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NREGA under Attack: the Erosion of India's Employment Guarantee Program and the Possible Effects on Women

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NREGA under Attack: the Erosion of India's Employment Guarantee Program and
the Possible Effects on Women

Senior Project Submitted to
The Division of Social Studies
of Bard College

by
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Table of Contents

Introduction	1
Chapter 1: Theoretical Framework and Literature Review	5
1.1 Theoretical Background of Employment Guarantee Programs.....	5
1.2 General Benefits and Design of Job Guarantee Programs.....	8
1.3 Implementing Employment Guarantees with a Gender Perspective.....	15
1.4 Identifiable Benefits for Women.....	24
1.5 Conclusion.....	29
Chapter 2: Gender and the National Rural Employment Guarantee Act	30
2.1 An Overview: The NREGA.....	30
2.2 Gender Sensitive Implementation.....	38
2.3 Gendered Impacts.....	46
2.4 Conclusion.....	57
Chapter 3: NREGA Under Attack	58
3.1 Failure by Design.....	58
3.2 Regime Change.....	61
3.3 Conclusion.....	69
Chapter 4: Counterfactual Analysis: Possible Effects on Women	71
4.1 Fund Reduction.....	71
4.2 Increased Importance of Infrastructure.....	77
Conclusion and Policy Implications	81
Bibliography	86
Appendix; Figures and Tables	92

Tables and Figures

Figure 1: Share of Female Participation in South Africa’s Expanded Public Works Program...	92
Figure 2: High Percentage of Female Participants in Argentina’s <i>Jefes</i> Program.....	92
Figure 3: Agricultural v. Non-Agricultural Wages.....	93
Figure 4: The Share of Female Participation in NREGA.....	94
Figure 5: Number of Participants in NREGA by Gender and Program Expenditure.....	94
Figure 6: Share of Female Participants in NREGA by State.....	95
Figure 7: Share of Female Participation in NREGA against LFPR Prior to Program.....	96
Figure 8: Labor Force Participation Rates for Men and Women.....	97
Figure 9: Rise in Rural Wages and Decrease in Wage Gap.....	97
Figure 10: Rather Equal Distribution of NREGA Works.....	98
Figure 11: Lack of Provisions at NREGA Worksites.....	98
Figure 12: Decreases in NREGA Funding.....	99
Figure 13: All Works Performed under NREGA from 2011-2012.....	100
Figure 14: All Works Performed in 2014-2015.....	100
Figure 15: Inverse Relationship between Mean Male Household Wages and Female LFPR...	101
Table 1: Cost Effectiveness of EGPs.....	102
Table 2: Change in Private Sector Wages due to NREGA base wage.....	103
Table 3: Share of Female Participants in NREGA by State.....	104
Table 4: Change in Female Labor Force Participation Rate by State.....	105

Introduction

“Women can stay at home and afford two square meals by working...it is the first time in my married life that I have saved some money in a bank and can plan for the education of my son.”¹ This is Manju Parihar, an Indian woman in her thirties who is discussing the personal impact the country’s National Rural Employment Guarantee Act (NREGA) has had on her and other women in her community. Because of the program, Manju has been able to find work locally, provide meals for her family, and gain financial independence. At the time of this quote, Manju had been working on a road construction site in her rural village with almost thirty other women.

As of 2011, just over one billion people in the world lived on less than \$1.25 a day.² The world has also witnessed a distinct feminization of poverty as women make up a large majority of this population.³ Some countries have looked to pro-growth and expansion strategies in order to help alleviate poverty. These policies, however, tend to be more beneficial to leading sectors, which are often high-tech and high-income industries. The aim of growth policies is that an increase in the income of these leading sectors will cause an increase in the demand for goods and services in lower-skilled sectors, thus raising the wages of low-skilled workers. However, research has shown that top down policies are often not a direct enough approach to poverty mitigation.⁴ Other welfare policies such as cash transfers and food stamps have also been implemented with poverty reduction in mind, but these programs can sometimes lead the poor to idle and lose marketable skills. Therefore, many progressive and post-Keynesian economists

¹ “NREGA changes lives of rural women in Rajasthan.” Deccan Herald. March 31. 2010.

² “Poverty Overview.” The World Bank. <http://www.worldbank.org/en/topic/poverty/overview#1>.

³ “Women in Poverty.” United Nations Women Watch. http://www.un.org/womenwatch/directory/women_and_poverty_3001.htm.

⁴ Hyman P. Minsky. “Effects of Shifts of Aggregate Demand upon Income Distribution.” Washington, D.C. 1967. 335.

have developed and become proponents of a different type of poverty solution: Employment Guarantee Programs (EGP).

An EGP is a social safety net in which the government works as the employer of last resort (ELR), employing all those ready, willing, and able to work in the public sector at a base wage. Such a program is a bottom-up policy and directly guarantees an income for those most in need. EGPs can not only affect the poor directly but they also provide a much more cost-effective alternative to pro-growth policies. EGPs can be more efficient than other poverty alleviation programs because expenditure is directly connected to income. Expansion policies, in contrast, attempt to increase aggregate demand to a level conducive to full employment, making expenditure much harder to determine. Additionally, because women do make up the majority of those living in poverty, creating an EGP with a gendered perspective is imperative. This includes making sure women face no barriers to entry into the program, receive equal pay, are given supervisory and monitoring opportunities, and the time allocated to unpaid work is reduced.

Many developing nations from Argentina to South Africa have taken on different versions of an EGP in recent years. However, the world's largest EGP to be implemented has been India's NREGA, which came into action in 2006. The program guarantees 100 days of wage work to every rural household in participating states. Since its implementation, the program has had numerous macroeconomic, environmental, and social impacts. During the program's policy formulation, the NREGA was enacted with several gendered dimensions including an explicit participation quota, opportunities for supervisory roles, and a provision of equal wages. This has led to numerous positive impacts for female workers, who have taken on a larger share of participation in the program in recent years. Some of these effects include

increased wages and a reduction of the wage gap, empowerment within their households and communities, and improvement in the health and education of their children.

However, the NREGA has faced a number of obstacles since its formulation. Implementation of the program has been less than perfect as states have failed to provide employment, wages have been delayed and withheld, and corruption has plagued the scheme due to a lack of proper social auditing and monitoring. Further, a recent government regime change has augmented this systemic erosion of the program, as proposals to scale back the NREGA have been discussed. Although the scheme has endured these setbacks, it has continued to have wide ranging positive effects in India, so much so that top Indian economists have penned letters to the government urging them to not scale back the program and thousands of rural workers have protested the government's proposal to slash the scheme.

Because women have taken up a larger share in the participation of the NREGA and have seemed to benefit much more from the program than their male counterparts, this begs the question of how the systemic erosion of the program may impact women. This project aims at answering this question: How will the scaling back of the NREGA affect female workers? In order to answer this question, the project has been laid out as such: Chapter 1 deals with the literature on EGPs, how these types of programs have been implemented around the world, and the importance of maintaining a gendered perspective. Chapter 2 focuses on the NREGA, its overall impact on the Indian economy and workforce, and how it has been able to positively affect female workers. Chapter 3 then dives into the erosion of the program from its faulty implementation and the waning support from the Central Government. Finally, Chapter 4 provides a counterfactual analysis on how the scaling back will possibly affect women. By closely considering the impact the NREGA has made on female workers, this analysis aims to

show a well-thought out and educated hypothesis on how the progress being made for women may be halted due to the systemic erosion of the scheme. First, the theoretical framework for EGPs and the importance of a gendered implementation will be discussed.

Chapter 1: Theoretical Framework and Literature Review

1.1 Theoretical Background of Employment Guarantee Programs

The idea of the government working as an ELR has been seen in economic writings since as early as the seventeenth century.⁵ However, it was not until after the Industrial Revolution, most notably during the Great Depression, when it became clear that capitalist economies lack mechanisms for creating full employment on an ongoing and sustained basis.⁶ One of the first economists to point out these failures in modern monetary economies and the need for government intervention was economist John Maynard Keynes. At the heart of the theory behind EGPs and the ELR is the Keynesian idea that unemployment is a monetary phenomenon and capitalist economies consistently fail at providing long-term full employment. In his writings, Keynes had proposed an unemployment rate of 1 percent and stated that the government should do whatever possible to reach this level.⁷

Hyman Minsky is one of the most notable economists to support the idea of the government acting as an ELR. Many of the anti-poverty policies implemented in the post-war period, namely the policies under the “War on Poverty,” were aimed at spurring growth and expansion. However, Minsky asserts that in our complex economy, growth has contrasting effects on different sectors. Often, when economic growth causes expansion in the leading sectors, demand and output may rise, increasing inflation while still maintaining high

⁵ Fadhel Kaboub. “Employment Guarantee Programs: A Survey of Theories and Policy Experiences.” Annandale-on-Hudson, NY: The Levy Economics Institute. May 2007. 2.

⁶ Fadhel Kaboub. “Employment Guarantee Programs: A Survey of Theories and Policy Experiences.” 2.

⁷ Pavlina Tcherneva. “Employer of Last Resort.” J.E. King (ed.), *The Elgar Companion to Post Keynesian Economics*. Northampton, MA: Edward Elgar. 2012. 1.

unemployment levels. In contrast, when employment rises in the lagging sectors that operate below capacity, it has the potential to do so without causing inflation.⁸

When expansion occurs in the higher skilled or leading industries, the aim of pro-growth policies is that this success will eventually “trickle down” to the lower skilled sectors by creating jobs for the poor.⁹ However, evidence increasingly shows that economic expansions tend to favor the “haves over the have-nots.” The expansion of the 1960’s depicts this idea. In his paper on the effects of aggregate demand shifts on income distribution, Minsky examines twenty-five sectors between the years 1948 and 1966 to determine the effect of the expansion of the 1960’s on income distribution. He found that of the ten industries with the highest weekly earnings in 1948, seven had increased their relative earnings by 1966 and for the eight industries with the lowest wages in 1948, seven experienced a substantial decline in the relative wages by 1966. In effect, between 1948-1966, the rich tended to get richer and the poor tended to get poorer.¹⁰ Therefore, Minsky does not support the idea that economic growth should be a policy goal in itself but rather a possible result of other policies.

The expansion discussed above was due to high increases of investment in the private sector. A popular theory in the post-WII era was that in order to give the poor a better stance in the economy, there must be an increase in total income. One way this can be done is by stimulating private sector spending, or investment-led growth. Minsky cites four problems with this strategy:

First, tax incentives to shift income to capital exacerbate distributional inequality. Second, high capital incomes would lead to opulent consumption by the rich and emulative consumption by the less affluent, creating the potential for demand-pull

⁸ Randall L. Wray. “Minsky’s Approach to Employment Policy and Poverty: Employer of Last Resort and the War on Poverty.” Annandale-on-Hudson, NY: The Levy Economics Institute. 2007. 3.

⁹ Stephanie A. Bell and L. Randall Wray. “The ‘War on Poverty’ after 40 Years: A Minskyan Assessment.” The Levy Economics Institute of Bard College. No. 78. 2004.18.

¹⁰ Hyman P. Minsky. “Effects of Shifts of Aggregate Demand upon Income Distribution.” 335.

inflation. Third, contracts granted to sophisticated, high-tech industries generate demand for skilled, high wage labor, thereby exacerbating income inequality within the labor force. Finally, by targeting the size and surety of capital income, business confidence would mount, debt financing would increase and margins of safety would decline.¹¹

A principal theory of Minsky's is that stability often causes instability. Too much dependence on investment-led growth can lead to an investment boom, which increases indebtedness and perpetuates the fragility of the financial system. Minsky calls, rather, for expansion led by the public sector. This would provide much more stability, as safer assets (such as government bonds) would be available.¹²

Minsky asserts that the most important element of ending poverty is to focus on achieving tight full employment, which he notes as an unemployment level of 2.5 percent. He writes, "Tight full employment exists when over a broad cross-section of occupations, industries, and locations, employers, at going wages and salaries, would prefer to employ more workers than they in fact do."¹³ Economist William Vickery also stated that full employment should be a top priority of policy makers. Vickery had a strong commitment to full employment, which he called "chock –full employment," and described it as a situation where individuals seeking employment can find work at a livable wage within 48 hours. Vickery also embraced William Beveridge's definition of full employment, which was depicted as a time where there are at least as many unfilled job openings as there are those who are unemployed and seeking work.¹⁴

Investment-led growth policies have shown time and again that they fail to meet such levels of full employment. The idea of the "rising tide to raise all boats" has not proven to be a

¹¹ Stephanie A. Bell and L. Randall Wray. "The 'War on Poverty' after 40 Years: A Minskyan Assessment." 15.

¹² Ibid. 16.

¹³ Hyman P. Minsky. "The Role of Employment Policy." Levy Economics Institute Digital Commons. (1965). 3-4.

¹⁴ Matthew Forstater. Saving-Recycling Public Employment: An Assets-Based Approach To Full Employment and Price Stability. The Jerome Levy Economics Institute. July 1999. 1.

direct enough approach for creating jobs and pulling people out of poverty. In order to achieve these desired rates of employment, Minsky and other Post-Keynesian economists have proposed the policy of the ELR that, unlike most modern poverty alleviation programs, directly creates a job guarantee at a base minimum wage to those most vulnerable to unemployment, regardless of profit expectations. Instead of stimulating GDP to a level that we hope will result in a desirable, yet indirect employment effect, we must formulate policy that directly guarantees job opportunities to all those who are willing and able.

1.2 General Benefits and Design of Job Guarantee Programs

Modern proposals of such a program include the following characteristics:

An ELR program would provide an infinitely elastic demand for employment. Regardless of what phase the business cycle is in, an EGP would offer jobs to all those who wish to work. Because the government does not have to worry about profitability, they can hire anyone regardless of race, gender, work experience, or education.¹⁵ Many modern day poverty alleviation proposals attempt to alter the characteristics of the poor through work training programs. However, Minsky and other economists have noted that this ignores fixing the institutions that have caused such unemployment. Therefore, the jobs created under an EGP would be tailored to the remaining workforce, providing a more straightforward approach to achieving full employment.

As a bottom-up policy, the ELR would also provide a safety net for those who are generally last hired and first fired. Targeting certain disadvantaged groups (the young, the

¹⁵ Pavlina Tcherneva. "Employer of Last Resort." 1.

elderly, women, the long term unemployed) is a common objective of such a policy.¹⁶ As discussed before, pro-growth policies tend to favor those in high-skilled sectors, in hopes of success trickling down to lower-skilled industries and workers. However, the ELR can be much more direct in closing the demand gap for labor by guaranteeing work for these disenfranchised groups.¹⁷

The ELR would also act as a buffer stock. When the economy contracts and people are laid off from the private sector, the government, by expanding their expenditure, can hire those who have lost their jobs. However, once the economy recovers, these people can be hired back out into the private sector, decreasing public expenditure. This, in effect, stabilizes the price of the stock, or wages in this particular case. In order for a person to move into the private sector, the private wages must be at a margin above the wage of the EGP. Low wage employers will experience either a one-time increase in wages or cease to exist.¹⁸ Therefore, these wages would act as an effective minimum wage. For the United States, a livable minimum wage may come in around \$12 per hour, equating to an annual salary of roughly \$25,000 per person.¹⁹ Also, by stabilizing wages, which are a cost in every commodity in the economy, the program can also help to stabilize prices.²⁰

Going along with this idea, ELR programs would act as a loose labor market. The program needs to be flexible enough in order to allow for an influx of workers when demand in the private sector falls, but also allow for exiting when demand in the private sector increases.

The program would, in effect, provide stabilization and full employment by hiring people into

¹⁶ Pavlina Tcherneva. "Job or Income Guarantee?" Kansas City, Missouri: University of Missouri. August 2003. 2.

¹⁷ Pavlina Tcherneva. "Employer of Last Resort." 2.

¹⁸ Ibid. 2-3.

¹⁹ Pavlina Tcherneva. "Obama's Job Creation Promise: A Modest Proposal to Guarantee That He Meets and Exceeds Expectations." The Levy Economics Institute of Bard College. 2009. 5.

²⁰ Pavlina Tcherneva. "Employer of Last Resort." 3.

socially useful projects. Whereas pro-investment and growth policies only lead to further instability, which is shown through the most recent recession, a flexible ELR would allow for stability within the labor market.²¹

Simple welfare and transfer programs often leave the poor to idle and lose all human capital, making them effectively unemployable. However, because people are able to work, EGPs can help to maintain and increase capital for the poor. They are given the chance and incentive to mobilize and work for the common good. Additionally, an effective ELR program would provide on the job training and education to help employees prosper in post-ELR life. The work of these employees would also have good social impacts, as they would be able to perform the work that the private sector often fails to do.²²

As opposed to policies that attempt to increase aggregate demand to a level that allows for full employment to be met, the level of spending needed for an ELR program would be much easier to quantify. Because there are many subjective variables that go into demand, finding an appropriate level of spending to raise it to where it needs to be for full employment is extremely difficult. The ELR program is designed so that the deficit will rise only to the point that involuntary employment is eliminated. The government would simply need to spend what it will take to employ all those who wish to work. Aggregate demand will, therefore, not become excessive and would not increase beyond the full employment level.²³

1.2.1 Costs and Critiques of ELR Programs

Opponents of EGPs often ask how such a program could be affordable in the long run and object to the ‘open-ended’ fiscal commitment entailed in job guarantee programs. Many

²¹ Tcherneva. “Employer of Last Resort.” 3.

