations which makes them an effective forum for developmental convergence. Perspectives of various stakeholders and primary data

from a micro-study in Karnataka are used to evaluate comparative suitability of those organisations for convergence.

## **Brief Review of Literature**

Social Capital is defined as resources embedded in one's social network, resources that can be accessed or mobilised through ties in the network (Lin N., 2001). Through such social relations or social networks in general, an actor borrows or captures other actors' resources e.g., their wealth, power or reputation etc. These social resources could then generate a return for the actor. The general premise that Social Capital is network-based is acknowledged by all scholars who have contributed to the discussion. (Bourdieu P. 1980/1983/1986; Lin, 1982; Coleman, 1988/1990; Flap, 1994; Putman, 1993/1995/2000; Erickson, 1995/1996).

Woolcock M and Narayan D (2000) define Social Capital as the norms and networks that enabled people to act collectively. It may include communitarian, networks, institutional and synergy dimensions. They concluded that out of the four dimensions, the synergy view with its emphasis on incorporating different levels and dimensions of Social Capital and its recognition of both positive and negative outcomes may have the greatest empirical support. Lin N (2005) examined the 'trust' as a component or an indicator of 'Social Capital' and concluded that trust may be an important mediating factor for Social Capital to generate effects in situations of uncertainty and high risk.

Arefi, M (2003) identified consensus building as a direct positive indicator of Social Capital. Consensus implied 'shared interest and agreement among various actors to induce collective action. Collective action is thus, an indicator of increased Social Capital. Putnam (2001) suggested that Social Capital would facilitate co-operation and would, therefore, may be valuable to combat many of the social disorders. Bourdieu (1986) defined Social Capital as the aggregate of the actual or potential resources which were linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition. Francis Fukuyama (1995) thought that Social Capital are informal rules that enable people to cooperate such as norms of reciprocity of religious doctrines like Christianity, and it was formed by repeated interactions over time and was critical for development but difficult to generate through public policy. Fukuyama (2001) emphasised that Social Capital contributed to development by reducing the transaction cost of exchange for the Group members but may impose a cost on non-group members with unintended consequences for the general welfare.

Hazelton and Kennan (2000) have emphasised that communication was needed to access and use Social Capital through exchanging information, identifying problems and solutions, and managing conflicts. Aldrich D. P., (2012) described three mechanisms of bonding, bridging and linking Social Capital. Bonding Capital is the relationships of a person to his family and friends making it the strongest. Bridging Capital is the relationship between friends of friends making it less strong. Linking capital is the relationship between persons and a government official or elected representative, etc.

Bourdieu P's, (1977) work explained how Social Capital can be practically propagating inequality as through networks and employment of social connections people gain access to powerful positions. Foley and Edwards (1997) asserted that Social Capital is not equally available to all and not all

Social Capital is created equally. Portes (1998) identified four negative consequences of Social Capital, that is, exclusion of outsiders, excess claim on group members, restrictions on individual freedom and downward levelling norms. Contrary to Putnam's positive view of Social Capital, Bourdieu employed the concept to demonstrate a mechanism for the generational reproduction of inequality through their 'old boys' network to maintain advantages for themselves, their social class, and their children.

Nan Lin (2001) thought Social Capital as an investment in social relations with expected returns in the market place. The properties of Social Capital, such as the capacity to appear in as an explanatory variable in the production function, accumulation over time, the capability of improving economic performance, investment with expected future returns, convertibility, and the need of maintenance, make it qualify as a form of capital, though there is some criticism about the use of the term 'Capital in Social Capital. (Bhandari, H., Yasunobu, K., 2009). Coleman (1990) contended that, like other forms of capital, Social Capital is productive; making possible the achievements of certain ends, which in its absence would not be possible. Not all Social Scientists accepted the metaphor of capital to describe social relationships and many economists have questioned and criticised the capitalisation of Social Capital (Portes, 1998).

Shankar and Gaiha (2013) used qualitative and quantitative analysis to measure the effectiveness of formal and informal mechanism including political decentralisation, membership of networks, political competition, participatory social audit etc., in reducing leakages and enhancing poor worker's welfare thus, enabling MGNREGA to reach its intended beneficiaries. Dheeraja and Rao's (2010) study explored gender relations and the role of women Self-Help Groups in NREGS. They concluded that the Gender Relation Index (GRI) consisting of social, economic and political dimensions at both household and community levels increased for women after the implementation of MGNREGA. Shankar and Gaiha et al (2011) studied and explored the relationship between awareness and socially-and politically-networked households capacity to vocalise dissatisfaction and wrest their share. Reetika Khera (2008) found that in Madhya Pradesh, grassroots organisation's work activates NREGA implementation, augmenting per household workdays per year and showed signs of alteration in the balance of power in the village society. Ranjan Rajiv (2016), examining secondary data, observed that due to absence of social mobilisation and the weak presence of Civil Society Organisations (CSOs), MGNREGA remained largely supply-driven and its successful implementation was a matter of concern.

Reminding us of the six blind wise men trying to understand an elephant, in our literature review it is clear that different authors have emphasised different aspects of social capital and none of their definitions may be comprehensive, hence, we have tabulated 12 important groups of characteristics and dimensions of Social Capital in Annexure-3, out of which one (12<sup>th</sup>) lists its negative characteristics, whereas all other 11 are positive. Borrowing liberally from the preceding authors, we attempt an integrated definition of social capital as follows: "Social Capital is resource-embedded in the social network, like the generic capacity to train, mobilise and organise. It includes the norms of network that enabled individuals to act collectively, where trust is an important mediating factor, where consensus-building was evident for collective or reciprocal action, with a spirit of co-operation. It is aggregate of potential resources linked to possession of a durable network of institutional relationships of mutual acquaintance and recognition, formed by repeated interaction over time, and was critical for

development by reducing the transaction cost of exchange (awareness-raising and capacity building) for group members. Communication was essential to access and use Social Capital through the exchange of information, identifying issues, exploring solutions and managing conflicts and combating many social disorders. It shows a mechanism of bonding, bridging and linking and has certain characteristics of capital, having the potential to improve economic performance and can be accumulated over time, and has certain convertibility as well as certain attributes of an investment. It may be difficult to generate by public policy and may have potential to propagate inequality and is not equally available to everyone; and may result in the exclusion of outsiders, and excess claim for group members and may sometimes restrict individual freedom”.

On brief review of literature, it is evident that there was little scholarly work on SHG, TU and CoS's social capital potential and its convergence with development programmes like MGNREGA.

### **Methodology, Database and Tools for the Study**

This micro-study is part of a larger study which uses both quantitative as well as qualitative data at the micro and macro level. At the macro level, secondary data for the study is collected based on availability from the Ministry of Rural Development (MORD) portal and Karnataka, MGNREGS Directorate. The micro-level data is collected through a primary survey of households who are beneficiaries of MGNREGS and also some of those who are not beneficiaries. Implementing stakeholders (Social Auditors and Ombudsman) and others are also interviewed with a structured questionnaire and through focussed group discussions. Wherever necessary, case study method and direct ethnographic observations were made into operational aspects of the programme including examining work sites, records, particularly meeting proceedings, documentation and reporting materials etc. Social capital characteristics of various grassroots organisations are examined through an ethnographic and discursive examination of the case studies with the help of opinions of various thinkers on Social Capital, and a comprehensive definition was attempted in the earlier part. (See also Annexure – 3). Keeping in mind the definition, we have tried to do the strength, weakness, opportunity and threat (SWOT) analysis of the Self-Help Group, Trade Union and Cooperative Society networks in augmenting Social Capital of the poor to enable them to participate in MGNREGA (See Annexure – 4).

### **Sampling Design**

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 good performing Taluk and one not so good performing Taluk, thus, totalling 8 Taluks were chosen. The third stage was the choice of Gram Panchayaths 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, 320 beneficiaries and 160 non-beneficiaries constituted our sample. Women and SC/ST were given due representation in these

samples. Structured questionnaires were canvassed with the head of those households. Qualitative aspects were elicited and examined through group discussions.