²² Ibid. 4.

²³ L. Randall Wray. “The Employer of Last Resort Approach to Full Employment.” 5-6.

argue that rich and internationally dominant countries such as the United States can afford such a program, but this may not be true for smaller, weaker nations. However, post-Keynesian economists argue that for countries with sovereign currencies and floating exchange rates, an ELR program can be financially sustainable in the long run.²⁴ This is based off of the idea of “modern money,” or the modern monetary theory. The open market operations, which vary country by country and allow the central bank and government to manipulate the interest rate and the supply of base money, provides mechanisms that allow a country to meet fiscal responsibilities. By merely providing the currency, the government can buy anything for sale in terms of its own currency. The government does not need to tax or borrow to spend, in fact, spending needs to come first. Therefore, countries with free-floating nonconvertible currencies are not at risk of insolvency or technical constraints in funding ELR programs indefinitely.²⁵

Not only can such policies be sustainable in the long run, but job guarantee programs can also be more cost-effective and essentially “cheaper” than most of their poverty reduction counter-parts. In January 2009, the Obama Administration unveiled its signature initiation, the \$787 billion American Recovery and Reinvestment Act (ARRA). The effects of the act came slowly, and eventually 3-4 million jobs were created. Although, this hasn’t kept the unemployment rate from rising above a level of 8.1 percent, where it stood in 2009.²⁶ Around \$550 billion of this plan went towards stimulus spending, essentially costing the government \$157,000 per job created. Obviously not all of this money went towards salaries, but rather a large portion leaked into the economy as subsidies, unemployment insurance, and private

²⁴ L. Randall Wray. “Macroeconomic Stability. Affordability and Manageability of Employer of Last Resort Programmes.” University of Missouri-Kansas City. July 7. 2008. 102.

²⁵ L. Randall Wray. “The Employer of Last Resort Approach to Full Employment.” 2-3.

²⁶ Philip Harvey. “Back to Work: A Public Jobs Proposal for Economic Recovery.” Demos. 1-2.

contracts for public works. Therefore, the amount of money left over for salaries is quite small, making President Obama's plan quite expensive.²⁷

In contrast, a recent proposal for a job guarantee program by Philip Harvey provides more than 1 million jobs at a fraction of the cost. Harvey proposes a total budget of \$46.4 billion per year for such a scheme. This spending would trigger a multiplier effect and indirectly create an additional 414,000 jobs on top of the already 1 million generated. However, Harvey also estimates that a job creation program would add revenues and savings for the government, making the net total cost for the program a mere \$28.6 billion.²⁸ Table 1 of the Appendix depicts Harvey's proposal. Each job created by the government, therefore, would come in around \$21,000, a fraction of what each job generated under the ARRA costs. A job guarantee policy can be consistent with the objectives of President Obama's plan – to create socially useful jobs for the disenfranchised – while remaining much more cost-effective.

However, some critics of job guarantees, namely economist Malcolm Sawyer, argue that such programs create employment by raising aggregate demand. Therefore, the benefits seen through an EGP can also be achieved through fiscal policies such as Obama's plans to cut taxes and increase government spending. Although advocates of job guarantees accept the argument that unemployment in capitalist economics results from insufficient aggregate demand, they do not accept the belief that "pump-priming" of demand is an effective solution.²⁹ In a response to Sawyer's assertions about job guarantees, Randall Wray and William Mitchell write, "The JG does not maintain 'full employment' simply by pumping demand - one could envision a government policy that deflated aggregate demand (by raising taxes and cutting overall

²⁷ Pavlina Tcherneva. "Obama's Job Creation Promise: A Modest Proposal to Guarantee that he Meets and Exceeds Expectations." 4.

²⁸ Philip Harvey. "Back to Work: A Public Jobs Proposal for Economic Recovery." 10-11.

²⁹ William Mitchell and L. Randall Wray. "Full Employment through Job Guarantee: A Response to Critics." Center of Full Employment and Equity. January 2009. 3.

spending) even as it phased-in a JG to achieve full employment.”³⁰ As discussed before, Wray and Mitchell do not believe that increasing aggregate demand can sufficiently “trickle down” jobs to where they are most needed.

Malcolm Sawyer has also stated that EGPs, at best, only lead to replacing unemployment with underemployment. The International Labor Organization (ILO) attempts to define underemployment by splitting it into two categories: visible and invisible underemployment. Visible refers to time related underemployment, and invisible refers to when workers are not fully utilizing their skills and capabilities. Because EGPs are generally designed to be sensitive to worker time constraints, time-related underemployment would not occur. Therefore, Wray and William Mitchell infer that Sawyer is alluding to “invisible underemployment.” Sawyer provides a neoclassical-inspired human capital theory in which he compares the implied productivity of the EGP job (q) to the ‘true’ productivity of the worker in a different job (Q). Sawyer states that $q < Q$ because “ELR jobs are low-skill, low-productivity jobs,” and thus replaces unemployment with underemployment.³¹

Proponents of the ELR, however, see productivity as being socially determined, not solely as a characteristic of the individual worker. Wray and Mitchell write,

The design of jobs under a JG has to ensure the positions are accessible to the most disadvantaged workers in the labour market, for it is they who typically bear the brunt of unemployment. In that sense if productivity resides in the individual (as in human capital theory) as opposed (more realistically) to being the outcome of a complex mix of individual characteristics, team-based collaboration, on-the-job training, and job design and management, then it is highly likely that q will approximate Q , for most individuals who will rely on JG employment for anything other than short transitional unemployment.³²

³⁰ William Mitchell and L. Randall Wray. “Full Employment through Job Guarantee: A Response to Critics.” 3.

³¹ Ibid. 8-9.

³² Ibid. 9.

However, underemployment may occur if a professional worker were to be laid off and are forced to take a job under the EGP that does not benefit their skills. It is more likely, however, that frictional unemployment will occur in these types of situations. Many of these workers who are laid off will receive some type of severance pay, which provides a disincentive to immediately take on an EGP job. Mitchell and Wray point out that this unemployment will discipline wage demands in the private sector. In these situations, underemployment caused by inadequacies in the labor market will then be reduced.³³

In his article against the implementation of ELR programs, Sawyer further notes that there are considerable barriers to high employment, one being inflationary tendencies, which he says ELR proposals do not account for.³⁴ This idea of employment causing inflation comes from the theory of the non-accelerating inflation rate of unemployment (NAIRU), which states that there is a level of unemployment that must be maintained in order to keep inflation in check. However, Wray argues that an ELR program can be designed in order to keep the NAIRU at zero. He writes,

If the government decides to spend its way to full employment, it has to decide what it is going to buy. If the government is going to try to get to full employment by ordering high tech “starwars” missiles, I would guess that NAIRU would indeed be very high-- maybe 7 or 8%, or maybe even twice that, in the USA. If on the other hand, government tries to achieve full employment by hiring unskilled labor in something like an ELR program, then NAIRU can be zero.³⁵

This comes back to Minsky’s idea of providing work to low-skilled workers rather than attempting to conform them to our economy. A well-implemented job guarantee program can account for such inflationary tendencies.

³³ Ibid.

³⁴ Malcolm Sawyer. “Employer of Last Resort: Could It Deliver Full Employment and Price Stability?” *Journal of Economic Issues* Vol. 37, No. 4 (December 2003). 906.

³⁵ L. Randall Wray. “The Employer of Last Resort Approach to Full Employment.” 3.

1.3 Implementing Employment Guarantees with a Gender Perspective

The main objective of an EGP is the alleviation of poverty through employment and productive assets to poor communities. Because women make up the majority of the nearly 1.3 billion people living in poverty worldwide, this disenfranchised group stands to gain the most from such a social protection. Further, men and women often experience poverty differently. When it comes to economic vulnerabilities, women are often paid less, have higher employment insecurity and low education/literacy that keep them in low-skilled casual work, constraints balancing household responsibilities and paid work, and encounter mobility constraints.³⁶ Although this is quite evident in many countries across the world, a review of the implementation of EGPs in developing countries indicates that many have taken on gender-sensitive strategies, yet limit the number of mechanisms in their designs. Some key concerns include: inadequate attention to women's care work responsibilities, weak representation of women in decision-making structures, gender-biased payment methods, targeting of household heads, and reinforcement of gendered norms when deciding which tasks should be taken on.³⁷ Therefore, in order to reduce poverty and the economic vulnerabilities that women face, EGPs must be constructed with a gendered perspective.

1.3.1 Breaking down Barriers

One such way that countries have attempted to target and benefit women is through the implementation of explicit quotas for female participants. This method could possibly help to break down entry-barriers that women typically face in the labor market. Enacted in 2004, South

³⁶ Rebecca Holmes and Nicola Jones. "Public works programmes in developing countries: Reducing gendered disparities in economic opportunities?" Overseas Development Institute. January 2011. 5.

³⁷ Rebecca Holmes, Nidhi Sadana and Saswatee Rath. "Gendered risks, poverty and vulnerability in India" Overseas Development Institute. October 2010. 7.

Africa's Expanded Public Works Program (EPWP) was implemented as a medium-term active labor market policy, aimed at creating 1 million jobs over a period of five years.³⁸ This program was expanded with the objective of creating 4.5 million work opportunities that would halve unemployment by 2014.³⁹ The EPWP was first implemented with a female participation quota of 60 percent, and later reduced to a level of 40 percent.⁴⁰ In their 2010-2011 annual report, the Department of Public Works for the Republic of South Africa recorded that women made up 62 percent of all EPWP participants.⁴¹

However, some skeptics believe that gender quotas are impossible to achieve with these types of programs because of the arduous and taxing nature of the work that is offered.⁴² Many EGPs look to implement works that provide some type of social benefit to communities. This often takes the form of infrastructure projects such as road maintenance or dam construction that requires heavy manual labor. Therefore, the nature of work also needs to be taken into account when formulating EPG policies. Although (presumably male) heads of households were initially targeted in Argentina's *Jefes* program, the female participation rate of this program reached up to 74 percent. This was due to the nature of the community-oriented and social work that was offered.⁴³

That is not to say, however, that women should be segregated into these social works. Rather, women should be involved in a variety of tasks. Stephen Devereux and Colette Solomon

³⁸ Rania Antonoplos. "The *Right to a Job*. the *Right Types* of Projects: Employment Guarantee Policies from a Gender Perspective." The Levy Economics Institute. 2007. 17.

³⁹ Expanded Public Works Program Website. The Department of Public Works. Republic of South Africa. "About Us" section. http://www.epwp.gov.za/about_us.html.

⁴⁰ Stephen Devereux and Colette Solomon. "Employment creation programmes: The International Experience." Economic and Labour Market Analysis Department. International Labour Office. Geneva. August 2006. 31.

⁴¹ Report for the Period 1 April-31 March financial year 2010/2011. Expanded Public Works Program. 2

⁴² Stephen Devereux and Colette Solomon. "Employment creation programmes: The International Experience." 31.

⁴³ *Ibid.* 32.

discussed just this in their paper on the international experience of employment programs:

“Where local gender norms do not allow for women’s involvement in labour-intensive labour, it might be strategic to use the traditional gender divisions of labour as an entry point. Gradually, women’s tasks on the programme might be expanded to include ‘non-traditional’ tasks.”⁴⁴

However, some may argue that this strategy will only lead to reinforcing gender stereotypes and augmenting occupational segregation. To remedy this, programs that implement this type of strategy need to make sure that additional training is offered so that women can gain new skills that they otherwise would not have learned in the private sector market. The main objective of the Public Works and Employment Project implemented in Burkina Faso in 1991 was to “reduce under-employment by the financing of small urban labor-intensive works.”⁴⁵ Although women generally engaged in the collection and transportation of sand and gravel, training eventually allowed them to make cement blocks, a job originally reserved for men.⁴⁶ By providing this training, the gender norms that existed in the Burkina Faso society were altered. This helped to break down barriers into the labor market for female workers.

The way in which women are recruited into EGPs can also help attract them into the works. Many recruitment strategies take the gender-neutral stance and assume that men and women will respond in the same way. However, women in developing nations tend to be much less mobile than men, are not frequenters of administrative centers and are, therefore, less likely to see jobs posting available only at village centers or construction sites.⁴⁷ In order to make

⁴⁴ Ibid. 33.

⁴⁵ “Implementation Completion Report: Burkina Faso” The World Bank. May 15. 1997. 7.

⁴⁶ Amelita King Dejardin. “Public Works Programmes, a Strategy for poverty Alleviation: the Gender Dimension.” 14.

⁴⁷ Ibid. 12.

recruitment strategies more gender sensitive, a program must take into account the local administrative structures and practices as well as local norms and traditions.⁴⁸

1.3.2 Gendered Payment Systems

The wage system that is implemented within an employment program must also be considered in order to prevent discrimination against women. Although many EGPs have created provisions for equal wages, work allocation tends to be gender-biased and occupational segregation can occur, which may lead to women being paid less.⁴⁹ As discussed, women may tend to take on different jobs than men and programs designers may be tempted to set different wages for different tasks. Therefore, because a woman may be forced to take on work that is “lighter” than a man’s work, they can potentially receive a lower wage. Women may also need to work shorter hours in order to tend to domestic work, further decreasing their pay. One way to prevent this would be to set up single-day task rates where both the wage and the work norm are fixed. This is done by setting a task that can be finished by most women and men within 6-8 hours and eliminates the risk of one sex being paid more at the end of the day. The gender composition of work groups may also be taken into consideration. Mixed-sex groups make people with different capabilities depend on each other to complete a task, which could further help to avoid discrimination.⁵⁰

Payment systems for job guarantees should also focus on individual payments. Many EGPs have tended to focus on the household as an entity, which influences decisions on how income is distributed and paid. In Ethiopia’s Public Safety Net Program (PSNP), payment was

⁴⁸ Ibid. 13.

⁴⁹ Rebecca Holmes and Nicola Jones. “Public works programmes in developing countries: Reducing gendered disparities in economic opportunities?” 6-7.

⁵⁰ Stephen Devereux and Colette Solomon. 35.

sent to household heads, which meant in male-headed households, the men received this payment directly even if the woman performed the work. Women have less independent access to finances and, in return, less access to credit and other financial services. Program designs should, therefore, remove institutional barriers to women's access to productive inputs, credit, and markets. This will allow women to move from meeting just basic survival needs and out of poverty, especially for females who are heads of their households.⁵¹

In terms of setting an appropriate wage to attract women into the work force, there have been discussions on the practice of self-targeting through setting low wage levels. Amelita Dejardin – an International Labor Organization official – writes,

Public works programmes have the potential for screening the poor because they impose the cost of foregone income which is lower for the poor. There is a lack of empirical information on how male and female labour responds to different levels and modes of payment or to what extent poor women may have been denied access to employment in function of the level or mode of payment in public works programmes. However, given that women tend to be less mobile (migration is predominantly male) and have fewer income options, and that women workers generally come from the poorest (therefore food insecure) households, one can assume that the opportunity cost (in terms of foregone income) would tend to be lower among poor women. At higher wage levels poor women would probably face stiffer competition with other potential job seekers.⁵²

What Dejardin is arguing is that with a lower EGP wage, women would have easier access into the labor market. However, this process does have obvious limitations. This method would effectively set the wage at an agricultural wage level, and perhaps lower, which are often insufficient in lifting the poor from poverty. Therefore, other targeting measures should be used in order to find an appropriate wage to pull women out of poverty. These include, “careful selection of poor areas, special targeting clauses in contracts with private contractors or

⁵¹ Rebecca Holmes and Nicola Jones. “Rethinking social protection using a gender lens.” Overseas Development Institute. October 2010. 15.

⁵² Amelita King Dejardin. 11.

executing institutions, or special selection criteria for particularly vulnerable or disadvantaged groups.”⁵³

Poor households, especially those who are headed by women may also prefer provisions as opposed to wages. When given cash, there tends to be higher transactions costs (time and travel to the market) than receiving food for payment. In the late 1990’s, Malawi offered two employment guarantee programs; one that offered food-for-work and another that provided cash wages. A survey found that women were more likely to take up the food-for-work program, whereas men made up the majority of participants in the latter program.⁵⁴ For those whose main objective in participating in employment programs is to obtain daily sustenance for their families, monthly payments may also be a disincentive for work.⁵⁵

1.3.3 Gender Budgeting

A gender responsive budget occurs when the government formulates their budget while taking into account the effect of government revenue and expenditure policies on both men and women and on gender relations. Budgets tend to reflect the values of a country and affects men and women in different ways, depending on the socio-economic climate of a particular nation.⁵⁶ Therefore, the methodology and way that gender-responsive budgets are implemented differ from country to country. As Dr. Elizabeth Klatzer of the Watch Group for Gender and Public Finance writes, “Budgets (re-)produce gender inequalities and unequal distribution of power

⁵³ Ibid. 11.

⁵⁴ Stephen Devereux and Colette Solomon. 35.

⁵⁵ Ibid. 35.

⁵⁶ Dr. Elizabeth Klatzer. “The Integration of Gender Budgeting in Performance-Based Budgeting.” Watch Group. Gender and Public Finance. June 2008. 3-4.

between the genders.”⁵⁷ Therefore, the main objective of a gender-responsive budget is to create patterns of public expenditure that promote gender equality.

Many developing nations have taken on such a budgeting approach. This may be due to the realization that the economic gains of gender equality have led to an increase in output and people’s capacities in many cases. The economic empowerment of women has shown to lead a country to increased productivity, less stress, and overall better health.⁵⁸ When designing EGPs, it is important to remain gender-aware for these same reasons. In an ILO report on gender issues in employment and labor market policies they write, “Gender budgeting can enhance the chances of women equitably benefiting from counter-cyclical measures, both in public investment for job retention and creation, and expanding social protection, in particular for the poor and the most vulnerable.”⁵⁹

1.3.4 Women with Care Burdens

Economist Rania Antonopoulos asserts in her writings that the vulnerability of women to poverty is positively linked to the gender division of paid and unpaid work.⁶⁰ Unpaid work consists of any work securing inputs for household production and providing care for family members, whereas paid work refers to time contracted out that receives compensation. Women are generally overly taxed and uncompensated for unpaid work and therefore, the overhead-unpaid work time performed creates an asymmetry between them and the rest of the

⁵⁷ Dr. Elizabeth Klatzer. “The Integration of Gender Budgeting in Performance-Based Budgeting.” 4.

⁵⁸ Ms. Vinod Kotwal. “Gender Budgeting – An Indian Perspective.” India Ministry of Communications and Information Technology. New Delhi, India. 5.

⁵⁹ Naoko Otobe. “Resource Guide on Gender Issues in Employment and Labor Market Policies: Working towards women’s economic empowerment and gender equality.” International Labour Organization. 2014. 46.

⁶⁰ Rania Antonopoulos. “The *Right* to a Job. the *Right Types* of Projects: Employment Guarantee Policies from a Gender Perspective.” 9.

population.⁶¹ This forms yet another obstacle to female entry into the labor market. For example, when a road improvement project was implemented in Tanzania, many of the female non-participants stated that although they had a desire to take part in the project, they had little time to do so because of their commitment to household duties.⁶² Additionally, in a recent study in Latin America, countries showed that over half of the women aged 20 to 24 stated that their responsibilities at home were their main reasoning behind not seeking a job in the labor market.⁶³

Further, those in developing countries tend to spend more time on unpaid subsistence work, as larger segments of the population have access to the labor market in wealthier countries. It has been found that public sector infrastructure and state provisioning regimes play a large role in the specific allocation of time among a variety of unpaid tasks.⁶⁴ Therefore, in countries implementing poverty alleviation programs such as EGPs, these schemes could help to further mitigate the burden of unpaid work facing women in many developing nations.

One of the stated objectives of EGPs is to provide jobs that produce a good that benefits the community as a whole. As discussed before, these jobs often take the form of infrastructure projects such as construction and road maintenance. However, if projects are not gender informed, this could create a “double” day effect for women. In order to help alleviate the burden of unpaid work that face women and avoid the “double day”, EGPs should put jobs in place that result in the following:

“(a) Asset creation that facilitates gaining access to goods that are gathered from communal lands through unpaid work, such as water and firewood (b) assets that enhance productivity in subsistence unpaid work and unpaid family work of products

⁶¹ Ibid. 9

⁶² Stephen Devereux and Colette Solomon. 31.

⁶³ Rania Antonopoulos and Indira Hirway. ed. *Unpaid Work and the Economy: Gender, Time Use, and Poverty in Developing Countries*. (New York: Palgrave Macmillan. 2010). 7.

⁶⁴ Rania Antonopoulos and Indira Hirway. ed. *Unpaid Work and the Economy: Gender, Time Use, and Poverty in Developing Countries*. 2.

destined to reach markets (c) direct replacement of unpaid work in the area of public service delivery of care.”⁶⁵

More attention to the creation of jobs to help relieve the strain of unpaid work would help attract women into the workforce. However, I am not arguing that women necessarily have to perform these social sector jobs. Men may also take on these jobs, perhaps altering the gender relations within a household.⁶⁶

One such provision is the creation of professional care-facilities. Certain women who may be more labor-constrained, such as older women or women with disabilities could take on these jobs and be remunerated for their work.⁶⁷ As discussed before, South Africa’s EPWP has had a lot of success attracting female participants. This may be attributed to the extensive social sector projects that have been a part of the program since its inception, which include Early Childhood Development and Community and Home Based Care. The EPWP has also been phasing in a second social sector component with jobs that include teacher aides, sports facilitation, home repairs, and garbage recycling.⁶⁸

The creation of social infrastructure should also be put in place in conjunction with the construction of physical infrastructure. Antonopoulos provides the following example,

Encouraging educational attainment requires a suitable physical space for schooling. Yet, school attendance will fail if girls are required to help their families in taking care of the chronically ill at home, as is often the case in households with people living with HIV/AIDS in many parts of the world and in Sub-Saharan Africa in particular.⁶⁹

Although you can create jobs through the construction of hospitals, they would be rendered useless without doctors, nurses, receptionists, and maintenance workers. Governments supplying

⁶⁵ Rania Antonopoulous (2007). 11.

⁶⁶ Ibid.13.

⁶⁷ Stephen Devereux and Colette Solomon. 32.

⁶⁸ Rania Antonopoulous. “Expanding Social Protection in Developing Countries: A Gender Perspective.” Levy Economics Institute of Bard College March 2013. 32-33.

⁶⁹ Rania Antonopoulous. “Expanding Social Protection in Developing Countries: A Gender Perspective.” 32.

jobs such as these would add a much-needed social benefit while also taking an extra responsibility off of women with additional care burdens.

Not only should the jobs being offered and the assets created by EGPs help women with unpaid work, but on-the-job measures that reflect an understanding of particular needs of women should also be taken. As mentioned before, professional care-facilities can be set up to help with childcare during work hours. It would also be beneficial to place these facilities on job sites in order to help with the limited time mothers have to transport their children and also to aid in breast-feeding purposes. Certain programs entitle women to a set amount of minutes per day for breastfeeding, in addition to their lunch break without the fear of a pay cut.⁷⁰ In Botswana, the Labour-Based Relief Programme, which has a 60-70% female participation rate, allowed women to breastfeed without any pay-cut implications.⁷¹

The convenience of jobs also must be taken into account when formulating employment programs. Timing and location of work is imperative to attracting women out of the household. If working hours were limited to times when children were at school or care was available, and also near the home to decrease the costs of transportation, this would be much more sensitive to women's care burdens. In order to create the best policies, designers of these programs should consult with local women and allow them to be involved in the decision-making process. This would allow a greater number of women to participate in such programs.⁷²

1.4 Identifiable Benefits for Women

As shown before, EGPs have a number of positive benefits for a nation and its people, from providing a better macroeconomic stabilizer, to guaranteeing full employment, and also

⁷⁰ Stephen Devereux and Colette Solomon. 33.

⁷¹ Rania Antonoplous (2007). 32.

⁷² Stephen Devereux and Colette Solomon. 32.

providing a safety net to those most vulnerable to unemployment. The strategies discussed above would help EGPs to target those most vulnerable, women. As I have noted, many countries that have implemented EGPs have provided a few mechanisms in order to directly affect this marginalized group. Although countries often fall short of supplying the necessary amount of provisions to fully benefit women, these programs are often extremely beneficial to women on an individual, household, and community level. This section will identify such benefits for women.

1.4.1 General Impacts on Women

Because women can find reliable and convenient work through job guarantee programs, this has increased the opportunity to engage in economic activities. As shown, many EGPs across the world have had a relatively high proportion of female participants. In Figures 1 and 2 of the Appendix, we see these high participation rates in both Argentina's *Jefes* Program and South Africa's EPWP. Both programs have seen not only a high rate of female participants, but also a majority of women taking on these works.

By setting a wage floor for all, these programs also help women generate income for themselves and their families and help them to potentially move out of poverty.⁷³ One study found that female participants in Burundi's job guarantee program made 20 percent higher incomes than non-participating females.⁷⁴ Females who participated in Ethiopia's program also suggested that the program allowed them to move out of work as domestic employees in nearby towns, jobs that often provided low wages and abuse by employers.⁷⁵ Additionally, Argentina's *Jefes* program was successful in reducing indigence rates, which is extreme poverty measured in

⁷³ Rania Antonoplous (2007). 16.

⁷⁴ Stephen Devereux and Colette Solomon. 25.

⁷⁵ Rebecca Holmes and Nicola Jones. "Rethinking social protection using a gender lens." 20.

income necessary to purchase the minimum amount of food calories per day. Only four months after implementation, the indigence rates among participants fell by 25 percent.⁷⁶ A provision of equal wages that most programs have taken on has also allowed governments to tackle and improve the gendered wage disparities often seen in the labor market.⁷⁷

Women have also gained more access to credit and loans through participation in these programs.⁷⁸ Greater access to credit is not only important for women's equality and independence,⁷⁹ but it also has helped smooth income and increase expenditures on household goods such as food, health, and education.⁸⁰ This can potentially help improve the health and education of themselves and their families.

As noted before, whereas a welfare program consisting of cash transfers may diminish human capital, EGPs tend to promote the improvement of skills and knowledge. This has been especially evident for women participating in job guarantees. During South Africa's Labour-Intensive Public Works program, which was implemented a few years prior to the EPWP, women participants started community gardens after receiving appropriate training and were able to sell their vegetables and flowers for cash, in addition to their EGP wage.⁸¹ Workers who participated in South Africa's EPWP also received 'on-the-job Hard Skills Training,' which included courses on "Life Skills", "HIV/AIDS Awareness, "Managing My Personal Finances, "Career Guidance," and "Environmental Awareness."⁸²

⁷⁶ Pavlina Tcherneva. "Gender and the Job Guarantee: The Impact of Argentina's *Jefes* Program on Female Heads of Poor Households." University of Missouri-Kansas City. December 2005. 6

⁷⁷ Ibid. 20.

⁷⁸ Rebecca Holmes and Nicola Jones. "Public works programmes in developing countries: Reducing gendered disparities in economic opportunities?" 20.

⁷⁹ Rania Antonopoulos. (2013). 24.

⁸⁰ Rebecca Holmes and Nicola Jones. "Rethinking social protection using a gender lens." 22.

⁸¹ Stephen Devereux and Colette Solomon. 36.

⁸² Ibid. 30.

Additionally, some countries have experienced an ideological shift in how women are seen in the household, which has allowed them to reach a higher status in not only their homes, but also their communities. In Ethiopia, shifts in the division of labor between men and women within the household have been noted.⁸³ Women who participated in Ethiopia's program also agreed that they now received greater respect from their husbands since participating in public works. Holmes and Jones write, "In some cases, men had also started to consult women on selling livestock in the market and to help women with traditional 'female' chores such as fetching water and grinding grain."⁸⁴ Further, women have reported that participation in such programs has helped to reduce tensions within a household, namely violent reactions from their husbands.⁸⁵ This may be due to a decrease in stresses related to income and a reduction in unpaid work pressures.

As stated earlier, EGPs have been proven to be stepping-stones in allowing women to perform traditionally male work. The breaking of this rigid division between labor for men and women has widened the opportunities for women's employment in supervisory positions. In Botswana, the program made progress in putting women in supervisory and technical positions.⁸⁶ Dejardin writes, "It registered an increasing percentage of women among its trainees and graduates of courses for gang leaders, senior gang leaders, technical officers and assistants within the period 1981-1990."⁸⁷ Because women are able to step into these higher-skilled jobs, this may allow them to transfer these new abilities into higher paying jobs in the private sector.

⁸³ Ibid. 21.

⁸⁴ Rebecca Holmes and Nicola Jones. "Rethinking social protection using a gender lens." 24.

⁸⁵ Ibid. 22.

⁸⁶ Amelita King Dejardin. "Public Works Programmes, a Strategy for poverty Alleviation: the Gender Dimension." 14.

⁸⁷ Ibid. 14.

An increase in social capital has also been a result of such programs. For example, women have gained greater access to informal credit from community members because being part of such a program is a guarantee that the loans will be repaid. Because of their newfound economic stability, women have also been able to participate in social networks such as religious and traditional ceremonies. In Bangladesh, participants highlighted not only the fact that elite village members are now more likely to offer financial support but also that they were better able to access social networks within their neighborhoods.⁸⁸

1.4.2 Benefits for Women with Care Burdens

As discussed, for many EPGs implemented around the world, women have participated in very high rates, equaling and even surpassing that of men. This points to not only the existence of unemployment among women but also hidden unemployment in the “inactive” population.⁸⁹ This “inactive” population depicts those women who have been placed with the responsibilities of tending to household work and have no time or energy to enter into the labor market. Women with care burdens often face significant barriers into the labor market, but EPGs help to break down that barrier and such programs have allowed women to leave the home and enter the workforce.

The increases in women’s income as a result of job guarantees have also been connected to improving the health and education outcomes of children and entire households. A review of effects on children in Niger depicts this outcome.⁹⁰ Data from three rural sites in Niger showed that an increase in women’s participation in public works programs was strongly correlated to an increase in weight-for-age children. The study also found a positive impact on child nutrition.

⁸⁸ Ibid. 25.

⁸⁹ Rania Antonoplous (2007). 15.

⁹⁰ Stephen Devereux and Colette Solomon. 34.

Further, it was concluded that the participation of men within these programs had no effect on child health.⁹¹ In Argentina, in order to be eligible for *Jefes*, the participant had to provide proof that their children were attending school. This type of provision can help to achieve positive impacts for women and their families in the long-term.⁹²

1.5 Conclusion

EGPs have shown to be a better macroeconomic stabilizer and much more cost effective than pro-growth and investment policies aimed at alleviating poverty. However, a closer examination also shows that these programs can have positive social effects, including reducing gender disparity. Women who have participated in EGPs have seen an increase in economic opportunities, skills and knowledge, respect within the household, increased social capital, and greater possibilities of obtaining supervisory roles. By being offered the opportunity to leave the home and perform socially useful work, women have been able to pull themselves and those that they care for out of poverty. However, in order to maximize the positive effect on women, policy makers must keep a gender perspective in mind. Without considering the barriers that women face on a daily basis, gendered payment systems and budgeting, and also the burden of household work, EGPs may not have the same positive impacts they have shown to have for women. In the following section, I will be discussing the world's largest job guarantee scheme, The NREGA, and the effects it has made on this developing nation and one of its most disenfranchised groups, women.

⁹¹ Ibid. 34.

⁹² Ibid. 30.

Chapter 2: Gender and the National Rural Employment Guarantee Act

2.1 An Overview: The NREGA

The Second Prime Minister of the Republic of India, Lal Bahadur Shastri, once stated, “Of all the problems facing us, none is more distressing than that of poverty in which tens of millions of our countrymen continue to live.” Since the 1980’s, the poverty rate in India has continued to fall, from 44.93 percent in 1983, to 36.02 percent in 1993-1994 and to 28.27 percent in 2004-2005.⁹³ However, despite the fact that the India’s economy has grown by more than 8 percent within the last decade, the level of poverty is still quite significant. The challenge that has faced policy makers is that of poverty at the bottom, or chronic poverty. This usually entails severe poverty in which the poor are frequently marginalized, vulnerable and suffer from multiple deprivations.⁹⁴

In order to help combat the high levels of poverty that has plagued India for decades, the NREGA was enacted in 2005 under the United Progressive Alliance government. As the front page of its website stipulates, the aim of the NREGA is to enhance the livelihood and security of people in rural areas by guaranteeing 100 days of wage-employment in a financial year to a household with adult members willing to perform unskilled manual labor. The act was initially implemented in the 200 poorest districts and was expanded to all rural districts in 2008.⁹⁵

India is not new to the concept of employment guarantee programs. In 1977, the state of Maharashtra formulated the Maharashtra Employment Guarantee Act. The act stipulated that wage employment would be granted to all those who demanded it, giving a framework for future

⁹³ Rania Antonopoulos and Indira Hirway. ed. *Unpaid Work and the Economy: Gender, Time Use, and Poverty in Developing Countries*. 30.