## **Discussion of Results**

Primary data shows a strong correlation and co-existence of household's membership of one or more network groups and their participation in MGNREGA (Table 1). Annexure – 3 tabulates comparative characteristics of the three organisations which confirmed their network's Social Capital potential with the help of the views of various thinkers. For economy of words, we are not quoting them here again. Out of the three organisations, TU shows the strongest potential of resource embedded in their social network like the generic capacity to train, mobilise and organise, closely followed by SHGs as the two case studies substantiated. Only cooperative do not show such versatile broad-based initiative beyond their financial inclusion objective. Trade Unions showed very strong collective action and social dialogue capacities, which is one of their core competencies and comparative advantage, followed by SHGs who sometimes do collective actions, however, in a limited sense, but cooperatives seldom have such initiatives as they are dominated by powerful politicians. Trade Unions and SHGs show trust as a very strong mediating factor but cooperatives had very limited broad-based multi-dimensional trust. Trade Union shows very strong consensus-building initiative whereas SHGs showed some, but cooperatives show very weak capacities. SHGs were multi-faceted and with the help of strong Civil Society Organisations (CBOs), facilitated cooperation to combat many social disorders, whereas good TUs also showed such potential, but in cooperatives it was absent.

SHGs and TUs both show strong egalitarian approach aggregating potential resources linked to possession of a durable network of institutional relationships of mutual acquaintance and recognition as the members frequently meet each other in small groups and plenary, whereas cooperatives in India have remained as a weak network of unequals who meet each other at annual general body meetings, etc. SHGs and TUs are naturally formed by repeated interactions over time and may be difficult to generate through public policy. Kudumbasree was a good example of SHGs promoted by public policy but there was no TUs which were promoted by public policy anywhere. Cooperative Societies are largely promoted by public policy and for weaker sections government paid their share capital, but this makes the participants too aloof to think themselves as equal shareholders. Case study of Kudumbasree amply demonstrated the potential of SHGs in reducing the transaction cost of exchange for group members for their capacity building and communication, due to which all its members were trained on MGNREG Act rights and processes etc., which is also seen in the case of the TU-GRAKOOS, which was largely responsible for their success. But cooperatives remained restricted to their credit-related financial functions and seldom tried to enter a diverse field of development. Both SHG and TU were an excellent platform for communication, as it was needed to access and use Social Capital through the exchange of information for identifying problems, solutions and managing conflicts. But certainly, Trade Unions had better training and internal leadership and resilience to identify problems, negotiate solutions and manage conflicts. Cooperatives were largely hijacked by strong self-serving leaders and were incapable of discharging these functions.

Kerala's Kudumbasree is an example which has harnessed Daniel P. Aldrich's (2012) all the three mechanisms of bonding, bridging and linking Social Capital. Their bonding Social Capital is the strength of the Kudumbasree network and their cooperative management. Their bridging Social Capital is their relationship with PRIs as both of them worked in tandem with maximum synergy and outcome. And linking Social Capital was provided by the public mandate given by the Kerala Government to the Kudumbasree network to be the sole implementing and mobilising agent for the MGNREGA workers. Kerala could reap maximum benefits from MGNREGA due to complete synergy of all the three mechanism and their interplay in harmony. In the case study of Raichur GRAKOOS, we find bonding Social Capital of Daniel P. Aldrich (2012) between the members of the TU who show solidarity and reciprocity and act collectively. They, however, do not show bridging Social Capital which puts non-members at a disadvantage. They also show some informal linking Social Capital as their collective strength is intimidating and official machinery does not see any reason to challenge them. But this clearly shows us that a Trade Union, promoted by a public policy which may have all the poor and excluded and needy workers in a District, may be an effective vehicle in reaping the synergy of all the three bonding, bridging and linking Social Capital through consensus building and work roaster as we saw in the case of Kudumbasree members. No such mechanism of bonding, bridging and linking Social Capital is found in cooperatives as they were seldom egalitarian.

Kudumbasree network demonstrated its potential of improving economic performance, capacity accumulated over time, convertibility, and it being an investment with expected future returns and its required maintenance cost which all substantiated its nature as capital or social capital as Bhandari and Yasunobu (2009) avered. As Coleman (1990) contended, like other forms of capital, Social Capital was productive and made possible the achievements of certain ends, which in its absence, would not be possible as contrastingly we see in Karnataka. The contrasting case of Kerala Kudumbasree and SHGs in Karnataka demonstrate beyond doubt the potential and possibilities of Self-Help Groups' Social Capital capabilities. It further shows that when it has a public mandate to implement a public policy the network may show rare synergies of all the three bonding, bridging and linking Social Capital potentially reducing transaction costs and enhancing programme outcomes. Outcomes achieved by Trade Union GRAKOOS also confirms the 'Capital' aspect of Social Capital having capability of improving economic performance with convertibility, and the coming together of members is certainly investment with expected future returns with the need for maintenance and production function. Cooperatives dealt in real capital and seldom dealt in Social Capital as envisaged by various authors.

Members of Kudumbasree in Kerala were doing extremely well for themselves in MGNREGA, but the state as a unit was disproportionately drawing from the central kitty at the expense of weaker states, like Bihar etc., who were drawing disproportionately much lower than their poor households required. In the last financial year, GRAKOOS could obtain for its 40,000 member households on an average 120 days work with average earning of Rs. 32,000/- per family with a cumulative earning of Rs. 125 crore. This Trade Union good practice from Karnataka State succinctly substantiates the efficacy of TU in harnessing and leveraging the strength of their network. In addition to their use of various legal provisions to enforce their Employment Guarantee rights under MGNREGA, GRAKOOS as a Trade Union

had been using collective bargaining, agitation and sit down strikes to resolve disputes and grievances. This example again substantiates the strength and potential of networks which may neutralise resistance from many existing rural power structure and allow poor and weak to access development programmes. It shows typical Social Capital as defined as resources embedded in one's social network, and resources that can be accessed or mobilised through ties in the network. The case study of GRAKOOS reconfirms that Social Capital can be practically propagating inequality as through networks and employment of social connections TU members gained access to MGNREGA, and their average 120 days per family man-days were much higher than the average for Karnataka (45.59 days) and Raichur (59.22 days). Interestingly, the intervention of Trade Union GRAKOOS in Raichur has improved MGNREGA performance and the average per year man days generated at 59.22 days which is almost 27.10 percent higher than the Karnataka State average of 46.59 days. This substantiates the strength of the network and the consequence of its Social Capital potential. We can see in the initial processes of the TU what Arefi, M. (2003) identified as consensus building as a direct positive indicator of Social Capital. A consensus that implied shared interest and agreement among various actors to induce collective action. This case study confirms Edwards and Foley's (1997) assertion that Social Capital is not equally available to all and not all Social Capital is created equally. Portes (1998) identified four negative consequences of Social Capital. They are the exclusion of outsiders, excess claim on group members, restrictions on individual freedom and downward levelling norms. In the case of GRAKOOS too we see an excess claim for the group members as due to their Social Capital they had better capacity to negotiate and obtain work for themselves in effect excluding non-members. Trade Union substantiates Thomas Sander's (2015) assertion that Social Capital instils inclination among the network members to do things for each other (norms of reciprocity) which is evident by their collective action of dharna, strike and agitation instead of each member spending their money and going to Ombudsmen to redress their grievances. As earlier found by Sanjiv Kumar and Madheswaran D. (2019) that whenever GRAKOOS members encounter issues from the implementing authorities they use collective bargaining, agitation and dharna to get resolved their issues instead of appealing before Ombudsman. TU members considered the Ombudsman process of grievance redressal extremely slow, costly, time consuming and ineffective.

Annexure – 4 did comparative SWOT of SHGs, TUs and Co-operative Societies and the data support the views of the members that Co-operative Society had least promise, but both SHGs and TUs had immense intrinsic strengths and least weakness to be a network which may facilitate better participation of the poor in MGNREGA. While both SHG and TU provide promise and opportunity, the hostility of certain stakeholders was a threat to harnessing the potential of TUs.