⁹⁴ *Ibid.* 30.

⁹⁵ Sukti Dasgupta and Ratna M. Sudarshan. “Issues in labour market inequality and women’s participation in India’s National Rural Employment Guarantee Programme.” International Labour Office, Geneva. February 2011. 3.

execution of the NREGA.⁹⁶ In 1993, the United Nations Development Program wrote that the Maharashtra scheme was one of the largest public works programs in the developing world. The scheme guaranteed employment at a defined wage, which was an unprecedented feature in such programs being implemented around the world.⁹⁷ The NREGA followed suit with a similar structure. Besides the fact that the NREGA is a ‘national’ scheme, the EGP departs from the Maharashtra plan in one other very important way: its rights based approach. The NREGA has been put into India’s Constitution and guarantees employment as a right, rather than merely providing a social safety net.⁹⁸ India is the first country in history to provide legal enforcement of work as a fundamental right to life.

As a functioning EGP, work under the NREGA is meant to be demand-based. If a person wishes to take part in the scheme, they must apply for registration, obtain a job card, and seek employment through a written application.⁹⁹ The state governments are then obliged to provide work for these job seekers. By law, the Gram Panchayats – the village assembly – must provide work within 15 days of the request. If the Panchayat fails to do so, they must provide the worker with an unemployment benefit, which gives them a further incentive to run an effective program.¹⁰⁰

As far as funding is concerned, the Central Government is responsible for the entire cost of wages for unskilled manual workers and 75 percent of the cost of material and wages for skilled and semi-skilled workers. State governments bear the other 25 percent of the cost for these workers. The Central Government also bears the costs of administrative expenses, which

⁹⁶ Sandeeta Chhabra and G.L. Sharma. “National Rural Employment Guarantee Scheme (NREGS): Realities and Challenges.” 65.

⁹⁷ S. Mahendra Dev. “India’s (Maharashtra) Employment Guarantee Scheme: Lessons From Long Experience.” 108-109.

⁹⁸ Rebecca Holmes and Nicola Jones (2011). 16.

⁹⁹ Rebecca Holmes and Nicola Jones (2011). 17.

¹⁰⁰ Ibid. 17.

include the salary and allowances of Program Officers, along with their support staff, and work site facilities. The state authorities are additionally responsible for the unemployment allowance discussed above and the administrative expenses of the State and Employment Guarantee Council.¹⁰¹ Because the program is demand driven, the release of Central Government funds is based on the projection of labor demand in the agreed-to Labor Budget. The funds are, therefore, based on anticipated demand rather than a predetermined allocation.¹⁰² In 2013, the cost of the program to the Central government was merely .3 percent of the country's GDP.¹⁰³

In order to avoid misallocation or misuse of these funds, stipulations have been placed within the act to help increase transparency. The act mandates that at least 50 percent of the works performed must be done through the Gram Panchayat, rather than private contractors.¹⁰⁴ In 2005, the government implemented the Right to Information Act, prior to the NREGA. The act is aimed at strengthening transparency within the government and with implementation of the NREGA, any citizen now has the right to request information from a public authority on the scheme.¹⁰⁵ The government also put in place social auditing, monitoring and evaluation systems to keep track of the way the program was being handled within local governments. These governments, therefore, had a duty to inform its people. With the implementation of social

¹⁰¹ The National Rural Employment Guarantee Act 2005. Operational Guidelines. Ministry of Rural Development. 30.

¹⁰² Mahatma Gandhi National Rural Employment Guarantee Act. 2005. Operational Guidelines 2013. Ministry of Rural Development. 99.

¹⁰³ Nita Bhalla. "Economists urge Modi not to squeeze NREGA for rural poor." Reuters. October, 15 2014. <http://in.reuters.com/article/2014/10/15/foundation-india-employment-poor-idINKCN0I422O20141015>.

¹⁰⁴ Operational Guidelines (2013). 17.

¹⁰⁵ Sukti Dasgupta and Ratna M. Sudarshan. "Issues in labour market inequality and women's participation in India's National Rural Employment Guarantee Programme." 4.

audits, citizens could not only seek information, but also record complaints and make suggestions.¹⁰⁶

Works that are permitted under the NREGA, as per the Works Field Manual, are listed below:

1. Water conservation and water harvesting;
2. Drought proofing (including afforestation and tree plantation);
3. Irrigation canals including micro and minor irrigation works;
4. Provision of irrigation facility, horticulture plantation and land development facilities to land owned by households belonging to the Scheduled Castes and Scheduled Tribes of below poverty line families or to the beneficiaries of land reforms or to the beneficiaries under the Indira Awas Yojana of the Government of India or that of the small farmers or marginal farmers as defined in the Agriculture Debt Waiver and Debt Relief Scheme, 2008;
5. Renovation of traditional water bodies including disiltling of tanks;
6. Land development
7. Flood control and protection of works including drainage in water logger areas;
8. Rural connectivity to provide all-weather access; and
9. Any other work, which may be notified by the Central Government in consultation with the State Government.¹⁰⁷

In order for a work (other than those that fall into one of the above categories) to be performed, it must meet a multitude of criteria. Under the NREGA mandate, the work must include the creation of a durable asset that strengthens the livelihood of the rural poor and must also be taken up within a rural area. The costs of materials for such project must not exceed the 60:40 wage to material ratio laid out in the act and the labor performed must be done manually and not by machines. Further, the state will not allow any work that will engage a contractor for the implementation.¹⁰⁸ The works described above have helped to bring a number of positive effects to India, including important macroeconomic, environmental, and social impacts.

¹⁰⁶ Rania Antonoplous (2007). 34.

¹⁰⁷ MGNREGA Works Field Manual. http://nrega.nic.in/mgnrega_works_draft_manual12.pdf. 5.

¹⁰⁸ MGNREGA Works Field Manual. 5-6.

2.1.2 Overall Impact of the NREGA

Since its implementation in 2006, the NREGA has had numerous effects throughout India. One of the most important stated goals of the program has been the generation of employment. Not only have NREGA works directly increased employment, but they have also indirectly affected employment through the increase of irrigation provisioning, area under crops, and crop production. In a study done by the Indian Institute of Science, Bangalore in 2013, it was found that of the 40 villages studied, the average number of days of employment increased by a range of 34 to 73 percent since the scheme's inception. This included both direct employment under the program and indirect employment in the private sector.¹⁰⁹ The NREGA has also created opportunities for large-scale employment of skilled laborers at the block and/or village level through the use of engineers, village assistants, accountants, and information technology personnel. Similarly to the indirect effects in the unskilled sector, the NREGA has also provided employment indirectly for skilled laborers because of newly opened up business avenues including postal networks, financial services, and information and communication technology services.¹¹⁰

Participation under the NREGA has also proven to have positive impacts on income and wages for rural workers. As discussed in the first chapter, in order for the private sector to remain competitive and attract workers, their wages must be raised at a margin above the EGP pay. When it was first implemented, wages under the program were linked to the minimum wage in each state, providing a base wage. Because of this, wages have risen significantly across all states. Table 2 of the Appendix shows this phenomenon. Since the scheme's creation, private sector wages in rural India have grown exponentially and in most recent years, passed the

¹⁰⁹ "Environmental Benefits and Vulnerability Reduction through Mahatma Gandhi National Rural Employment Guarantee Scheme." India Institute of Science. Bangalore. 2013. IV.

¹¹⁰ "Sharing Innovation Experiences." United National Development Programme. ILO. 2011. 276.

NREGA wage. The stability of the mandated NREGA minimum wage to all workers has given participants greater bargaining power in the private sector. This has helped to raise and stabilize the wages across rural India. These wage effects will be discussed in further detail in the following sections.

As discussed in the preceding chapter, an EGP can have wide ranging counter-cyclical effects. Besides employment and wages, multiple other macroeconomic effects have been observed due to expenditure on the NREGA. In a study done by the Institute of Economic Growth, the economic impact of social protection programs in India was studied. Due to the expenditure on NREGA in 2011-2012, total output of the economy increase by a worth of Rs. 97,712 million due to both direct and indirect effects. The gross value added (GVA) in the country also increased by a worth of Rs. 49,309 million. The program has also improved government revenue. Because of expenses through NREGA, the government has collected additional taxes to the tune of Rs. 6,126.12 million.¹¹¹

The program has also had important social effects. Because work has become much more readily available within India's rural areas, it has helped to decrease migration. In a study done on the effects of the NREGA on migration, it showed that the migration of landless or unskilled laborers reduced in 29 of the 40 villages studied ranging from 8 to 100 percent.¹¹² Prior to the NREGA implementation, during dry seasons when agriculture was not a viable employment option for rural workers, many were forced to travel to urban centers or neighboring villages to find work. A villager in the Gorakhpur District of Uttar Pradesh noted,

After the implementation of the NREGA in our village, we don't have to go to the cities in search of work. There are many types of work that we do here, which includes digging

¹¹¹ Akhilesh K. Sharma. "Economic Impact of Social Protection Programmes in India: A Social Accounting Matrix Multiplier Analysis." Institute of Economic Growth, New Delhi. 2011. 5-10.

¹¹² India Institute of Science, Bangalore. IV.

roads and working in brick factories and drains. This scheme has helped us a lot; now we can manage our families and farmland while working here in our village.¹¹³

The NREGA projects have also shown to improve rural connectivity. Many works related to the construction of roads and infrastructure have allowed for greater connectivity between villages. This has particularly helped scattered tribes that would have otherwise been left out of larger rural network programs. These types of works have also provided villagers with a critical link to markets, schools, and health services. Additionally, financial inclusion has improved as a result of the scheme. As of 2011, more than ninety million accounts had been opened in banks and post offices for NREGA workers, making it the largest financial-inclusion scheme of the rural poor.¹¹⁴

Many of the works that have been carried out within the NREGA have been linked to natural resources such as surface water, ground water, croplands, soils, and wastelands. This has led to a number of positive impacts on the environment including effects on water and land resources, crop production, and potential impacts on CO₂ emissions. In the study performed by the India Institute of Science, the following was reported on the program's effects on water resources:

Implementation of MGNREGS works such as water conservation and harvesting works, drought proofing, irrigation provisioning and improvement works, and renovation of traditional water bodies have contributed to improved ground water levels, increased water availability for irrigation, increased area irrigated by ground and surface water sources and finally improved drinking water availability for humans and livestock.¹¹⁵

Many of these works include the construction of check dams, percolation takes and distilling of tanks. This has helped to make ground water more accessible to farmers and families alike, improving crop irrigation and access to drinking water.

¹¹³ Ibid. 278.

¹¹⁴ "Sharing Innovation Experiences." 279.

¹¹⁵ "India Institute of Science, Bangalore. II.

Land resources throughout rural India have also benefited from NREGA projects. Many of the land development works such as land leveling, pasture development, and drought proofing have contributed to improved soil organic carbon and reduced surface runoff and soil erosion. The water and land development works have also directly and indirectly helped to increase crop production and reduce the risk of crop failure. This has been done by increasing the total area that can be cultivated and by also increasing crop diversity and yields. All four of the districts studied in the India Institute of Science's report showed an increase in the total area under cultivation. Three of the four districts also made previously uncultivable land now cultivated through leveling and clearing practices. Although it is not possible to attribute the increase in crop yields to a particular NREGA work, increased water availability for irrigation, land development, and improved soil fertility resulting from the works seem to have positively impacted these yields. The average crop yields increased by 46 to 100 percent across the observed districts.¹¹⁶

An increase in soil organic carbon and the raising of tree plantations and fruit orchards that has resulted from NREGA works have led to carbon sequestration in biomass and soil. This process can possibly contribute to a mitigation of climate change. In the villages studied, 72 percent of the 899 NREGA beneficiary sample plots showed higher soil organic carbon content as compared to the control plots. Additionally, in 31 of the 40 villages, greater forest and fruit orchards have been raised, which sequester carbon in biomass and soil.¹¹⁷ However, it would take many more years to observe if the program has truly had an impact on CO₂ and climate change within India.

¹¹⁶ India Institute of Science, Bangalore. IV.

¹¹⁷ Ibid. 25.

The NREGA has shown to have numerous impacts on rural India, from increased employment and wages to environmental benefits. The program has helped to alleviate many of the daily burdens faced by India's poor. Not only has the scheme helped rural workers as a whole, but it has also been successful in targeting certain disadvantaged groups, namely female workers. Rural, female workers tend to face high discrimination in the Indian labor market. Therefore, formulating NREGA policy that keeps in mind the barriers and burdens that women face can help to decrease these discriminatory practices. In the following sections, I will lay out the gender-sensitive policies that have been implemented and how this has impacted female workers.

2.2 Gender-Sensitive Implementation

India is no different from the rest of the world, as women make up the majority of those living in poverty. There has been a severe feminization of poverty within India – women have lesser means, education and skills, and fewer productive assets.¹¹⁸ The majority of the female workforce within in India is concentrated in rural areas. These rural areas are historically much more poverty stricken than urban centers and women in the poorer areas of India are more likely to seek paid employment than those in wealthier, urban areas. This is due to societal norms and patriarchal viewpoints that restrict women's entry into the labor market.¹¹⁹

The percentage of women working within agriculture has continued to rise over the last few decades, as men have begun to move out of this sector. This may be due to the growth of agricultural wages compared to non-farm wages. Figure 3 of the Appendix shows that although farm wages rose over the period between 1983-2015, it has been unable to keep up with those in

¹¹⁸ Ratna M. Sudarshan. "Examining India's National Regional Employment Guarantee Act: its impact and women's participation." The Institute of Social Studies Trust. India. 2009. 11.

¹¹⁹ Sukti Dasgupta and Ratna M. Sudarshan. 4-5.

the non-farm sector. In fact, the gap between these two groups has only continued to rise.¹²⁰ Further, because men typically have greater means to migrate in order to find higher paying work, they have been able to move to urban areas where wages are much more significant.

The NREGA is an important scheme because it gives women a chance to receive a decent wage while working within their villages and in a sector with which they have experience. Because such a program would have the strongest impact on women, it is only intuitive that the scheme should be geared towards females and implemented with gender issues in mind. In the following section, I will explain the ways in which the NREGA has been able to formulate policy to best support this marginalized group.

2.2.1 Breaking down Barriers

As discussed before, one way that governments have attempted to make EPGs more inclusive for women is by the implementation of set participation quotas. The NREGA has taken on such policies in attempt to make the program more “gender sensitive.” The act explicitly states: “Provided that priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work under this Act.”¹²¹ This mandate helps to combat any possible discrimination that can occur when providing works for women looking for rural employment.

Not only does the act look to provide priority to women searching for work, but it also instructs that women take part in the management and monitoring of the program. When the act was carried out in 2005, it created the Central Employment Guarantee Council, which was designated to establishing a monitoring system and advise the Central Government on all matters

¹²⁰ Ibid. 5-6.

¹²¹ The National Rural Employment Guarantee Act, 2005. (Schedule 2 Section 1: 6).

concerning the implementation of the act. It is stipulated that fifteen non-official members are to be apart of the council representing Panchayti Raj Institutions, organizations of workers, and disadvantaged groups. The act states, “Provided further that not less than one-third of the non-official members nominated under this clause shall be women.”¹²² This would allow women to have direct access to the Central Government in voicing their concerns or opinions in the maintenance of the program.

The NREGA also specifies that women should have a role in social auditing. According to the Operational Guidelines, social audits include the audit of the quality of works, the details of disbursements made, and the number of laborers and materials used. These audits also contain a list of grievances. Each state is responsible for performing their own audits and in order to do so, a “three-tier vigilance mechanism” containing a state, district, and village cell is incorporated into each state auditing system. It is at the local, or village level that women have the most power. The guidelines state that women must represent half of the ten members of the Vigilance and Monitoring Committee in each village. The report from each committee meeting is provided to the Gram Sabha, which is a meeting convened to verify any findings prior to the audit.¹²³ This mandate would allow women to take part in their local government and express any issues within the program specific to their needs.

Women are also given the opportunity to take on supervisory positions within the works provided under the NREGA. A worksite supervisor under the act is known as a ‘mate’ and one mate is assigned to every 100 workers per site. The guidelines state that when selecting a mate, preference should be given to the most deserving women. The mate chosen should preferably be an educated woman worker who has worked for at least 50 days under the NREGA within the

¹²² The National Rural Employment Guarantee Act, 2005. (Schedule II Section 1: 10).

¹²³ Mahatma Gandhi National Rural Employment Guarantee Act, 2005. “Frequently Asked Questions (FAQs) on MGNREGA Operational Guidelines – 2013.” Ministry of Rural Development. 2013. 64-67.

current financial year.¹²⁴ The responsibilities of the mate are extensive and range from recording daily attendance to facilitating demand for work from individual workers or groups of laborers.¹²⁵ Although women make up the majority of rural workers, even outside of the NREGA, it is unlikely that they would be able to achieve such roles and experience without the push that the NREGA provides.

Lastly, the act also looks to help women in special circumstances. Because the act recognizes a single person as a household, it makes it possible for women who may be widowed or unmarried able to access the work provided through the act.¹²⁶ Because of the patriarchal hierarchy that plagues much of India, it can sometimes be more difficult for single women to find work. However, stipulations such as these can make it easier for women to access wage employment. The act also assures that women in highly vulnerable states, such as older women or those with physical impairments, can be provided access to works with less physical effort, such as taking care of children on worksites.¹²⁷

2.2.2 Gendered Payment Systems

In a country where women face a significant wage gap (up to a 30% difference)¹²⁸, the provision of equal wages spelled out in the act is extremely important. The act stipulates that there shall be no discrimination solely on the ground of gender and that all provisions of the Equal Remuneration Act of 1976 shall be met.¹²⁹ As discussed before, in some EGPs, women

¹²⁴ Mahatma Gandhi National Rural Employment Guarantee Act, 2005. “Frequently Asked Questions (FAQs on MGNREGA Operational Guidelines – 2013.” 20-21.

¹²⁵ Ibid. 21.

¹²⁶ Ratna M. Sudarshan. “Examining India’s National Regional Employment Guarantee Act: its impact and women’s participation.” 14.

¹²⁷ Mahatma Gandhi National Rural Employment Guarantee Act, 2005. 47-48.

¹²⁸ Rebecca Holmes and Nicola Jones. 21.

¹²⁹ Mahatma Gandhi National Rural Employment Guarantee Act, 2005. 43.

tend to take on different work than men, which sometimes leads to discrimination in the wages provided. Although many of the works provided under the NREGA tend to be labor intensive, certain social-sector jobs are available to women who are unable to perform these more arduous tasks. The Operational Guidelines of the act lay out that women employed in such positions would be paid the remuneration equivalent to the prevailing wage rate and would face no prejudice when receiving their payment.¹³⁰

As with social auditing, women are also given a chance to be a part of the payment system within their district. Each district can form a payment committee that must have a least two female Self Help Group members and three NREGA workers, one of which must be a woman. Female Self Help Groups are able to play a direct role in spreading awareness, organizing work, accessing entitlements, and assuring social accountability.¹³¹ This payment committee can bring any concerns or issues they have with the payment system to the District Program Coordinator.¹³² Through this process, women have a voice in airing any grievances or mishandlings they have experienced within the wage system.

2.2.3 Women with Care Burdens

The NREGA also incorporates a number of stipulations that aim at helping women who have taken on some sort of care burden. First is the provision of locally available employment. The NREGA reads, “If some applicants have to be directed to report for work beyond 5 km of their residence, women (especially single women) and older persons should be given preference to work on the work sites nearer to their residence.”¹³³ Additionally, if wage-seekers are forced

¹³⁰ Ibid. 41.

¹³¹ Ibid. 14.

¹³² Ibid. 43

¹³³ Ratna M. Sudarshan (2009). 14.

to travel to worksites more than 5 km away from their homes, they must be provided with an additional 10% of their wage. This provides incentives for the state to improve workplace proximity. As discussed, the convenience of jobs is extremely important for attracting those with household responsibilities out of their homes. Because women may need to transport children to school or perform unpaid work within the home before or after hours, transportation time is an extremely important aspect to consider. By providing easily accessible work, it is apparent that certain gendered issues were kept in mind while formulating NREGA policy.

India's EGP has also implemented important childcare provisions for mothers. The act states, "In case the number of children below the age of six years accompanying the women working at any site are five or more, provisions shall be made to depute one of such women worker to look after such children."¹³⁴ Therefore, if five children under the age of six years old accompany their mothers to the job site, what is known as a 'crèche' – or on-site child care facility – is to be provided. Shade for children, periods of rest, and childcare are mandated under these circumstances. Again, those who would be looking after the children are meant to be those women in special circumstances that are unable to perform more laborious work.¹³⁵

Although the NREGA itself fails to provide maternity leave for women employed under the scheme, certain states have been able to enact such benefits. For example, in 2008, the government of West Bengal instituted an agreement that stated,

“...the female employees engaged on a contract basis under NREGA...will get the benefit of maternity leave for a maximum period of 135 days and 42 days maternity leave in case of abortion/miscarriage. During the period of maternity leave such female employee will get contractual remuneration as per terms and conditions of the contract.”¹³⁶

¹³⁴ The National Rural Employment Guarantee Act, 2005. (Schedule II Section 1: 28).

¹³⁵ Mahatma Gandhi National Rural Employment Guarantee Act, 2005. 40.

¹³⁶ “Maternity leave to the female employees engaged on contract under NREGA.” Government of West Bengal. <http://www.nregapaschimmedinipur.com/>.

Paid maternity leave policies can potentially give further incentives for women to leave the household for wage work. If women have comfort knowing that they can start or grow their family without fear of penalty, this can attract more women into the Indian workforce.

Although some reports on the NREGA have pointed out its lack of a large social services sector to help with the unpaid work many rural women face, the highly infrastructure-oriented nature of the program may be helping to pull women out of the household and ease the burden of unpaid work. In her essay on public policy and unpaid work in India, economist Chakraborty notes the following:

The policy suggestion arising from this analysis is that infrastructure investment lessens the time stress of women in unpaid SNA activity, but complementary employment guarantee policies are required along with infrastructure investment to ensure the substitution effect of unpaid work with market work, which, in turn, can have impact on household poverty... The point to be noted here is that employment guarantee policies without sufficient public investment in infrastructure can be equally flawed, as women are time poor and better infrastructural facilities are required to release the time locked up in the unpaid activities to have a smooth transition towards market economy.¹³⁷

She further explains that infrastructure investment that helps with the collection of water has especially shown to have alleviation effects on unpaid work. Figure 10 of the Appendix shows the ratio of works performed under the NREGA from 2006-2014.¹³⁸ As one can see, there is a relatively even distribution of works being performed, with no work taking up more than 20 percent of the total. However, two of the major works being performed over this time period include Water Conservation and Rural Connectivity. Water conservation works include the creation of check dams and water harvesting of village ponds, while rural connectivity helps to improve the roads connecting local villages. Both works can potentially help to alleviate the time constraint women face traveling and collecting water, reducing the burden of unpaid work.

¹³⁷ Rania Antonopoulos and Indira Hirway. ed. *Unpaid Work and the Economy: Gender, Time Use, and Poverty in Developing Countries*. 158.

¹³⁸ Mahatma Gandhi NREGA Outcomes Database.
http://164.100.129.6/Netnrega/mpr_ht/nregampr_dmu_mis.aspx?flag=1&page1.

2.2.4 Gender Budgeting

India first introduced what is known as the Gender Budget Statement in its 2005-2006 budget. As discussed, gender budgeting does not refer to creating completely separate budgets for men and women, but rather remaining gender aware while formulating expenditure patterns and mainstreaming women's concerns. In India and other developing countries, such actions have been evolving and more and more as Indian Ministries have begun to review programs and address schemes that have the budgetary potential to impact the needs of women.¹³⁹ The ministry of Rural Development has come to the forefront of providing such gender-perspectives in budget preparation.

This particular Ministry has implemented several poverty alleviation programs over the years, many of them having special components for women and funds that are earmarked as a "Women's Component." Of the major schemes with such components, the NREGA in particular has been able to exercise gender budgeting and evaluate the impact of employment on women.¹⁴⁰ It can be said that many of the gendered policies discussed above display the gender-awareness that occurred during the preparation of this act and its budget. In its report on gender budgeting in India, the Ministry of Women and Child Development identified the following attributes of the NREGA budget as displaying a gender-consciousness: "flexible work norms; women friendly tools and appliances; adequate facilities at work site such as medical aid, drinking water, crèche and toilet facility."¹⁴¹ Although the Ministry could do more in terms of gender budgeting, simply by providing the funds and mandating such workplace norms, the NREGA has succeeded in formulating certain gender-conscious budgetary actions.

¹³⁹ Darling Selvi. V. "Impact of Indian Gender Budgeting." *An International Journal of Management Studies*. Vol. 4, No. 4. October-December 2014. 26.

¹⁴⁰ Darling Selvi. V. "Impact of Indian Gender Budgeting." 28.

¹⁴¹ "Gender Budgeting." India Ministry of Women and Child Development. 118.

2.3 Gendered Impacts

Women across India, and most notably in many of the rural areas, have faced severe economic risks and vulnerabilities for many years. Holmes, Sadana, and Rath provide the following statistics that detail the disadvantage women have seen at a national level:

India is the lowest ranking country in the South Asian region on the Gender Equality Index, which measures progress in women's economic activity, empowerment and education (ISST, 2007). On the Gender-Related Development Index (GDI), India is placed at 114 out of 155 countries (2007 data) (UNDP, 2009). The GDI is a composite index measuring average achievement in the three basic dimensions captured in the Human Development Index (HDI) – a long and healthy life, knowledge and a decent standard of living... Indeed, although India's literacy rate has been increasing, there is a substantial gender gap: in 2007, 54.5% of females were literate compared with 76.9% of males (ibid).¹⁴²

Because of the lack of progress made for women in India, this has blocked much of their access to the labor market and productive assets. In 2005, the Economic Consensus reported that women were about half as likely as men to be employed, reporting that women only represented about 19.3 percent of the total workforce. When women are employed, however, they tend to face a vast wage gap. In the 1999-2000 financial year, wages for rural women were only 65 percent of male wages.¹⁴³

Women also lack proper accessibility to productive resources and institutions. As shown earlier, there has been a stark rise in the amount of female workers in the agricultural sector, as men have begun to migrate to urban areas to seek work. However, although they make up the majority of the rural workforce, women own less than one-tenth of agricultural lands.¹⁴⁴ Further, women often face barriers when acquiring credit, inputs, insurance, etc. As of 2007, only about 10.7 percent of rural women had a bank or savings account that was solely theirs. Additionally,

¹⁴² Rebecca Holmes, Nidhi Sadana, and Saswatee Rath (2010). 12.

¹⁴³ India Ministry of Statistics and Programme Implementation. National Sample Survey Office (NSSO). http://mospi.nic.in/Mospi_New/site/home.aspx.

¹⁴⁴ Rebecca Holmes, Nidhi Sadana, and Saswatee Rath (2010). 11.

while about 25 percent of rural women were aware of a micro credit program, only 4.4 percent had taken out a loan from such an institution. However, it has been shown that women making cash earnings are slightly more likely to acquire bank accounts and loans.¹⁴⁵

Other than severe obstacles to economic independence and productive assets, women also endure hardships at home. Women's status within the household has very large effects on their ability to access work and resources. They often have limited say on major household decisions on expenditure, face restricted mobility, and are subject to domestic violence.¹⁴⁶ Data has shown that a very small proportion of women are able to make decisions on how their own income is spent (21 percent) and just over half of women jointly decide with their husbands. However, these numbers do differentiate between different castes and religions, with those households under the poverty line leaving the majority of the decision making to the male household leader.¹⁴⁷

As women have continued to see serious disadvantages in their homes, the labor market, and in their communities, perhaps it is the right to work and government intervention that can help to change this tide. As shown in the previous chapter, many other EGPs across the world have been successful in pulling women out of their households and granting them economic independence and greater respect within their communities and homes. The following section will analyze the gendered effects that have occurred in India since the landmark passing of the NREGA and whether or not guaranteed employment has had the same positive effects it has for women in other parts of the developing world.

¹⁴⁵ Rebecca Holmes and Nicola Jones (2011). 16.

¹⁴⁶ Rebecca Holmes and Nicola Jones (2011). 16.

¹⁴⁷ Rebecca Holmes, Nidhi Sadana, and Saswatee Rath. 12-13.

2.3.1 Participation Rates

As noted earlier, women have taken significant advantage of EGPs in programs around the world. This phenomenon is no different in India's case. Although the act mandates that one-third of beneficiaries be women, this proportion has been surpassed every year the act has been implemented. Figure 4 of the Appendix depicts the steady rise in the share of female participants in the NREGA, reaching a peak in the 2014-2015 financial year with 55 percent.¹⁴⁸ Some may argue that this rise in the participation rate can be attributed to a fall in men engaging in the program, which is partly true and can be seen in Figure 5.¹⁴⁹ This graph represents the total number of participants between 2006-2015 and participants for men and women, as well as total expenditure over this time. As one can see, the number of male and female participants dropped at seemingly the same rate after a peak in 2009-2010, which explains the stagnation in the share of female participants shown in Figure 4 between 2008-2009 and 2011-2012. This drop can partially be attributed to a slight decrease and stagnation of NREGA expenditure during the next few years. However, as expenditure began to rebound and increase in 2011, the number of female workers followed suit, increasing 12 percent from 2009-2010 to 2013-2014, while men continued to leave the program.

The percentage of female participants varies highly by state as well. Table 3 of the Appendix lists the states in order by the share of female participation in the NREGA between the years 2006-2014 while Figure 6 shows a map of female participation by state during the aforementioned years.¹⁵⁰ The states that boast the highest rates include Kerala, Tamil Nadu, and Rajasthan with 85, 80, and 68 percent, respectively. Around 11 of the 34 states have failed to consistently meet the one-third mandate, however, with Jammu and Kashmir and Uttar Pradesh

¹⁴⁸ Mahatma Gandhi NREGA OutComes Database.

¹⁴⁹ Mahatma Gandhi NREGA OutComes Database.

¹⁵⁰ Ibid.

producing the lowest numbers at 11 and 19 percent. The reasons as to why women's participation varies so highly across states can be attributed to a number of different factors ranging from socio-economic norms, mobility, intra-household relationships, health, market wages between men and women, program efficiency, and social activism.¹⁵¹ For example, in Kerala, a feature that is unique to its implementation of the NREGA (and possibly the reason why its female participation rate is so high) is the fact that the state entrusted the line management and implementation to the Kudbashree – a state poverty eradication mission and program that has mobilized women into self-help groups for economic activity. This has allowed more women to supervise work sites and have a voice through the implementation process, perhaps making it easier for women to take up works within the state.¹⁵²

Additionally, in many states, women's participation in the NREGA has shown to be higher than their participation in the rural workforce prior to the implementation of the program. Figure 7 of the Appendix depicts this relationship, as 10 of the 15 countries observed showed higher rates of participation in the NREGA in 2008-2009 than in the rural work force in 2004-2005. In 2009, at the height of the program, economists Chandrashekar and Jayati Ghosh noted that women were participating in the NREGA much more than in any other forms of recorded work, excluded unpaid work that does not show up in official Indian surveys.¹⁵³ This shows that perhaps the “female friendly” aspects of the NREGA have helped to mobilize women into the workforce and alleviate some of the barriers seen in the labor market. In a study done in the state of Kerala, fieldwork indicated that many women were persuaded to come out of the house for paid work for the first time. One NREGA participant noted,

¹⁵¹ Sukti Dasgupta and Ratna M. Sudarshan. 9.

¹⁵² Ratna M. Sudarshan. “Employment Guarantee Act: Women's Participation and Impacts in Himachal Pradesh, Kerala, and Rajasthan.” Centre for Social Protection. January 2011. 5.

¹⁵³ Sukti Dasgupta and Ratna M. Sudarshan. 8.

I was a housewife till NREGS started. Ladies normally go for construction work locally or else domestic work. As this work is provided close to the house, we normally go and have food and then continue work. This is easier and we do not find it a burden. In the initial days we used to get back pain and body pain as we were not used to such work but now all are happy – no pain but gain as wages.¹⁵⁴

Although women have taken up a larger share of these works, the overall labor force participation rate of women has not improved. In fact, female labor force participation rates have consistently dropped from the years 2004-2005 to 2010-2011. This occurrence is depicted in Figure 8 and Table 4 of the Appendix.¹⁵⁵ If women have continued to increase their share of NREGA works, why has the workforce participation rate declined? Some of this decline in the rural labor force can be attributed to higher rates of women leaving to obtain an education and also poor ecological conditions that have made tending to agricultural duties difficult.¹⁵⁶ However, there also seems to be societal barriers limiting female participation.

Ghosh considers several other possibilities and factors contributing to this decline. First is the increased burden of unpaid work. Ghosh found that there was a strong inverse relationship between work participation and involvement in domestic work (looking after children, taking care of the sick and the elderly, preparing food and other tasks associated with home management) and expenditure-saving activities (activities geared towards household consumption.)¹⁵⁷ Further, societal norms may also be attributing to this decline. Many archaic beliefs about the work that women should be performing still persist in much of India. Once the works begin to rely too heavily on machinery, women are displaced with male workers.¹⁵⁸

¹⁵⁴ Ratna M. Sudarshan. “Employment Guarantee Act: Women’s Participation and Impacts in Himachal Pradesh, Kerala, and Rajasthan.” 8.