It was very evident from the data that the non-beneficiary household's labour history was not very different than that of the beneficiary households. Both of them were doing manual labour, and despite needing similar manual work and being more deprived and needy due to their lesser land holding, having lesser irrigated land, coming from socially-deprived Scheduled Caste and Scheduled Tribe Community, having less educational attainment and having lesser asset holding, non-beneficiary households were not able to access MGNREGA. There was multiple indicators to conclusively

substantiate that the beneficiary group was relatively elite when compared to non-beneficiary class or in other words MGNREGA access showed substantial elite capture.

From the responses of the beneficiaries and non-beneficiaries, it was clear that the membership of SHG was highest followed by that of the Cooperative Society, and the TU had the least membership in both the beneficiary as well as non-beneficiary households. A very large number of workers thought that TU had great potential for MGNREGA implementation and convergence, protection of workers' rights and collective action, whereas it was moderate in case of SHG and very rare in case of Cooperative Society. Certainly, Cooperative Society as a forum for convergence with MGNREGA was overwhelmingly rejected. Those opinions are logically convincing as MGNREGA is an employment guarantee programme and was a direct intervention in the labour market. TU by their very design and training had the closest possible relationship with enforcing workers' right, collective social dialogue, and helping obtain work and wage in time etc.

### **Can SHGs be Potentially Right Organisation to help Poor Access MGNREGA?**

Among SHG members, about 24.0 percent of them thought that their organisation help improve MGNREGA implementation, and only 21.6 percent of them opined that it promoted collective action (Table 1). From the responses, one thing was clear that the membership of SHG was by far the highest, followed by Cooperative Society and the TU having the least. SHG like TU is a grassroots membership-based organisation and was a frequent meeting point for members who may use the occasion for the exchange of ideas and information, mutual learning, education, collective action, referral and convergence. As Halambi and Kumar (2008) concluded, 'for the weak and the excluded families, to access the general development programme, they needed to be first made aware of the programme, and then motivated and empowered to access them. Individually, such access was extremely difficult but the organisation of SHG provided both hope and collective might to break the bottleneck.' They rightly averred that SHGs had tremendous potential for social dialogue and possible negotiation with other resources-rich grass root institutions. As Kerala's Kudumbasree case study further highlights that their federated SHGs provided readymade organisational network and capacity to reach a very large number of women folks to create awareness about MGNREGA among them, convincing them to participate and access its benefits to the fullest. Kudumbasree mobilised women to participate in Gram Sabhas, MGNREGA planning process, Social Audit, Ombudsmen compliance and actual participation in MGNREGA. It was remarkable that 90 percent of the households seeking work under MGNREGA in Kerala were women and this by far was the best women's participation in India. Under MGNREGA, Kerala had been performing well on all the parameters, including utilisation of fund, man-days generated per household, poverty coverage, coverage of elderly, percentage of households achieving 100 days of employment etc. In Karnataka in the year 2014-15, efforts were initiated for convergence of NRLM Self-Help Groups with MGNREGA, but it could not succeed as neither all the poor or needy were members of any SHGs nor the SHGs themselves were federated.

In the year 1998, the Kerala Government had formally entrusted the implementation of all anti-poverty programmes through Kudumbasree network in their State. That policy was further

consolidated by setting up a State Poverty Alleviation Mission (1998) as hand-holding Umbrella agency for organising and empowering poor women. In 2005-06, the Kerala Government decided to make Kudumbasree as the sole agency for implementing MGNREGA. In practice, Kerala Kudumbasree worked in tandem with the Panchayat Raj Institutions (PRIs) with maximum synergy and outcome. (Kannan K. P., 2015). In contrast, in Andhra Pradesh and Telangana SHGs, though strong, work independently of their PRIs with lesser synergy and convergence. In Karnataka, SHG movement although better than many other States, may not have all the poor and weak households within their fold, as this micro-study survey results confirmed.

Social Auditors, who were in a unique position among MGNREGA stakeholders as they verify every wage payments and every work spot in all the Gram Panchayats while doing Social Audit, could give expert insight. They meet and interact with every beneficiary every six months. They are not involved in the implementation of MGNREGA hence, do not suffer from any conflicts of interest. They were in a better position to give a balanced overview of any aspect of MGNREGA. On a specific question to them on the institutional mechanism for job cardholders having some control over MGNREGA to enhance their participation, only 13.8 percent of Social Auditors thought that Self-Help Groups had such strong strength and potential.

Why did the Kerala model of SHGs (Kudumbasree) convergence with MGNREGA succeed but not the Karnataka model? To what extent Kerala could capitalise on the potential capacity of their existing SHGs and successfully implement MGNREGA. In Kerala, the Kudumbasree network is ubiquitous and has almost every poor household within its fold. By design and training, they can train and mobilise poor women for any developmental programme. This generic capacity is a potential Social Capital, a resource embedded in their social network, resources that can be accessed or mobilised through their ties in the network. Social Capitals was the norms and networks that enabled individuals to act collectively. It had communitarian, network as well as synergy dimensions. Lin N's (2005) assertion that trust was a component and was an important mediating factor for Social Capital to generate effects in situations of uncertainty and high risk with compromises and cooperation is substantiated by the act of sharing scarce resources when average man-days generated is only 52.36 days in Kerala against the Guaranteed employment of 100 days which required mutual trust, understanding and commonly shared norms of roaster etc.

In Karnataka, as the Self-Help Group movement was not universal, nor all the poor were its members and it had no public mandate as a sole agency, its network capacity was weak and ineffective. Hence, what emerges is that, if in the society the preconditions of democratic cooperation and spirit existed as evident in Kerala, their social and political consensus may allow public policy to generate all-pervasive, effective and transferable Social Capital.

As we know MGNREGA was a multi-cyclical transaction-rich, self-selecting right-based programme requiring not only the knowledge of the rights and how to enforce them, it required more intensive capacity building of workers. Due to paucity of resources, constrained by the self-limiting policy of 0.6 percent of the programme expenditure to be spent on awareness, the awareness generation initiatives in the poorer States failed, but in Kerala due to their immense Social Capital potential embedded in their Kudumbasree network, which could drastically curtail the transaction costs

of communication and capacity building, resulted in the mobilisation of women workers successfully. However, in the absence of any such comparable network in Karnataka, IEC remained ineffectual and mobilisation of the poor remained weak.

As emerging from the group discussions, this certainly is due to the beneficiary households having a better appreciation of Social Capital potential and multiple usages of Self-Help Groups. Beneficiary households had in general poor knowledge and understanding of the MGNREGA Act and the rights of the workers under the programme and how those rights could be enforced, but they had a good appreciation of programme benefits including work availability near home and its impact on wage rate and migration. Almost every beneficiary knew that under MGNREGA what was the wage rate and that their wage will be deposited in their bank account. In general, beneficiary households were having better education, better asset and landholdings. They had more irrigated land and were less from the socially-deprived groups like SC/STs. Their better prosperity provided them leisure, holding capacity and choices which enabled them more time and space to further socialise and be members of more resource-rich grassroots organisations. Some of them were members of more than one organisation like SHG, TU or Cooperative Society. Their leisure and holding capacity provided them time to participate in Gram Sabha, Social Audit, go to Ombudsman or access information from the Gram Panchayat. There appears to be a minimum threshold of real capital (asset, land, savings, an alternate source of income) and Social Capital (membership and association with certain resource-rich grassroots institutions like SHG, Cooperative Society, TU etc.) and a combination of both which are essential prerequisite to enjoy some leisure and have some holding capacity to exercise right choices with confidence to participate and access any public programme. In effect, it appears networks compensate to some extent the lack of alternatives, holding capacity, leisure and choice by influencing implementing partners and making their responses more predictable.