¹⁵⁵ India Ministry of Statistics and Programme Implementation. NSSO.

¹⁵⁶ Jayati Ghosh. “The curious case of the jobs that did not appear: Structural change, employment and social patterns in India.” ISLE 2013 Presidential Lecture. 9-10.

¹⁵⁷ Jayati Ghosh. “The curious case of the jobs that did not appear: Structural change, employment and social patterns in India.” 10.

¹⁵⁸ Ibid. 12.

Therefore, women tend to perform the more arduous and taxing manual labor and are forced out as soon as tools such as tractors are introduced.

Additionally, the patriarchal system within India may also be a contributing factor to what is known as the “income effect.” This theory states that in times of economic poverty, women will enter to workforce to provide a supplemental income. In many households, once wages have increased and the family has received enough income to move out of extreme poverty, women will effectively leave the workforce to attend to unpaid, household duties.¹⁵⁹ This could possibly be due to women opting out of the workforce to tend to unpaid work, or the patriarchal norms of India where men tend to restrict their wives to working within the household. Figure 8 of the Appendix supports this idea and displays the pattern of labor force participation rates from 2004-2005 to 2011-2012. The graph depicts a decline in the labor force participation rate for rural women and throughout the country, while male participation rates across India and in rural area has remained steady during this time period. As male wages have increased, families have placed less importance on the extra income earned by women and it is likely that they have been forced back into the home to attend to domestic work.

2.3.2 *Types of Works*

Figure 10 of the Appendix also shows that in the aggregate, the program has had a somewhat even distribution of works. This suggests that women have been given the opportunity to perform a variety of different projects. As discussed before, when implementing such a program, it is important to allow women to enter into a variety of different sectors in order to eliminate any chance of occupational segregation. Because women in India have taken over within the agricultural sector, it may be tempting to have women perform many of the tasks

¹⁵⁹ Ibid. 12.

relating to this type of work. Although there is little data on the works that women are specifically taking up, it can be said that because the average female share of the participation rate over this time period is around 47 percent, women were almost just as likely as men to perform labor intensive infrastructure projects as they were to perform agricultural works.

2.3.3 *Wages*

The most important provision for women detailed within the NREGA is the mandate of equal wages for all workers. The wage rate is set at the minimum unskilled agricultural wage in each state. Table 2 of the Appendix details the difference in NREGA wages by gender for the three years that data was available. During the years 2007-2008 and 2009-2010, women received much higher wages when working under the NREGA than they would have performing any other type of work in rural areas. Their wages were greater by nearly 40 and 20 percent, respectively. In some states, this difference in wages was even greater. For example, in Madhya Pradesh, women would typically receive Rs. 30 a day, whereas the NREGA paid them Rs. 90 per day, a 67 percent difference.

As discussed, Table 2 shows the effect that NREGA wages has had on the pay received for other rural work. Between 2007-2008 and 2011-2012, the average daily wage for women increased by over 50 percent in private, casual work. Rural wages have actually increased faster than NREGA wages (23 percent for women), which increases with the minimum wage within each state. Because women were initially able to receive a higher wage under the NREGA, this increased their bargaining power and forced the private sector to increase the wage to a competitive level. By 2011-2012, the private sector wages for casual work surpassed the average NREGA wage, making it an effective base wage.

This improved wage rate due to the NREGA has also helped to decrease the disparity of wages between male and female workers. This can be seen in Figure 9 of the Appendix. The graph depicts the rise in rural wages (left axis) as well as the change in female wages as a percentage of male wages in rural casual work (right axis.) The gender wage gap for casual work has decreased by around 5 percentage points since the 1999-2000 year.

However, these increases cannot be solely attributed to the NREGA. Counter-cyclical and environmental factors, such as agricultural returns, have also played a part in the rural wage growth. However, research has shown that the NREGA has played an important role in helping with the casual wage rate growth, especially for women. One study found that wages for female workers in NREGA areas grew 8.3 percent more than wages for women in non-NREGA districts during the studied years. This number was less than half for male workers, at 3.8 percent. This displays the important effects that the program has particularly had for women.

Although women in rural areas have seen an increase in their wages, there is still discrimination that occurs within the scheme. On average, women still generally receive wages well below the state wise minimum wage for the NREGA. Although the average wage rate across the country meant to take effect January 1, 2011 was around Rs. 123 per day¹⁶⁰, Table 2 shows women making much less than this. The table also shows that men tend to take home higher wages while working under the NREGA, although this gap is much smaller than the in the private sector. Because these rates are supposed to be tied to the minimum wage, it is difficult to say why women are receiving lower pay. One explanation is the lack of proper monitoring and auditing systems in many states, leading to gender discrimination. This will be discussed further in the following chapter.

¹⁶⁰ State Wise Notified Wages for MGNREGA (Rs./Day). http://nrega.nic.in/nrega_statewise.pdf.

The increase in income for women has also shown to have a small impact on credit and loans. Some households have suggested that their participation in the NREGA has helped to gain access to loans, as well as help pay off existing ones. However, these findings are highly variable and depend on the existing financial status of the family.¹⁶¹

2.3.4 Social Capital

Participation in the NREGA has also led to an increase of social capital for women. Holmes and Jones write, “Our research suggests that there is a general perception that social networks have strengthened, leading to improved relationships where men and women worked together and supporting informal access to borrowing small amounts of money from each other.”¹⁶² Kashalya Nair, a NREGA participant, noted the following after beginning work under the program, “The shopkeeper who used to ignore us now calls us and gives goods on credit and says pay when you get wages.”¹⁶³ Because community members know that women and their families are receiving a reliable wage, they are more inclined to provide them with loans and credit. The strengthening of these relationships within their communities can allow women to perhaps gain greater independence and respect.

Relationships between men and women have also changed within the household, namely their role in the decision making process. In the National Family Health Survey III (2005-2006), only 29 percent of married women in rural areas made the decisions about the purchase of daily household needs, 26 percent made personal healthcare decisions, 7.6 percent made decisions on the purchase of major household items, and 10 percent made the decision to visit relatives. By

¹⁶¹ Ibid. 20.

¹⁶² Ibid. 22.

¹⁶³ Mahatma Gandhi National Rural Employment Guarantee Act. Ministry of Rural Development. http://nrega.nic.in/circular/Rozgar_Sutra_english.pdf.

2010, 71 percent of rural women reported retaining portions of their income to spend as they please, which included household items, healthcare, and visits to relatives.¹⁶⁴ A participant from Jammu and Kashmir had the following experience:

There was once a time when women were not allowed to step out of the house and women were not independent. Men had the responsibility of taking care of all the needs of women. Women were completely dependent on men. But now the times have changed and women are working in MGNREGA, they are getting good rewards for their labour and now the participation of women has increased more than men.¹⁶⁵

However, fieldwork done in Madhya Pradesh revealed that some households experienced a worsening effect, as tensions rose due to the disruption of household work and caring responsibilities. Many of the positive effects seen in this state were linked to women's access to their income and their own bank accounts. In many cases, the roll out of bank accounts that are put under a woman's name is dependent on the Panchayat. If more of an effort was given to increasing the amount of bank accounts opened in women's names, this could further improve their stance and role in decision making within their homes.¹⁶⁶

2.3.2 Benefits for Women with Care Burdens

As wages under the NREGA and the amount of households taking part in the program has risen, this has had a certain impact on poverty. World Bank data shows that in the year before the NREGA was implemented, the percentage of the rural population living under the national poverty line stood at 42 percent. That number has since decreased substantially to 26 percent in 2012.¹⁶⁷ This is especially important for women with care burdens, as they will be in a

¹⁶⁴ Ashok Pankaj and Rukmini Tankha. "Empowerment Effects of the NREGS on Women Workers: A Study in Four States." The United Nations Development Fund for Women. 51.

¹⁶⁵ Ibid. 29-30.

¹⁶⁶ Rebecca Holmes and Nicola Jones (2011). 20.

¹⁶⁷ The World Bank. "Rural poverty headcount ratio at national poverty lines (% of rural population)" <http://databank.worldbank.org/data/views/reports/tableview.aspx>.

better position to provide for those under their care. Much research has shown that the majority of income from the program gets spent on food. A survey from Andhra Pradesh shows that food expenditure increased by 15 percent post-implementation, while another survey done in Rajasthan showed that 56 percent spent wages on ‘food and basic needs.’¹⁶⁸

Participation in the NREGA has also shown to have positive effects on the education of children. One study in particular looked at the relationship between the participation of women in the program and their children’s time in school in the state of Andhra Pradesh. The study found that greater participation of women in NREGA has had a positive effect on their children’s time in school. This is especially true for girls, the youngest children in the household, and children in the poorest wealth group. Further, the study found that a mother’s participation in the program also had a positive effect on the grade attainment of younger children, implying that more time in school translates into better educational attainment.¹⁶⁹ This can perhaps be attributed to not only the increased income that allows women to pay school fees, but also the proximity of many of the works, allowing women more ease in transporting their children to school before and after work.

Besides food and education, women have also spent a good portion of their earnings on medical expenses, improving the health of those they care for. In a study done on the effect of participation in NREGA on children in Andhra Pradesh, the relationship between the program and child health outcomes was examined. The study looked at the change in height and weight for children when parents took up the works and found very strong, positive results. The paper also notes that it is not simply the registration in the program that has such an effect, but the actual

¹⁶⁸ Sukti Dasgupta and Ratna M. Sudarshan. 16.

¹⁶⁹ Farzana Afridi. Abhiroop Mukhopashyay. and Soham Sahoo. “Female Labour Force Participation and Child Education in India: The Effect of the National Rural Employment Guarantee Scheme.” The Institute for the Study of Labour. May 2012. 35.

take up of a work that results in an income transfer that has shown to increase both height and weight of children.¹⁷⁰

As discussed, the program has also shown to decrease migration throughout rural areas. This is especially important for working females who must also take on some sort of unpaid work burden. Because it is mandated for work to be locally available, this decreases the travel time that women must take on in order to find paid work. With the extra time provided due to decreased migration, this helps to decrease any additional unpaid work time that many women face and diminishes the chance of a “double day” effect.

2.4 Conclusion

The NREGA has succeeded in formulating several gendered dimensions from explicit quotas, wage equality, and requiring appropriate facilities and care assistance to mothers. Many of these policies have come to fruition, as women have taken up well over the mandated one-third of works and the higher income has given them the capabilities to emerge from poverty and provide for those that they care for. The right to work along with gender-sensitive policies has led to many positive effects for rural women and the alleviation of certain labor force discriminations. However, certain inadequacies and implementation failures have arisen within the program. I have touched on a few in this portion of my research, but in the next section I will lay out the systemic erosion of the NREGA that has taken place within the last few years.

¹⁷⁰ Vinayak Uppal. “Is NREGS a Safety Net for Children?: Studying the access to the National Rural Employment Guarantee Scheme for the Young Lives families and its impact child outcomes in Andhra Pradesh.” Young Lives Matter. May 2009.

Chapter 3: NREGA under Attack

When the NREGA was enacted in 2006, it became the largest jobs guarantee program in the world. Its objective is the alleviation of poverty and the enhancement of life to all rural people willing and able to work. As discussed, although it has succeeded in many areas, the program has also fallen short in others. A relatively new scheme with such a large size and scope, it was inevitable that administrative and implementation challenges would occur. Many of these that have been seen throughout the country include lack of provisions for women at worksites, failure to provide demanded work, wage payment issues, poor monitoring and auditing mechanisms, and corruption. Further, these issues within the program have only been exacerbated with a declining logistical and financial support from the Central Government.

3.1 Failure by Design

One implementation issue that has especially affected women within the program is the failed attempt at providing crèches at worksites. Many have reportedly criticized the program for not making sure such provisions were available to women at NREGA sites. Figure 11 of the Appendix depicts the status of facilities at thirteen surveyed worksites in the states of Bihar, Jharkhand, Rajasthan and Himachal Pradesh. Only 1 of the survey worksites provided a crèche. The study showed that only 28 percent of women felt comfortable bringing their children to work with them. Further, a majority of the mothers confessed to feeling emotionally strained because they were worried about their children.¹⁷¹ In another study, some women were forced to

¹⁷¹ Ashok Pankaj and Rukmini Tankha. "Empowerment Effects of the NREGS on Women Workers: A Study in Four States." The United Nations Development Fund for Women. 54.

leave their younger children with older daughters, meaning they were pulled from school to tend to their younger siblings.¹⁷²

In the most recent Comptroller and Attorney General (CAG) audit on the NREGA, which covers the years 2007-2012, there are several implementation issues discussed. During the years analyzed, 14 of the 34 participating states only completed 30 percent of the planned works, amounting to Rs. 99,168.87 million of unused funds. Further, job cards in six states were not issued to a total of 12,455 households. Where some states were failing to implement work, other states were performing inadmissible works. In the 25 districts that were checked, 102,100 unauthorized works were taken up. This amounts to an expenditure of Rs. 2,252.43 million. Some of these works performed included construction of earthen roads, cement concrete roads, construction of raised platforms for cattle and other animals, and construction of bathing ghats (steps leading to a body of water to allow for bathing).¹⁷³ Although these works may bring benefit to their communities, there is a highly bureaucratic system within the NREGA in which all works must accord with the strict provisions of the act and be approved by the Central Government.

There have also been significant issues with the payment systems. The social audit discussed above recorded nonpayment/under payment of wages in fourteen states amounting to Rs. 36.97 million. There were also several cases in which no compensation was paid for a delay of wages.¹⁷⁴ Most recently, a report showed that 70 percent of wages had not been paid on time under the NREGA so far this financial year (2014-2015). As of December 2014, only 28.22 percent of wage payments had been made within the stipulated 15 days. Of the 72 percent of

¹⁷² Rebecca Holmes and Nicola Jones (2011). 22.

¹⁷³ Comptroller and Auditor General (CAG) (2013) *MNREGA Performance Audit Report* No. 12.

¹⁷⁴ Comptroller and Auditor General (CAG) (2013).

delayed payments, almost 9 percent were paid after 90 days.¹⁷⁵ Further, the piece-rate system of pay that some states have implemented, which pays a worker for output rather than time and is determined by a Schedule of Rates (SOR), has shown to be lower than the statutory minimum wage. This is due to the fact that many SORs and expectations of the site engineers were found to be so stringent that they prevented most workers from receiving the full wage for a day's work.¹⁷⁶

Many of these implementation issues have been caused by a few factors, first of which being the inadequate implementation of social auditing and accountability mechanisms. The CAG social audit reported that in ten states, governments had not constituted Social Audit Units to facilitate the social audit forums. In eleven states, it was observed that significantly fewer social audits from prescribed norms were conducted.¹⁷⁷ If audits *were* conducted, however, there were often no records made of the event and proper repercussions were not made to deal with complaints and grievances. Further, vigilance committees were rare in places where NGOs were not active.¹⁷⁸

If much more attention were put into these governing mechanisms, this could really help to improve the effectiveness and implementation of the NREGA and aid in much of the corruption that has been rampant throughout the program. There are several empirical studies that show very wide gaps between the program's guidelines and actual implementation. This includes inadequate supervision at worksites, leakages that represent corruption, and fake muster

¹⁷⁵ Ruhl Tewari. "More than 70% NREGA wages unpaid this fiscal." January 29, 2015.

<http://indianexpress.com/article/india/india-others/more-than-70-nrega-wages-unpaid-this-fiscal/>.

¹⁷⁶ Jayati Ghosh. "Can Employment Schemes Work? The Case of the Rural Employment Guarantee in India." Presented at January, 2014 A. Kregel Festschrift Conference.

¹⁷⁷ Comptroller and Auditor General (CAG) (2013).

¹⁷⁸ Jayati Ghosh. "Can Employment Schemes Work? The Case of the Rural Employment Guarantee in India."

rolls that are used for embezzlement of funds.¹⁷⁹ Although private contractors are banned under the act, they still have control of works in many areas. Reports have shown that they perpetuate corrupt practices such as the “percentage system,” in which government officials get a share of the profit through prefixed percentages.¹⁸⁰ There have, however, been attempts at quelling such corruption within the program. Most recently, the state of Madhya Pradesh introduced an e-attendance system where workers would have to record their work at sites electronically, increasing transparency and eliminating the chance of the creation of fraudulent muster rolls.¹⁸¹

Other than implementation oversights, the most current failures of the program can be attributed to a shift in how the government views the program and also the recent regime change in the governing body of India. When the program came to be in 2006, it was put in place by a government dedicated to providing social stability for the poorest of India. The NREGA was their flagship program. However, as corruption ran its course and issues within the program increased, an ideological shift occurred. Further, the 2014 election put into power a pro-business and investment government with a disdain for the social policies that had been enacted under the former powers. A governing body that has little support for the program has further aided in the systemic erosion of the NREGA.

3.2 Regime Change

The Indian elections of 2004 came down to two opposing parties: the Hindu nationalist and center-right party of Bharatiya Janata (BJP) and the India National Congress party, led by

¹⁷⁹ Ibid.

¹⁸⁰ “NREGA: Action Taken Against Corruption in Orissa. The Hindu. October 16, 2007 <http://www.thehindu.com/todays-paper/tp-national/nrega-action-against-corruption-in-orissa/article1931132.ece>.

¹⁸¹ Shruti Tomar. “MP Gov’t to Introduce E-attendance of MGNREGA Workers.” Hindustan Times. January 15, 2015. <http://www.hindustantimes.com/bhopal/mp-govt-to-introduce-e-attendance-of-mgnrega-workers/article1-1307060.aspx>.

Sonia Gandhi. Although the Congress party had governed for 45 of the 57 years since Indian independence, it had been written off as almost a historical relic because of poor performances in most recent years.¹⁸² The BJP party had been favored to win, but in a turn of events, the Congress party was victorious at the polls. Shortly after the victory, the new left-leaning United Progressive Alliance (UPA) coalition government came into power. The Congress nominated their party lieutenant, Oxford-educated economist Manmohan Singh, as Prime Minister and Sonia Gandhi became the government's Chairperson.¹⁸³

The UPA put much of their efforts towards legislation relating to social and economic rights. During its two terms in power, the UPA enacted the Right to Information Act of 2005, the Forest Rights Act of 2006, the National Food Security Bill (NFSB) and the NREGA in 2006. It is especially interesting that the government would take up such social projects, as recent growth in India's economy had been accompanied by rising economic and social inequalities. Additionally, the pro-business environment in the country had warded off government intervention in the recent years. In the case of the NREGA, much of the demand for a right to work program had grown out of influential grassroots organizations, especially out of the Rajasthan region.¹⁸⁴ This depicts the demand for government intervention that was arising within the country at this time.

However, by the end of his second term in office, Prime Minister Singh and the Congress party had lost steam with the voters, and the BJP won in the 2014 general election. Narendra Modi, the former chief minister of the state of Gujarat, effectively became the new Prime Minister of India and the National Democratic Alliance (NDA) coalition government was

¹⁸² Amy Aldman. "In Huge Upset. Gandhi's Party Wins Election in India." The New York Times. May 13, 2004. <http://www.nytimes.com/2004/05/13/international/asia/13CND-INDI.html>.

¹⁸³ K. Alan Kronstadt. "India's 2004 National Elections." CRS Report for Congress. July 12, 2004.

¹⁸⁴ Reetika Khera. "Democratic Politics and Legal Rights: Employment guarantee and food security in India." Institute of Economic Growth. 2013. 15.

formed. It was during his time as chief minister of Gujarat that Modi displayed his affinity for pro-growth and investment policies. Many of the investor-friendly policies implemented under Modi's administration have helped Gujarat become a destination for automakers such as Ford Motor Company. In an interview in 2012, Modi said that he was beginning to focus his energy into bringing defense manufacturing to the state.¹⁸⁵ The large economic growth that has been seen within Gujarat can be attributed to such policies.

However, as seen in Chapter 1, pro-investment and growth policies are often not conducive to pulling people out of poverty. As Minsky stated, "...contracts granted to sophisticated, high-tech industries generate demand for skilled, high wage labor, thereby exacerbating income inequality within the labor force."¹⁸⁶ This has definitely been displayed through the economic policies of Gujarat under Modi. Although the state has seen much expansion under Modi's rule, the state has also witnessed high inequality. In the state's largest city, Ahmedabad, one can see the poor taking shelter on sidewalks and ritzy shopping malls all in one shot. Additionally, in 2006, almost half of children under six living in Gujarat were stunted or too short for their age. In an interview, Modi attributed the malnutrition in his state partially to vegetarian diets and also to the body image issues among young women. He stated, "The middle class is more beauty-conscious than health-conscious—that is a challenge," he said. "If a mother tells her daughter to have milk, they'll have a fight—she'll tell her mother, 'I won't drink milk. I'll get fat.'"¹⁸⁷ As for the way in which the government was being run under the Congress party, Modi stated, "Government has no business to be in business."¹⁸⁸

¹⁸⁵ Amol Sharma. "In Slowing India, a Fast-Growing Star." *The Wall Street Journal*. August 29, 2012. <http://www.wsj.com/articles/SB10000872396390444327204577616060613980088>.

¹⁸⁶ Stephanie A. Bell and L. Randall Wray. "The 'War on Poverty' after 40 Years: A Minskyan Assessment." 15.

¹⁸⁷ Amol Sharma. "In Slowing India, a Fast-Growing Star."

¹⁸⁸ *Ibid*.

In the 2014 general election, Modi ran on a platform of anti-corruption and pro-growth, which appealed to many Indian voters who had seen the way in which corruption plagued the NREGA. He promised jobs to those who wanted a ‘hand up’ rather than a traditional hand out.¹⁸⁹ Some argue that his success in the general election can also be attributed to the “Americanization” of the BJP’s campaign. This refers to the glamour that is often associated with American politicians, rather than focusing on actual policies. The BJP employed many of these types of tactics for the election, such as hiring international PR companies and employing target advertising over social media. In addition, they courted big corporate houses for campaign donations.¹⁹⁰ The inexperienced Congress candidate, Rahul Gandhi, did not stand much of a chance against such a force.

As a government uninterested in providing its people with what they deem as “hand outs,” the NDA has been less than thrilled with the NREGA and other social safety net programs. Since its takeover in 2014, the Modi government has repeatedly discussed reforming and scaling back the NREGA scheme. Some of the reforms that have been raised are large budget cuts, the restriction of the program to the 200 poorest districts (instead of the 625 it currently serves), and changing the wage to material ratio from 60:40 to an even 50:50, to help with the production of durable assets. Because the government is so pro-business, it is intuitive to believe that they would not wholeheartedly support a program that takes workers away from the private sector and gives them higher bargaining power. From spending cuts and not releasing the proper funds needed to finance wages, the NDA government has consistently proven their lack of support for the program.

¹⁸⁹ Teresa Wish. “Views You Can Use: Modi Wins the World’s Biggest Election.” US News. May 16, 2014. <http://www.usnews.com/opinion/articles/2014/05/16/narendra-modi-will-be-the-next-prime-minister-of-india-commentators-react>.

¹⁹⁰Siddharth Bannerjee. “The Professionalisation of Indian elections: Reflections on BJP’s 2014 campaign.” India at LSE <http://blogs.lse.ac.uk/indiaatlse/2014/05/23/professionalisation/>.

3.2.1 Fund Cuts

Although the Modi government denies squeezing funds to the NREGA and states that it merely wishes to reform the program, there have been reports of significant reductions in funds allocated to the program since their election. Compared to the 2013-2014 financial year, there has been a 45 percent reduction in funds released by the Central government as of September 2014. This is reportedly the sharpest reduction in funds since the scheme's inception. To compare, the Centre had released Rs. 13,618 million to states as of September 2014, whereas Rs. 24,676 million had been released in the same period for the preceding year.¹⁹¹ Figure 12 of the Appendix depicts the percentage change in funding from the last financial year by state, the data includes up to December 19, 2014. The graph shows all but five states receiving lower funding than the preceding year.¹⁹²

Although the cuts to funding has intensified with the regime changing over to a much more conservative government, Jayati Ghosh writes that this 'cynical' process began under to UPA government in 2010. This was done by putting a cap on the allocated funds to each state. Because the program is meant to be demand-driven, putting a cap on the allocated funds essentially takes the air out of the right to work. If the government wished to restrict funding for their EGP, the way to do so would be through a cap on wages, rather than a cap on spending. Further, Ghosh writes that the budget allocation for the scheme is only about half of the Ministry of Rural Development's estimates of the "approved person days as per the labour budget."¹⁹³ The

¹⁹¹ Namrate Acharya. "NREGA fund allocation cut by 45% this fiscal till Sept." Business Standard. October 31, 2014. http://www.business-standard.com/article/economy-policy/nrega-fund-allocation-cut-by-45-this-fiscal-till-sept-114103100908_1.html.

¹⁹² Scroll Staff. "Rural wage growth plunges to 10 year low." India Spend. January 13, 2015. <http://www.indiaspend.com/cover-story/rural-wage-growth-plunges-to-10-year-low-25295>.

¹⁹³ Jayati Ghosh.. "India's rural employment programme is dying a death of funding cuts." The Guardian. February 5, 2015. <http://www.theguardian.com/global-development/2015/feb/05/india-rural-employment-funding-cuts-mgnrega>.

lack of funding has led to a number of administrative failures, including problems with wage payment and providing NREGA employment.

As mentioned, the scheme has seen large delays and non-payment of wages, especially within the last financial year. Many states attribute the lack of payments to this withholding of funds by the Central government. For example, in Kashmir's district of Baramulla, there has been strong resentment against their state government for delayed wages. One resident noted, "Our families are starving. We demand immediate release of pending salaries. If government doesn't release our salaries we would not hesitate to come on the roads."¹⁹⁴ When asked about the delays a state official responded, "Due to lack of funds in the NREGA, the release of the salaries has got delayed. I have already sent a proposal to higher authorities to release funds."¹⁹⁵ Instances such as these have occurred all across participating Indian states. Under the "Guidelines on compensation for delayed wages payments," the Program Officer (PO) decides within 15 days of the delay payment whether or not the compensation is payable. The PO can reject the compensation on three grounds: compensation is not due, natural calamities, or funds are not available.¹⁹⁶ Out of all of the rejected delayed compensations that have occurred thus far in 2014-2015, 82 percent were reportedly rejected because of 'insufficient funds.'¹⁹⁷

The lack of government funding has also hindered the states' abilities to generate enough work for those who demand it. Data indicates that just a little over one third of the mandated 100 days so far this financial year have been provided to households. As of January 31, 2014, the

¹⁹⁴ Peerzada Aarif. "Govt delays Wagoora Gram Rozgar Sevaks' salaries." Rising Kashmir. November 28, 2014. <http://www.risingkashmir.com/govt-delays-wagoora-gram-rozgar-sevaks-salaries/>.

¹⁹⁵ Peerzada Aarif. "Govt delays Wagoora Gram Rozgar Sevaks' salaries."

¹⁹⁶ "Guidelines on compensation for delayed wages payments-reg" Ministry of Rural Development. June 12, 2014.

¹⁹⁷ Ministry of Rural Development. "Delayed Compensation" Data. http://164.100.129.6/netnrega/state_html/delay_comp.aspx?lflag=eng&fin_year=2014-2015&source=national&labels=labels&Digest=BPj0SPgjfNLE7gV08qxThw.

average days of employment provided to households had been 34.84. This number was 46 for last financial year. Ministry officials have attempted to attribute this phenomenon to the fact that there is less demand for the scheme, and therefore less days being worked. However, many others have agreed that the lack of employment generation has been mainly a supply-side effect, occurring from faulty implementation and insufficient funding.¹⁹⁸

Although there had been much speculation leading up to the unveiling of the NDA's 2015-2016 budget that the NREGA budget would be slashed, Finance Minister Arun Jaitley gave the program a 12 percent increase in budget allocation with Rs. 34,699 million. This is the highest allocation the program has received since its inception. Although the program's budget has been increased, the budget slashed many other social protection programs and has been labeled as "anti-poor, anti-farmer, and anti-growth." Some sectors that endured cuts in order to decrease India's fiscal deficit include agriculture, drinking water and sanitation, and water resources. Many of the beneficiaries of the NREGA rely on these programs, and some are used in conjunction with the program. Most notably, the Ministry of Women and Child Development has teamed up with the NREGA to have women help build schools for children and community centers. The budget for this ministry was slashed by nearly 50 percent for the current budget.¹⁹⁹

Further, although NREGA's budget was not cut, there still seems to be little support for the program from the Central Government. In a statement after the unveiling of the Budget, Prime Minister Modi explained why he did not attempt to discontinue the program, "You will have to agree that I have good political sense. I cannot do away with the MGNREGA, as it is a

¹⁹⁸ Ruhl Tewari. "NREGA set to hit new low in targets." Indian Express. February 1, 2015. <http://indianexpress.com/article/india/india-others/nrega-set-to-hit-new-low-in-targets/>.

¹⁹⁹ Abantika Ghosh. "Activists cry foul as WCD Ministry funds slash by half." Indian Express. March 1, 2015. <http://indianexpress.com/article/business/budget/activists-cry-foul-as-wcd-ministry-funds-slashed-by-half/>.

living reminder of your mistakes,” in reference to the UPA government.²⁰⁰ The disdain Modi has for the NREGA is quite apparent. Therefore, it is hard to say whether or not the government will support the program the way it needs to and release the funds accordingly. With such a lack of enthusiasm, India may see yet another year of back logged wages and insufficient releasing of funding by the Centre.

3.2.2 Shift to Infrastructure

Although it seems quite clear that the current Indian government is pushing for greater infrastructure and growth within the country, it was the UPA that began the program’s shift to an emphasis on construction and infrastructure. In 2013, the rural development minister, Jairam Ramesh, promised to adjust their focus to creating more durable assets under the NREGA. In order to do so, he allowed states to be more flexible when abiding by the wage to labor ratio of 60:40, which would allow for greater expenditure for materials that will lead to asset creation.²⁰¹ The current government also greatly supports a move to more construction-based works. Although they did not follow through with this idea in their 2015-2016 Budget, the administration had been seriously considering altering the labor material ratio to an even 50:50, in order to lend more funds for materials and thus, the creation of more durable assets.

The Economic Survey released for 2014 also urged that the NREGA should change into a “development oriented programme creating tangible and meaningful assets and infrastructure...” In an attempt to explain why these assets were not being produced, the survey pointed out that in certain areas, women were more likely to take up works under the program because the private

²⁰⁰ “MGNREGA Proof of UPA’s Mistakes will Continue: PM Modi.” One India. February 27, 2015. <http://www.oneindia.com/india/mgnrega-proof-of-upas-mistakes-will-continue-pm-1667831.html>.

²⁰¹ Urmil A. Goswami.. “Govt issues clarification on wage-material ratio under NREGA Projects.” The Economic Times. October 1, 2013. http://articles.economictimes.indiatimes.com/2013-10-01/news/42576656_1_gram-panchayat-level-clarification-district-panchayats.

sector wages for males was much larger. According to the report, because women were the main workers in these areas, this led to only small works of lesser utility being undertaken rather than larger, more tangible projects. The survey stated, “The need for community projects is becoming less important as probably such works have already been completed or are on the brink of saturation or on account of lack of common interest in public works.”²⁰²

Figures 13 and 14 of the Appendix depict this shift in the types of works being taken up under the program.²⁰³ In the 2011-2012 financial year, the works with the highest concentration of participation seemed to be water conservation. Under the NREGA manual, water conservation and harvesting works typically include construction of dams, contour trenches and check dams. These works involve manual digging activity and are classified as non-durable assets in the long run. However, this has shifted greatly during the last year, with rural sanitation being taken up by a 31 percent of participants. Rural sanitation acts were deemed permissible under the NREGA with an amendment in 2013. These works include the creation of private lavatory areas to help with the nearly 620 million people practicing open defecation within India.²⁰⁴ Although these new works may provide a necessary asset for the community, they were not put in place with the female perspective in mind.

3.3 Conclusion

Although the NREGA has not lived up to its potential and has run into a number of hindrances and complications, many still support the program and reject the attempts of the

²⁰² “Economic Survey 2014: Urgent need to revamp Mahatma Gandhi NREGA: Economic Survey.” The Economic Times. July 9, 2014. http://articles.economictimes.indiatimes.com/2014-07-09/news/51247804_1_economic-survey-nrlm-national-rural-livelihoods-mission.

²⁰³ Mahatma Gandhi NREGA Outcomes Database.

²⁰⁴ Girija Shivakuman. “Rural sanitation works included under MGNREGS.” The Hindu. January 7, 2014. <http://www.thehindu.com/news/national/rural-sanitation-works-included-under-mgnregs/article5549660.ece>.

current government to restrict it. When reports began to come out that the NDA government was planning on scaling back the program, people from all across the country came to protest the government's actions. The Trinamool Congress – a left of center political party – was a main actor in organizing such protests. When word came of the programs' grim fate, the party organized a demonstration outside of the Parliament in which they carried earthen pots, to represent and protest against the dilution of the job scheme. Further, in October of 2014, twenty-eight leading economists penned a letter to Prime Minister Modi urging him to not squeeze NREGA funds. They wrote, "The message seems to be that the new government is not committed to the NREGA and hopes to restrict it as much as possible. We urge you to reverse this trend and ensure that the programme receives all the support it requires to survive and thrive."²⁰⁵ Many who have lived and witnessed the program's benefits do not condone government's current actions and believe a dismantling of the program may only augment poverty and its repercussions. In the next chapter, I will attempt to show what possible adverse effects such scaling back efforts may have on the group that has seemingly benefited the most from the NREGA.