Any public programme, including the right-based universal workfare programme like MGNREGA, will have a certain level of uncertainty as to when one will get work, the quantity and quality of work and after work when one will get the wage etc. These uncertainties, in combination with the precarious hand to mouth existence of the poorest and the weakest households who required wage the same day to see food on the plate, may result in some of the most deserving households dropping out and being excluded from the programme. Social Capital derived through public policy-led networks like Kudumbasree in Kerala with multiple convergences with various poverty alleviation and social protection programmes bridges this gap and successfully provides respite to the otherwise marginalised and excluded households. Karnataka State may like to harness the potential of SHGs to improve better participation of the poor in MGNREGS as the Kerala Kudumbasree conclusively shows that SHGs had great Social Capital potential, and if harnessed well it could be an effective tool for accessing MGNREGA and improving its quality through collective action.

### **Workers Preferred Trade Union for Convergence with MGNREGA**

As per the workers' estimation, Trade Union had the highest potential of its Social Capital convergence with MGNREGA, although its low membership may severely affect its efficacy. A lesser percentage of workers believed that MGNREGA could be improved by increasing involvement of SHGs and larger

percent of them opined that involvement of TU would improve MGNREGA (Table 1). More workers lay their trust on TU when compared to SHGs. In their expert opinion, 41.4 percent of the Social Auditors feel that organising TU of workers will improve quality of Social Audit and its compliance whereas about 13.8 percent believed that SHG could make a change, and about 24.1 percent of them laid their faith in the Village Monitoring Committee. About 65.5 percent of Social Auditors felt that TU of Job card holders was a good idea to strengthen a demand-driven and right-based workfare programme like MGNREGA. About 83.3 percent of them thought TU will not have any negative impact as MGNREGA work was demanded in the lean season but 42.9 percent believed that their involvement may increase wage without a gain in productivity and 42.9 percent believed that they will affect labour supply in agriculture (Table 2).

**Table 1: Membership in Various Grass-root Organisation and % of Respondents Who Felt that Membership has Helped.**

	Trade Union	SHG	Co-operative Society
Membership in (%)	3.8	45.6	10.1
Organisation helped improve NREG implementations	64.7	24.0	4.4
Organisation protected workers' right	52.9	21.6	0.0
Organisation promoted collective action	35.3	21.1	4.4

Source: Author's calculations based on Primary Survey

**Table 2: Opinion of Social Auditors on Institutional Mechanism**

% of social auditors who felt that Ways by which Job Card Holders can have control over Social Audit Process		% of Social Auditors who felt that Trade Union will have an impact on MGNREGA Quality	
Through TU formation	41.4	Leverage the potential of TU network	65.5
Through SHGs	13.8	Provision of jobs to all job card holders	37.9
Through village monitoring committee	24.1	Help in knowing their rights and entitlements	31.0
Workers should have power at all levels of programme implementation	62.1	Proper training to trade union on their rights and responsibilities	27.6
Monitoring and certifying of works by job cardholders	48.3	Can avoid intermediaries and contractors	20.7

Source: Author's calculations based on Primary Survey

Beneficiary households had double the proportion of members in TU compared to non-beneficiaries. Non-beneficiaries were TU members only in Raichur, whereas beneficiaries were members of TU in Raichur (8.6 percent), Mysore (3.8 percent), Belagavi (3.6 percent) and Ramanagaram (nil). Among the social groups TU was better represented by SCs (7.4 percent), ST (5.2 percent) followed by OBCs (2.8 percent) and others (1.8 percent). Landless had the highest (6.5 percent) proportion of TU members followed by small (3.4 percent), and marginal (3.2 percent) farmers. This showed a reverse correlation between landholding and TU membership, with higher the landholding lower was the membership of TU. But this correlation breaks down for the asset holding, where no clear trend is discernible. But for the educational categories, it was evident that with more educational attainment the individual was more likely to be a member of TU (See Table 3).

**Table 3: Membership among MGNREGA Beneficiaries and Non-Beneficiaries**

	Trade Union		SHG		Co-Operative Society	
	Beneficiaries	Non-Beneficiaries	Beneficiaries	Non-Beneficiaries	Beneficiaries	Non-Beneficiaries
	% within	% within	% within	% within	% within	% within
Ramanagara	0.0	0.0	56.3	48.8	37.5	24.4
Mysore	3.8	0.0	32.9	66.7	1.3	2.4
Raichur	8.6	9.5	9.9	2.4	3.7	0.0
Belagavi	3.6	0.0	65.5	53.8	0.0	0.0
<b>Total</b>	<b>4.0</b>	<b>2.4</b>	<b>47.5</b>	<b>30.5</b>	<b>13.6</b>	<b>0.6</b>
SC	7.4	0.0	57.4	26.2	5.9	0.0
ST	5.2	5.7	27.6	17.1	5.2	2.9
OBC	2.8	2.1	54.2	35.4	24.6	0.0
Others	1.8	2.6	39.3	41.0	3.6	0.0
<b>Total</b>	<b>4.0</b>	<b>2.4</b>	<b>47.5</b>	<b>30.5</b>	<b>13.6</b>	<b>0.6</b>
Landless	6.5	0.0	50.9	32.5	0.0	0.0
Marginal [<1hec]	3.2	3.3	47.6	34.4	17.7	0.0
Small [1 to 2 hec]	3.4	7.1	44.8	14.3	24.1	0.0
Semi Medium[2 to 4 hec]	0.0	11.1	36.4	11.1	24.2	11.1
<b>Total</b>	<b>4.0</b>	<b>2.4</b>	<b>46.9</b>	<b>30.5</b>	<b>13.6</b>	<b>0.6</b>
Lower Middle class	3.3	0.0	36.7	20.8	3.3	1.4
Middle class	3.5	1.3	51.4	40.3	12.7	0.0
Upper Middle class	6.5	20.0	51.6	26.7	30.6	0.0
<b>Total</b>	<b>4.0</b>	<b>2.4</b>	<b>47.5</b>	<b>30.5</b>	<b>13.6</b>	<b>0.6</b>
Illiterate	3.5	0.0	50.4	37.7	12.4	1.6
Primary	1.9	0.0	32.7	25.0	1.9	0.0
Secondary	2.6	3.4	50.9	24.1	17.5	0.0
Higher Sec (PUC)	8.1	18.2	45.9	45.5	13.5	0.0
college & above	28.6	0.0	71.4	0.0	57.1	0.0
<b>Total</b>	<b>4.0</b>	<b>2.4</b>	<b>47.5</b>	<b>30.5</b>	<b>13.6</b>	<b>0.6</b>

Source: Author's calculations based on Primary Survey

Ombudsmen were important apex stakeholders of the MGNREGA implementation, who hear a wide range of grievances and interact with many contesting parties before them and they conduct many spot inspections, hence, their expert opinion was important. They also do not suffer from a conflict of interest as they are not directly involved in the programme implementation. About 77.3 percent of Ombudsmen believed that organising job card holders will improve their participation in MGNREG, but 45.5 percent of them believed that job cardholders should not have control over MGNREGA process. About 68.2 percent of them believed that promotion of Trade Union of job cardholders will not enhance the quality of MGNREGA implementation. About 59.1 percent of them believed that the Trade Union of job cardholders has an adverse impact on rural economy. These responses are on expected lines as about 54.5 percent of the Ombudsmen owned agricultural land and 13.6 percent of them did not give details about their land-holding (See Table 4).

**Table 4: Ombudsman Impression on Institutional Mechanism**

<b>% of Ombudsman who felt that</b>	<b>in %</b>
Organising job cardholders will improve their participation in MGNREGA	77.3
Job Card holders organisation have control over MGNREGA implementation	31.8
Promotion of Trade Union of job cardholders will enhance the quality of implementation of MGNREGA implementation	18.2
TU of job cardholders will have any adverse impact on the rural economy	59.1

*Source:* Author's calculations based on Primary Survey

Study of the Grameen Coolie Karmikara Sangathan (GRAKOOS) a TU in Raichur and some of the other Districts in Karnataka shows the Social Capital potential of a Trade Union. This TU strived to ensure that all the Government Schemes and Programmes like MGNREGA, Housing, Pension, Ration etc. reached their members who predominantly came from the poor and the weaker households. They mobilised, organised and trained the poor to strengthen their participation in grassroots democracy at the Gram Panchayat level. They organised their members and got them job cards and trained them on how to indent work, get an acknowledgement and to insist, and in cases where required, to agitate for work as per their rights guaranteed. With their organisational strength, they overcame resistance from the political power structure. Even for getting job cards initially, they had to resort to democratic protests and demonstrations. Even opening of a bank account was not easy as bank officials were not interested in small transaction accounts. After initial hiccups, more substantial resistance was encountered when they started indenting works and asked for written acknowledgements and started insisting for giving work within 15 days near their home. The TU started taking up cases of unemployment allowance and the officials were shocked as it was something new for them. Ordinary poor households could not individually ask Government authority at the Gram Panchayat level, including both political executive and the bureaucracy, to be accountable and responsive. TU also initiated capacity-building and hand-holding of the public functionaries like site engineers, accountants and others on how to prepare an estimate, write NMR, record check measurement and process payments etc. They encountered severe resistance from corrupt rent-seeking elements from elected and non-elected implementing stakeholders. This was a big challenge as the GP Adhyaksha would refuse to sign cheques without the customary cuts. There were issues in work selection as well, as it was never done as per the Act in the Gram Sabhas prioritising community's need and keeping in mind the interest of the weakest and the poorest.

One of the greatest challenges before the Union was to convince and assure poor daily wage workers that they will get their work and payments in time, which in their experience was always delayed. Many poor households were hand-to-mouth and needed money the same evening the day they worked to get food for their family. Hence, there had to be immense preparation and conditioning to convince the households to save for the rainy day to improve their holding capacity. After lots of discussions, capacity-building and hand-holding for months, the ice was broken and most excluded households were convinced. Many benefits have accrued to the members of GRAKOOS by virtue of them being in the Union, like their empowerment and better access to all public programmes including MGNREGA, NRLM, Housing, Ration Card, and various Social Security Programmes. Their presences have strengthened grassroots participatory planning, monitoring and Self-Governance. Their efforts have

improved the delivery capacity of the PRIs and curbed their unilateral non-responsive behaviour. Both officials and non-officials acknowledge their presence and contribution to development. Initially, they were thought to be a nuisance but their perseverance and collective strength and transparency have generated respect for them among officials, elected representatives and others. One of the District Programme Officer (CEO Zilla Panchayat) acknowledging their work said that some of the GRAKOOS leaders are directly in touch with him and sending diverse feedbacks from the field through Whatsapp and on their reference. he takes immediate action which has given them relief in getting work and payments in time.

GRAKOOS case study strongly substantiates Fukuyama (2001) who emphasised that Social Capital contributed to development by reducing the transaction cost of exchange for the group members but may impose a cost on non-group members with the unintended consequence for the general welfare. MGNREGA authorities at the Gram Panchayat level are generally in awe of the GRAKOOS members and their work indent is responded with prompt written acknowledgement, timely work allotment, timely check measurement and payment as they do not want them to come and sit on dharna, and this quick response the non-members do not get. One of the Taluka Programme officers said unequivocally that GP authorities were afraid of GRAKOOS, hence, its members were accessing MGNREGA disproportionately and the same is confirmed by their actual average annual man-days performed (120 days) which was about 102.63 percent higher than the Raichur District (59.22 days) average. GRAKOOS members knew their rights and also knew how to enforce them and they were using their knowledge for their benefits by leveraging the collective strength of their organisation. In the case of TU, their membership signals a collective strength and a tacit threat of collective action, demonstration and dharna in case their rights were affected and hence, the implementing partners fall in line and do their work promptly to satisfy their rights.

### **Cooperative Society may have less potential for Social Capital and Convergence with MGNREGA**

From the evidence gathered, Cooperative Society appears to be an elitist organisation dominated by households with larger land and asset holding, better education, and hence, it may have a probably lesser potential for convergence with a poverty-elimination programme like MGNREGA. As per the workers' admission, most of them rejected Cooperative Society as a forum for MGNREGA convergence. Only 4.4 percent of their members thought that Cooperative Society helped improve MGNREGA implementation or it promoted any collective action. None of the members of Cooperative Society believed that it protected worker's rights.

### **Conclusion and Policy Implications**

From the foregoing discussions, it was amply clear that Social Capital indeed plays an important role in beneficiaries' awareness and differential access to a development programme like MGNREGA. There was multiple conclusive proofs to show that beneficiary and non-beneficiary households had differential membership of various grassroots institutions and consequently had differing access to Social Capital

and benefits accruing from a network, which may partly explain their distinct status as being beneficiary or non-beneficiary. Evidence was ample and clear that SHGs and TUs were great networks which empowered potential workers with critical programme information and enabled them to leverage their collective strength to access a programme like MGNREGA better. This latent Social Capital was still largely untapped in Karnataka and required to be harnessed on a priority basis.

Policy should harness Social Capital to converge the benefits of workfare programme like MGNREGA to the needy households. There was ample evidence to show that Social Capital of Grassroots networks helped the poor households to access development programmes better. SHGs and Trade Unions were potentially excellent organisations which could help non-beneficiaries to become beneficiaries, and any beneficiary to better access workfare programme like MGNREGA and facilitate enforcement of workers' rights. Some of the key differences between the beneficiaries and non-beneficiaries were their better access to networks, awareness, motivation and initiative. Beneficiaries had better membership of all the grassroots organisations when compared to non-beneficiaries. Helping non-beneficiaries become members and participate in the grassroot organisations was certainly a stepping stone towards improving their access to MGNREGA.

As we saw Kerala Kudumbasree is an excellent example where SHG's Social Capital potential has been fully utilised to reach every eligible women folk to make them aware of their MGNREGA rights and enabled them through consensus building and mutual trust and understanding to equitably share the programme benefits without dispute and discord. Through public policy and consensus, they have harmonised bonding, bridging and linking Social Capital to maximize the benefits for the community at large which is worth emulating. In Karnataka, membership of SHGs is highest among grassroots organisations, hence, harnessing its potential were low-hanging fruits. Public policy may proactively encourage the poorest and the weakest to be taken in the fold of SHGs as many of the poor remained unorganised. Bringing together and federating all SHGs was a good idea to enhance their strength and capacity to develop universal consensus. But Kerala is a rare exception with PRI and SHG network effectively bridging through political consensus which may not be an easy task in other States like Karnataka, where they may be competing for the political space at the grassroots.

Although Karnataka's (District Raichur) GRAKOOS example is much smaller in terms of its network and reach in its present context when compared to the Kudumbasree SHG network in Kerala, is an equally successful model in harnessing the strength of networks to obtain their members benefits of public programme like MGNREGA. As per their admission more workers preferred Trade Union as an organisation which could protect and promote workers' rights including upholding employment guarantee rights conferred by the MGNREGA Act. But clearly, other key stakeholders like Social Auditors, Ombudsmen, Elected Representatives and other implementing partners are suspicious of Trade Union and think it may have some adverse impact on the agriculture labour force. In Raichur district of Karnataka, with 40,000 agricultural worker families in their fold, TU presence is sizeable and Raichur being a predominantly agrarian district has not encountered any adverse impact on their agriculture, hence, the fear of TU may be more psychological than real. Hard agricultural operations in Raichur are dependent on migrant workers than local ones, and local workers participate in MGNREGA only in the lean season.

GRAKOOS is not promoted by public policy and is not having all the poor and the weakest in their fold, hence, it ended up with disproportionately larger benefits for its members. But this shortcoming can be corrected by a universal network of TU promoted under MGNREGA by public policy and such TU could do extensive capacity-building of its members on employment guarantee rights and how to enforce them and enable them to access programme equitably by consensus building and mutual understanding. MGNREGA is a right-based workfare programme and is essentially a labour market intervention of wage employment guarantee. Organising workers in TUs and forming their network will improve their information base and open the possibility for better collective action to negotiate with the implementing agencies. MGNREGA should earmark some fund for promoting networks. Trade Union has a comparative advantage in dealing with workers' rights due to their very nature, training and the concessions and immunity provided to them under the Trade Union Act. As we saw in the case of GRAKOOS, they have their own unique dispute resolution mechanism like sit-in dharna and strike which has wider demonstration effect when compared to the formal grievance redressal mechanism through the Ombudsman, Social Auditors or Quality Monitors, which may be slower and less effective as considered by the TU members. Trade Union may be a potent tool but not a low hanging fruit, as their membership was very low. At present, both public policy and all the implementing partners are hostile to the organisation of TU, hence, it is rare and their membership limited. In India, rural unskilled labour, predominantly employed in agriculture, remain the least-organised lot with worst exploitation. Some of them may remain in bondage and may seldom get the benefits of minimum wage and fruits of beneficial labour legislation as they have been unorganised due to their working for different employers in isolated work fields (sites). Introduction of MGNREGA as a universal workfare programme guaranteeing 100 days of assured employment and unification of worksite and a common employer gave some hope that this labour force will organise to some extent and will get its minimum legislative protection of wage rate, hours of work, minimum social securities, etc., but those remain unachieved. We have to further research these issues and develop broad consensus to evolve and implement policies which could reach justice to them.

Deprived social groups, like Scheduled Caste and Scheduled Tribe households, as per our primary evidence have lesser land and asset, lesser education, and access to MGNREGA as their proportion is higher as non-beneficiaries and are non-elites. Only by being members of resources-rich grassroots organisations, like SHGs and Trade Union, SC/STs augment their Social Capital and enhance their participation in MGNREGA. Hence, public policy should actively promote their affiliation in resource-rich grassroots networked organisations like SHG and TU to enhance and deepen their participation in MGNREGA.

Participation of women in the labour force and public programme is generally poor except where public policy has proactively enlisted their participation like in SHGs of Kudumbasree due to which women's participation was more than 90 percent in Kerala. GRAKOOS as a Trade Union has a membership at the household-level and tried to ensure that their members provide equitable man-days under MGNREGA to the women folks also, however, their participation rate remained at only 50 percent. Self Help Group is the only grassroots organisations dominated by women and provide them with much-

needed Social Capital to enhance their awareness for better participation in public programmes. Hence, public policy should promote the augmentation of women's Social Capital through their networks.

If we take appropriate action on some of the foregoing suggestions, certainly MGNREGA could be a more focussed poverty elimination tool, directing its effort towards the poor households, poorer regions of States and poorer States. That will ensure the better transfer of conditional cash (wage) as well as an asset for all-round development, sustainable livelihood protection and promotion of the poor households. MGNREGA was a very larger programme with great potential, but self-selection and non-targeted pseudo-right-based-universalism was favouring rich and powerful households, regions and States to corner its benefits and limit its poverty elimination impact. There are ample evidence of elite capture of MGNREGA. Elite capture is partly explained by their holding capacity, leisure and choices due to their better asset and landholding, alternate source of income and livelihood, and partly by their superior Social Capital due to their membership of resource-rich grassroots organisations, whose network strength could be leveraged by the elite to muster better awareness and access of MGNREGA. Poor households lacking real capital could compensate their loss by leveraging Social Capital through networks and improve their access to MGNREGA. In effect, what emerged was that elite capture was partly due to higher Social Capital of the elite. Hence, both the concept were interrelated and connected. Bourdieu's (1986) concept of Social Capital mechanism for the generational reproduction of inequality through their 'old boys' network' to maintain advantages for themselves, their social class, and their children is no different than the elite capture.

Experience also points that enhancing Social Capital through networks is a time and resource-intensive intervention and needed direct policy focus, It should be a set-alone programme like the Kudumbasree initially was. Policy instruments setting up such complex and large network lost focus if it was a sub-set of a bigger programme and was merely recognised as a means to achieve the core end of that programme (like MGNREGA). Kudumbasree's success largely depends on its grand design to achieve an effective network with transferable Social Capital across programmes as an end of the set-alone initial programme. But once a network is established its potential is unlimited and diverse. Such networked social capital alters the grassroots power structure and participation chemistry irreversibly, thus, achieving real development. Policy must start thinking on those lines.

**Annexure – 1: Distribution of households according to socio-economic characteristics**

Sl. No.			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
<b>Total</b>			<b>324</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>
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	Land holding 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
<b>Total</b>			<b>324</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>
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
<b>Total</b>			<b>324</b>	<b>100.0</b>	<b>164</b>	<b>100.0</b>

Source: Author's constructed based on primary survey.

**Annexure - 2: Beneficiaries Questionnaire: Labour History in The Family in Last 12 Months**

Beneficiary/Non Beneficiary	Average Number of Days worked per person		Average Number of Days worked per household		Average Wage in Private
	MGNREGA	PRIVATE	MGNREGA	PRIVATE	INR per day
Beneficiary	30.8	143.6	54.4	209.3	227.8
Non-Beneficiary		131.4		149.8	194.5
<b>Total</b>	<b>30.8</b>	<b>140.0</b>	<b>54.4</b>	<b>191.8</b>	<b>217.5</b>

Source: Author's construction based on primary survey.

**Annexure -3: Characteristics and Elements of Social Capital in SHGs, TUs and Cooperative Societies**

Sl. No.	Characteristics and factors of Social Capital	Proponents	SHG	Trade Union	Cooperative Society
1 (+)	Resource embedded in their social network like generic capacity to train, mobilise, and organise.	Bourdieu P., (1980/1983/1986), Lin, (1982); Coleman (1998, 1950) ; Flap (1994) ; Putnam (1993/1995/2000) ; Erickson (1995/1996)	Yes, very strong	Yes, very strong	No generic capacity or initiative
2 (+)	Norms and networks that enabled individuals to act collectively	Woolcock M. And Narayan D., (2000)	Yes, sometimes	Very strong collective action and social dialogue	Very weak collective action as dominated by big politicians
3 (+)	Trust as an important mediating factor of Social Capital	Lin N., (2005)	Yes, Trust as a mediating factor	Yes Trust is a very strong mediating factor	Very limited
4 (+)	Consensus building as a direct positive indicator with collective action	Arefi, M., (2003)	Yes, consensus building	Yes very strong as consensus building	Very weak
5 (+)	Facilitated cooperative and combat many social disorder	Putnam, (2001)	Yes	Yes	No
6 (+)	Aggregate of potential resources linked to possession of a durable network of institutional relationships of mutual acquaintance and recognition	Bourdieu, (1986)	Yes, Strong. egalitarian	Yes, Strong. egalitarian	Weak network of unequal.
7 (+)	Formed by repeated interaction overtime and was critical for development but difficult to generate through public policy	Fukuyama, (1995)	Frequently meet. Yes	Frequently meet. Yes	No, weak
8 (+)	Contributed to development by reducing transaction cost of exchange for group members.	Fukuyama, (2001)	Yes broad based	Yes broad based	No, single function - credit etc.
9 (+)	Communication was needed to access and use Social Capital through the exchange of information, identifying problems, solutions and managing conflicts	Hazelton and Kannan, (2000)	Good platform for communication	Good platform for communication	Hijacked by few strong leaders
10 (+)	Mechanism of bonding, bridging and linking social capital are three important dimensions	Daniel P. Aldrich, (2012)	Kerala Model show all three	GRAKOOS show some elements	No, not generic
11 (+)	Nature as a 'Capital': potential to improve economic performance, capacity accumulated over time, convertibility, and it being investment with expected future returns, and it had a cost of maintenance. It was productive, made possible achievement of certain ends Generate return for the actor	Bhandari and Yasunobu, (2009)  Coleman, (1990)  Lin N., (2001)	Yes, it shows nature of capital Generic potential often used	Yes, it shows nature of capital Generic potential often used	It gives credit and inputs but seldom use network potential for other purposes
12 (-)	* Possibility of propagating inequality * Not equally available * Four negative consequences: exclusion of outsiders, excess claim on group members, restrictions on individual freedom, and downward leveling norms.	Bordieu P., (1977) Foley (1997) Foley & Edwards (1997) Portes, (1999)	Yes, it corners disproportionate benefits for its members at the cost of other states. All four negative consequences.	Yes, it corners disproportionate benefits for its members at the cost of non-members. All four negative consequences.	It is an organisation where leaders have disproportionate power and they do not allow need-based allocation to all. All negative consequences.

Source: Authors construction based on the opinions of various authors.

**Annexure – 4: Strengths, Weakness, Opportunity and Threat (SWOT) analysis of the three organisations**

Sl. No.	Attributes	SHG	Trade Union	Cooperative Society
<b>1</b> 1.1	<b>Strengths</b> Characteristics Elements of Social Audit	All 12 elements are present	All 12 elements are present	Only some elements are present. Most of them are limited and weak.
1.2	Opinion of the members (Workers) on convergence potential with MGNREGA	To some extent members feel but not as strongly as TU than their organisation is having convergence potential	Very strong that their organisation has great convergence potential with MGNREGA	Even members reject the idea that they have convergence potential.
1.3	They think that their organisation helped improve NREG implementation.	24 percent members believe	64.7 percent members believe	Only 4.4 percent members believe
1.4	Members believe their organisation protected worker's right	21.6 percent members believed	52.9 percent members believed	None
1.5	Members believed their organisation promoted collective action	21.1 percent members	35.3 percent members	4.4 percent members
1.6	Strengths beyond the MGNREG Act	Yes, network has its own strength	Very strong as GRAKOOS case study confirms	Nil
<b>2</b> 2.1	<b>Weakness</b> Membership	Only 45.6 percent of respondents	Only 3.8 percent of respondents	Only 10.1 percent of respondents
2.2	Over claim to their members	Yes, at the expense of other states	Yes, at the expense of non-members in the District	Nil
2.3	MGNREGA policy support	Policy provides for SHG and CBO mediation but not tried in Karnataka	Policy does not support the idea	Nil
2.4	Opinion of Social Auditors and Ombudsman	Not very supportive	Clearly hostile	Ambivalent
2.5	Legal framework	Nil	TU Act provides concessions and certain immunity for collective action, social dialogue etc.	Yes, but Cooperative Act does not support activities like labour market intervention.
<b>3</b> 3.1	<b>Opportunity</b> MGNREGA provides opportunity for network	Yes, provides and Kerala has utilised it	There is a common employer and large number of workers share a worksite hence conditions are conducive and GRAKOOS is a good example	Nil
<b>4</b> 4.1	<b>Threat</b> Policy makers, elite, land holding class and senior bureaucracy	Neutral to the idea	Are hostile to the idea of involvement of TU and they oppose it on the ground that it may harm agriculture and rural labor market.	Nil

Source: Authors construction based on Comparative SWOT

## References

- Arefi, M (2003). Revising the Los Angeles Neighbourhood Initiative (LANI): Lessons for Planners. *Journal of Planning Education and Research*, 22 (4): 384. (<https://semanticscholar.org/paper>)
- Aldrich, D P (2012). *Building Resilience: Social Capital in Post-Disaster Recovery*. University of Chicago Press.
- Besley, Timothy and Stephen Coate (1992). Workforce versus Welfare: Incentive Arguments for Work Requirements in Poverty-Alleviation Programs. *The American Economic Review*, 82 (1): 249-61.
- Bhandari, H and K Yasunobu (2009). What is Social Capital? A Comprehensive Review of the Concept. *Asian Journal of Social Science*, 37 (3): 480-510.
- Bourdieu, P (1997). *Outline of a Theory of Practice*. Cambridge University Press (Mar, 2013), ISBN 9780511812507.
- Bourdieu, P (1983/1986) The Forms of Capital. In J G Richardson (ed), *Handbook of Theory and Research for the Sociology of Education*. Westport, CT, Greenwood Press. Pp 241-58.
- Dheeraja, C and H Rao (2010). *Changing Gender Relations: A Study of MGNREGA across Different States*. Hyderabad: National Institute of Rural Development.
- Foley, M W and B Edwards (1997). Escape from Politics? Social Theory and Social Capital Debate. *American Behavioural Scientist*, 40 (5): 550-61.
- Fukuyama, F (1995). *Trust: The Social Virtues and the Creation of Prosperity*. New York: Free Press.
- (2001). Culture and Economic Development: Cultural Concerns. In Smelser, N J and Baltes, P B (eds), *International Encyclopaedia of the Social and Behavioural Science*. Oxford, UK: Pergamon. Pp 3130-34.
- Gaiha R, R Jha and S Shankar (2011). Information, Access and Targetting to the NREG Scheme in India. *Oxford Development Studies*, 39 (1).
- Halambi, K and Kumar Sanjiv (eds) (2008). *Convergence Through Collective Action of SHGs*. New Delhi: International Labour Organisation. ISBN (Print): 9789221213789.
- Hazelton, V and W Kennan (2000). Social Capital: Reconceptualising the Bottom Line. *Corporate Communication: An International Journal*, 5 (2): 81-86.
- Imbert, C and J Papp (2015). Labour Market Effects of Social Programmes: Evidence from India's Employment Guarantee. *American Economic Journal: Applied Economics*, 7 (2): 233-63.
- Kannan K P (2015). The New Panchayat Raj in Kerala: Reflections in Its Institutionalisation and Developmental Records. *RULSG Occasional Paper 2015:4*. Centre for Development Studies, Thiruvananthapuram.
- Kerala Institute of Local Administration (2006). *Work-Time-Motion Study: Mahatma Gandhi NREGS Kerala*. LBS Centre for Science and Technology, Maithri.
- Khera, Reetika (2008). Empowerment Guarantee Act. *Economic & Political Weekly*, August.
- Lin, N (2005). A Network Theory of Social Capital. In Castiglione Dario, Deth, Jan van and Wolleb G (eds), *Handbook on Social Capital*. Oxford University Press.
- Lin, Nan (2001). *Social Capital: A Theory of Social Structure and Action*. Cambridge University Press. ISBN: 9780511815447.

- Portes, A (1998). Social Capital: Its Origin and Applications in Modern Sociology. *Annual Review of Sociology*, 24: 1-24.
- Putnam, Robert D (2000/2001). *Bowling Alone: The Collapse and Revival of American Community*. Touchstone Books by Simon and Schuster. ISBN-10: 0743203046.
- Ranjan, Rajiv (2016). Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA): A Critical Appraisal of Its Performance since Its Inception. *Indore Management Journal*, 8 (2): Jul-December 2016.
- Ravallion, M (1998), Appraising Workfare Programs, World Bank, No. Pov-102, September, Washington, D.C.
- Shankar S and R Gaiha (2013). *Battling Corruption: Has NREGA Reached India's Rural Poor?* New Delhi: Oxford University Press.
- Woolcock M and Deepa Narayan (2000). Social Capital: Implications for Development Theory. *Research and Policy, The World Bank Research Observer*, 15 (2): 225-249, August.

## Recent Working Papers

- 445 **Should they Avoid the Middlemen? An Analysis of Fish Processing Firms in India**  
Meenakshmi Rajeev and Pranav Nagendran
- 446 **Growth and Consolidation of Kerala Non-Gazetted Officers' Union: From Its Formative Years to Union Militancy Phase**  
Jithin G
- 447 **The Relationship Between Economic Growth and Carbon Emissions in India**  
Kaumudi Misra
- 448 **Tax Revenue in India: Trends and Issues**  
Pratap Singh
- 449 **Technical Efficiency of Unorganised Food Processing Industry in India: A Stochastic Frontier Analysis**  
Padmavathi N
- 450 **Demonetisation 2016 and Its Impact on Indian Economy and Taxation**  
Pratap Singh
- 451 **Impact of Perform-Achieve-Trade Policy on the Energy Intensity of Cement and Iron and Steel Industries in India**  
Kaumudi Misra
- 452 **Impact of Non-Cognitive Skills on Cognitive Learning Outcomes: A Study of Elementary Education in India**  
Indrajit Bairagya and Rohit Mukerji
- 453 **Assessment of Vulnerability to Floods in Coastal Odisha: A District-Level Analysis**  
Niranjan Pradhan and S Madheswaran
- 454 **Who Benefits from Higher Education Expenditure? Evidence from Recent Household Survey of India**  
Ramanjini and Karnam Gayithri
- 455 **How the Modern Food Retail Chains Emerging as Alternative Channels of Agricultural Marketing? Evidence from Karnataka**  
Kedar Vishnu, Parmod Kumar and A V Manjunatha
- 456 **Educational Development, and Household and Public Expenditures on Education in Manipur**  
Reimeingam Marchang
- 457 **Social Audit of MGNREGA - A Panacea or a Placebo? Issues and Ways Forward in Karnataka**  
Sanjiv Kumar and S Madheswaran
- 458 **State, Religion and Society: Changing Roles of Faith-Based Organisations in Kerala**  
Abdul Raouf
- 459 **Single Child Families in Tripura: Evidence from National Family Health Surveys**  
N Pautunthang and T S Syamala
- 460 **MGNREGA Ombudsman a Forlorn Scarecrow: Issues and Ways Forward in Karnataka**  
Sanjiv Kumar and S Madheswaran
- 461 **Dynamics of Procurement of Modern Food Retail Chains: Evidences from Karnataka**  
Kedar Vishnu and Parmod Kumar
- 462 **Determinants of Micro-Level Decisions of Sugarcane Farmers**  
Lavanya B T and A V Manjunatha
- 463 **Assessing Quality of Higher Education: An Empirical Study of Commerce Graduates, Kerala State**  
Indrajit Bairagya and Bino Joy
- 464 **Farmers' Perception on Risk and Management Strategies in Mahanadi River Basin in Odisha: An Economic Analysis**  
Jayanti Mala Nayak and A V Manjunatha
- 465 **An Analysis of Revenue Diversification Across Select Indian States**  
J S Darshini and K Gayithri
- 466 **Urban Governance in the Context of Urban 'Primacy': A Comparison of Karnataka and Andhra Pradesh**  
Anil Kumar Vaddiraju
- 467 **Urban Financing and Accountability Structures - Case Study of Bruhat Bengaluru Mahanagara Palike**  
Shankari Murali and S Manasi
- 468 **Status of Unorganised Food Processing Industry in India - A Study on Key Performance Indicators**  
Padmavathi N
- 469 **Sustainability of India's Current Account Deficit: Role of Remittance Inflows and Software Services Exports**  
Aneesha Chitgupi
- 470 **BCIM Economic Corridor and North East India**  
Reimeingam Marchang
- 471 **The Nation and Its Historical Mediations: Towards Typologies of Regions/States**  
Anil Kumar Vaddiraju
- 472 **Structure and Functions of Social-Ecological Systems: A Case Study from Indian Sundarbans**  
Sneha Biswas
- 473 **Multiple Vulnerabilities in Utilising Maternal and Child Health Services Across Regions of Uttar Pradesh, India**  
Prem Shankar Mishra and T S Syamala
- 474 **Fertility at the Crossroads of Ethnicity and Gender: Understanding Oraon Tribe in Jharkhand, India**  
Ujjwala Gupta
- 475 **Complexities of Collaboration, Negotiation and Contestation: Agragamee and the State**  
Ambuja Kumar Tripathy
- 476 **International Best Practices of Apprenticeship System and Policy Options for India**  
K Gayithri, Malini L Tantri and D Rajasekhar
- 477 **Public Healthcare Infrastructure in Tribal India: A Critical Review**  
Mohamed Saalim P K
- 478 **Whether Caste Impedes Access to Formal Agricultural Credit in India? Evidence from NSSO Unit Level Data**  
Karthick V and S Madheswaran

- 479 **Harmonization of Intellectual Property Rights Across the Globe: Impact on India's Pharmaceutical Exports**  
Supriya Bhandarkar
- 480 **Decentralization and People's Participation in Educational Governance: A Review of International Experiences**  
Mahima Upadhyay and D Rajasekhar
- 481 **Initiatives in Solid Waste Management: A Case Study of the City of Bengaluru**  
Natasha Kalra and S Manasi
- 482 **Agrarian Change in Bihar: A Study of Two Villages**  
Prashant Kumar Choudhary
- 483 **Information Asymmetry, Exclusion and Inclusion Errors and Elite Capture of MGNREGA: Critical Examination of IEC Strategies in Karnataka and Ways Forward**  
Sanjiv Kumar, S Madheswaran and B P Vani
- 484 **Political Regimes and Religious Minorities in Karnataka: 2008-2018**  
Azhar Khan Chikmagalur Akbar
- 485 **Economic Estimation of Health and Productivity Impacts of Traffic Congestion: A Case of Bengaluru City**  
Vijayalakshmi S and Krishna Raj
- 486 **Economic Development in the Princely State of Jammu & Kashmir (1846-1947)**  
Sardar Babur Hussain
- 487 **Local Government and Decentralized Natural Resource Management**  
Mahima Upadhyay
- 488 **Agrarian Distress and Farmer Suicides in Kerala**  
Ance Teresa Varghese
- 489 **Ownership of Firms and Their Implication for Productivity: An Empirical Investigation in to Indian Mining Industry**  
Meenakshi Parida and S Madheswaran
- 490 **Determinants of Agricultural Credit in Rural India by Social Group**  
Karthick V and S Madheswaran
- 491 **Knowledge and Practice of Ethno-Medicine by Jaunsaris in Jaunsar-Bawar Region of Uttarakhand**  
Geeta Sahu
- 492 **MGNREGA Quality Monitoring and Multiplier 'Malai' for the Richer States and Regions: Evidence on Elite Capture of Assets in Karnataka and Ways Forward**  
Sanjiv Kumar, S Madheswaran and B P Vani
- 493 **Interests and Participation of Elites in MGNREGA: Lessons from Elite Capture in Karnataka**  
Sanjiv Kumar, S Madheswaran and B P Vani
- 494 **Values Concerning Children and Fertility Behaviour: Method, Respondents and Preliminary Insights from the Field in Jharkhand, India**  
Ujjwala Gupta
- 495 **Preparedness to Monsoon Diseases in Kuttanad (Kerala)**  
Bejo Jacob Raju and S Manasi
- 496 **Livelihood and Social Capital in Vulnerable Ecosystems: A Case Study from Indian Sundarbans**  
Sneha Biswas and Sunil Nautiyal
- 497 **Eco-Innovations in Waste Management - A Review of High Point Cases**  
S Manasi and Harshita Bhat
- 498 **The Impact of Civil Aviation Growth on CO<sub>2</sub> Emissions in India: Evidence from a Time Series Analysis**  
Priyanka Saharia and Krishna Raj
- 499 **The Implementation of Domestic Violence Act in India: A State-Level Analysis**  
Anamika Das and C M Lakshmana
- 500 **Development Paradox and Economic Development of SCs and STs since India's Independence with Special Reference to Karnataka**  
Krishna Raj
- 501 **Emerging Agrarian System and Its Impact on Caste Relations and Local Politics: A Study in the State of Bihar**  
Prashant Kumar Choudhary
- 502 **Factors Influencing Urban Residential Water Consumption in Bengaluru**  
Kavya Shree K and Krishna Raj
- 503 **COVID-19 Pandemic and Primary Education in India: Does It Cause More Inequality Between Public and Private Schools?**  
Indrajit Bairagya, S Manasi and Roshan Thomas

Price: ₹ 30.00



## INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE

(ISEC is an ICSSR Research Institute, Government of India and the Grant-in-Aid Institute, Government of Karnataka)

Dr V K R V Rao Road, Nagarabhavi P.O., Bangalore - 560 072, India

Phone: 0091-80-23215468, 23215519, 23215592; Fax: 0091-80-23217008

E-mail: [balasubramanian@isec.ac.in](mailto:balasubramanian@isec.ac.in); Web: [www.isec.ac.in](http://www.isec.ac.in)