²⁰⁵ Nita Bhalla. "Economists urge Modi not too squeeze NREGA for rural poor." *Reuters*. October 15, 2014. <http://in.reuters.com/article/2014/10/15/foundation-india-employment-poor-idINKCN0I422O20141015>.

Chapter 4: Counterfactual Analysis: Possible Effects on Women

This project has laid out the multitude of positive effects the NREGA has created for women in rural areas. Although the program has seen faulty implementation and back to back governments that are less than supportive of its objective, the NREGA has nonetheless helped pull women out of poverty, improved the health and education of their children, and increased their standing within their communities and households. However, if there continues to be a systemic erosion of the largest EGP the world has ever seen, how could this affect the progress the scheme has made for women within India's heavily patriarchal system? In this chapter, I will be analyzing the impacts the program has made for women, and how the continued dilution of India's largest social safety net may halt such progress.

4.1 Fund Reduction

As previously stated, states under the NREGA have been receiving 'capped' and limited funds for the program for the last five years of its implementation. Although the Modi government has promised to allocate more funds to the NREGA in the upcoming financial year, it is possible that such an unsupportive government will be even less inclined to release the funds that are needed for smooth execution of the scheme. Further, if the program does not perform up to the standards of the sitting government, future budgetary cuts to the program are likely. This attrition of the NREGA funding is likely to have a ripple effect throughout the scheme, causing a host of problems for female beneficiaries. I hypothesize that such cuts will have strong impacts on rural wages, including the wage gap, female workforce participation, and an increase in the unpaid work burden for women.

4.1.1 Wages

Although wage disparities continue to persist under the NREGA, the scheme has shown to help significantly with the increase of wages all across rural India, especially for female workers. As discussed, because workers are able to receive the statutory minimum wage under the program, this has stabilized the wage floor and allowed for less precarious wage rates. However, as the program has continued to face obstacles, the growth in rural wages has also slowed. It was recently reported that the wages of those in rural India are not rising at the same rate that they did under the UPA government. From November 2013 to November 2014, the wage rate for rural India only grew by 3.8 percent. This is reportedly the lowest growth since 2005.²⁰⁶

An economist at the India Institute of Technology Delhi, who has studied the impact of the NREGA on rural India, reported that the recent spending cuts to the scheme is certainly a plausible explanation as to why there has been a drop in rural wage growth.²⁰⁷ Because people are not seeing their wages and works are becoming less and less available, the bargaining power that workers had obtained due to the NREGA has likely lost its power. Workers, therefore, are forced to take lower wages because the alternative is to have delayed or no income at all. Although a number of factors could be contributing to the stagnation in rural wages, it is likely that the scale back of the program has not helped. Because women already tend to face discrimination within the private sector, this erosion of their bargaining power is not likely to improve the stance of their rural wages. It is plausible to believe that this will cause even further stagnation in female wages.

²⁰⁶ Scroll Staff. "Rural wage growth plunges to 10 year low."

²⁰⁷ Ibid.

Further, as discussed in Chapter 2, the NREGA has been shown to have a stronger impact on female wages than the male pay rate. Therefore, the erosion of the program is also likely to impact women more so than their male counterparts. As female wages begin to drop faster than male's, this will perhaps cause a return to a larger wage gap that was observed before the implementation of the program.

4.1.2 Female Workforce Participation

As shown, the last few years have displayed a large reduction in the amount of works being taken up under the NREGA as well as delayed or non-payments of wages. Although the government asserts that the lack of works is due to a slowing of demand, many have analyzed that this is instead a supply-side phenomenon arising partially from a lack of funding. Because fewer working days are being provided under the scheme and people are going months without payment, the program is looking less and less attractive to all participants, including women. The total number of female participants has dropped by nearly 30 percent from the 2013-2014 financial year to the 2014-2015 year, the largest drop in female participation in the program to date.²⁰⁸

Because there has not been a large survey done in India on labor force participation rates since 2011-2012, it is difficult to say how the erosion has impacted these rates during the last few years. However, if women are leaving the NREGA, there are two alternatives that they must face: finding wage-work within the private sector, or returning to the home to perform unpaid work duties. My hypothesis is that the latter will occur initially, with women moving into the private sector in the coming years.

²⁰⁸ Mahatma Gandhi NREGA OutComes Database.
http://164.100.129.6/Netnrega/mpr_ht/nregampr_dmu_mis.aspx?flag=1&page1

As we have seen, women tend to face even greater inequalities within private sector work. This includes high occupational segregation, large wage discrepancies, and barriers to entry into the workforce. Additionally, with the scaling back of the program, this could potentially cause the wage gap to increase, as discussed. This may be an unattractive alternative for women leaving the NREGA. Further, the income effect discussed in Chapter 2, which states that women tend to leave the workforce during times of economic prosperity, may also hinder women from entering into the private sector. Because the NREGA has helped to pull up the rural wage floor for not only women, but also male workers, this may cause more women leaving the NREGA to return to the household, effectively decreasing the female workforce participation rate. Such a phenomenon is shown in Figure 15 of the Appendix, which shows the results of a study that predicted the probability of the female labor force participation rate by mean male household wages. As male wages increase, there is a clear decline in the probability of females joining the workforce. Figure 8 also supports this idea, as the female labor force declined by more than 5 percentage points during the first six years of the program as wages rose for all workers. My belief is that this will occur within the first year or two of the program's demise, but the climate will shift in the coming years.

As the erosion of the program continues, this will reverse any progress the rural economy has made in regard to the wage floor. If you remove this floor that the NREGA has provided, whatever stability was there is now gone. This will make not only female wages precarious, but also their male counterparts'. In accordance with the income effect, this will cause women to leave their home in search of paid employment. The labor force participation rate will, therefore, increase. However, because women face less than ideal circumstances within the private labor market, the jobs may not be there and if they are, they may be employed into unsettling

situations. Especially without the same bargaining power they once held because of the NREGA, finding secure work within the private sector may not be easy for women wishing to perform paid employment to help support their families.

The high rate of female beneficiaries during the first half of the NREGA was shown to alleviate many of the discriminations women faced on a daily basis. As discussed, receiving their own income has empowered women to make more choices within their household and in certain situations, eased any tensions that had once been felt with their significant other. Further, women have also seen an increase in their social capital and relations in their communities, allowing for greater access to credit and loans. However, as women begin to return to the household or look within the private sector for work, this may lead to a setback in any of the progress that has been made for female empowerment. Because they would no longer be bringing in their own income or much smaller rewards, women might have less say on how to allocate the family's funds, and if a community member sees that they are no longer working, they may be less inclined to provide them with any monetary favors.

4.1.3 Social Auditing and Monitoring

As spelled out in the Operational Guidelines of the NREGA, the purpose of the social auditing and monitoring mechanisms is to ensure public accountability in the implementation of projects, laws and policies. However, as discussed earlier, many states have failed to keep up with such transparency regulations. This has led to corruption, faulty implementation, and discrimination. The NREGA has put in several different provisions to ensure that female voices and concerns are heard. However, if audits and committee meetings are not being held or reported, these concerns cannot be heard and the inefficiencies that have plagued the program

will continue. Further, if states continue to receive less than adequate funding, it is unlikely that states will look to improve such mechanisms. Therefore, the female voice will continue to go unheard in the monitoring process.

4.1.4 Women with Care Burdens

As discussed, the NREGA hoped to implement several policies under the act to help women with the burden of childcare and household work. This includes mandating that works be provided close to home and that child-care services, known as crèches, be made available at each worksite. However, as reported earlier, many worksites consistently fail to provide these types of accommodations for mothers. As Ghosh hypothesized, because the burden of unpaid work has increased for many rural women, it could be a contributing factor to their exit from the labor force all together. If funds continue to be squeezed from the program, it is doubtful that states will be able to provide any sort of accommodation for mothers at worksites and they will continue to leave the program and perhaps the labor force all together.

In fact, in the most recently proposed budget by the NDA government, there were significant cuts to the budget for the Ministry of Women and Child Development. In 2012, the NREGA converged with this ministry to begin working on the construction of what is known as anganwadis, which are used as community centers. By combining these two funds, it was proposed that the two departments would construct 1,500 centers over the course of four to five years. These particular centers would be used to house meetings for women self-help groups, as well as providing crèches to women working under the NREGA.²⁰⁹ However, with a nearly 50

²⁰⁹ Sreelatha Menon. "NREGA workers to make over 3 lakh anganwadis." *Business Standard*. October 31, 2012. http://www.business-standard.com/article/economy-policy/nrega-workers-to-make-over-3-lakh-anganwadis-112103103002_1.html.

percent cut to their budget allocation, this project, that could potentially help make significant strides in reducing the unpaid work burden, may never come to full fruition.

As the erosion of the NREGA continues to force women out of the program and into a labor market where it is difficult to find stable employment, this could have significant impact on child development in rural areas. As discussed, since the implementation of the NREGA, poverty has been reduced throughout the country. With extra income, women have been able to spend more money on food, health-care, and education. As shown, multiple studies have depicted the positive relationship that female participation in the NREGA has had on both child educational attainment and nutrition. However, with female participation on a downward slope, this could possibly reverse progressions in these areas.

4.2 Increased Importance of Infrastructure

Since 2013, the Indian government has encouraged states under the NREGA to begin work that will provide the country with long-lasting, durable assets. Because of this, the types of works being taken up under the scheme have seen a drastic change in their make up. Whereas many of the years leading up the present financial year saw a relatively even distribution of projects being performed, the current 2014-2015 year has witnessed a large shift to infrastructure-heavy works. Although this could lead to the creation of beneficial community assets, the shift to these types of projects was not done with a gender perspective. A move into these more exclusively construction and infrastructure jobs could have potentially negative impacts on women wishing to take part in the scheme. In this section, I will argue that this ideological shift will only augment the discrimination and barriers into the labor market that women face as well as increase the burden of unpaid work for mothers and care takers.

4.2.1 Constructing Barriers

After less than two years with an infrastructure-heavy doctrine, the dispersion of works being taken up has already shifted. As I discussed in the first chapter, it is very important for EGPs to provide a variety of works and not create any occupational segregation in which women are taking on smaller, less labor-intensive jobs. Rather, women should be able to take up a variety of jobs, which could help female workers gain new skills that they may have otherwise not acquired in the private sector due to biases. This can help to break down any gender stereotypes.

Although when discussing the gendered impacts of the program, I noted that women have had access to an assortment of different projects, certain discriminations still exist. When looking at the reasons for the falling female labor force participation rate in India, Ghosh noted that women are often forced out of heavily construction-based jobs.²¹⁰ Although they are trusted with a lot of the harsh, manual labor, male workers are often brought in to work any heavy machinery needed for the job. Therefore, women may be forced out of such projects and employment opportunities. If the government continues to place such a large importance on infrastructure, these types of sentiments towards women's work could persist, and barriers to these positions could occur. Of course, one could argue the opposite: that because the program mandates that a third of beneficiaries be women, this could allow women to break into sectors and gain new skills that they otherwise could not. However, until monitoring and auditing mechanisms are improved, it will be difficult to spot discrimination occurring under the scheme and women will be unable to communicate any issues they face. Also, with women already leaving the program, this may be an indication that these types of occupational segregation are already occurring on a national scale.

²¹⁰ Jayati Ghosh (2013).

4.2.2 *Women with Care Burdens*

A major critique by economists on the gendered aspect of the program has been the lack of social sector jobs provided under the act. As mentioned in Chapter 1, EGPs are often implemented with the objective of creating productive assets to communities. However, under the NREGA, this often takes the form of infrastructure-heavy work including construction of dams and roads. Although I argued in Chapter 2 that some of these more exceedingly laborious works can help with the burden of unpaid work, especially works that improve the process of collecting water for the household, they should also be implemented in conjunction with social sector works. If a greater number of social sector jobs were offered under the scheme, such as teaching, child-care, and nursing, this could help to ease the female care burden.

However, as the proposal and implementation of works directed more towards the creation of durable assets occurs under the program, it is unlikely that such measures will be taken. Additionally, any current works or policies that have been put into place to help with unpaid work have already been slashed. For example, as shown in Figures 13 and 14, works taken up under “water conservation” have significantly decreased from 2011-2012 to the present year. Because these works do not create durable assets, according to the Central Government, many of these jobs have been cut. In fact, the amount of works being taken up under water conservation has decreased by 56 percent from January 2014 to January 2015.²¹¹ However, these jobs are some of the few that can actually help with the collection of drinking water. For example, the implementation of check dams is a major work under this classification. These dams help to improve the quality of groundwater and make it suitable for drinking. Therefore, this reduces the allocated time women take to make sure that their water is suitable for consumption.

²¹¹ Mahatma Gandhi NREGA OutComes Database.

Even some of the few social sector positions have felt the changing perspective of the governing body. For example, in the Alappuzha district of Kerala, the NREGA has made a huge impact on the health sector within the district and helped them to remain free from major diseases. However, a joint program coordinator of the NREGA in the district reported this past December that the government was directing them to provide works that can create productive assets. He noted that hundreds of engineers and other clerical jobs would need to be cut from the program. He stated, “Following this, many workers stopped their work under the MGNREGA programme. Now we have only 46,753 workers while earlier we had over 94,341 workers.”²¹² If these reforms to the program persist, the unpaid work burden will continue to rise, either creating a “double day” effect for women, or forcing them out of the labor market completely.

²¹² “MGNREGA stalls uncertain days for engineers and clerks.” Times of India. December 23, 2014. <http://timesofindia.indiatimes.com/city/kozhikode/MGNREGA-stalls-uncertain-days-for-engineers-clerks/articleshow/45610153.cms>.

Conclusion and Policy Implications

The discussion throughout this project has shown the far-reaching impacts of the NREGA despite facing many obstacles throughout its implementation. What has been argued here is that the complete dismantling or scaling back of the program can have real adverse effects for female workers including the return to an unfavorable labor market, increased wage gap, and an increase in the burden of unpaid work. As 28 leading Indian economists wrote in their letter to the Central Government, “No doubt, the programme could and should do even better. But the gains that have been achieved are substantial and amply justify further efforts to make it (NREGA) a success.”²¹³ Therefore, the next question that must be asked is what efforts must be made in order to make the program a success? Further, what can be done to not only make the program successful, but what can also be done in order to continue benefiting and improving the stance of female workers?

One option would be for the government to attempt to reverse any of the damage that has been done to the program. If the government were to increase and release the necessary funds in order for the program to function properly, this could potentially help to quell many of the issues that have plagued the NREGA. As mentioned previously, the improper releasing of funding has caused a ripple effect of inadequacies including lack of employment, unpaid wages, and failed implementation of proper monitoring systems, which has exacerbated corruption within the program. Proper support from the Central Government could help to correct the functionality and success of the scheme. Other than releasing appropriate funding, program officials should also place a greater importance on providing works to help with the burden of unpaid work. As discussed, there has been a shift away from many projects that have helped to mitigate the

²¹³ Nita Bhalla. “Economists urge Modi not too squeeze NREGA for rural poor.”

burden of unpaid work for women, such as water conservation works and social sector positions. A return and even increased importance of these types of works can help to not only improve the success of the program, but also continue to have positive impacts on female workers.

However, it may be the case that the damage has already been done and the scheme is beyond repair. Should the program be replaced with other poverty solutions? Some may wish to change the program over to a more traditional form of welfare, and provide those who would have fallen under the NREGA with cash transfers instead of work. This is probably an especially popular sentiment for those in Modi's government, considering NREGA works could potentially take business away from larger, private firms. However, many argue that EGPs have greater advantages over income guarantee programs. As discussed, an ELR scheme can have important macroeconomic effects including price stability and cost-effectiveness. A comparison of such a program to an income guarantee finds that EGPs are a much more powerful stabilizer of the business cycle, enhance price stability by counterbalancing inflationary pressures, and provide an important anchor for the value of the currency that cannot be offered by a cash transfer system.²¹⁴

Further, research has shown that women who have taken up work under EGPs have preferred gaining work experience to merely being provided with a cash transfer. In a study done in Argentina on the evolution of its EGP, *Plan Jefes*, to a cash transfer program, *Plan Familias*, it was found that women overwhelmingly wanted paid work opportunities over the new system.²¹⁵ Although there is no study that has analyzed what this perception is for women working under the NREGA, I believe that it is reasonable to hypothesize that they would have similar sentiments to *Jefes* participants. In fact, each program has had similar effects on women

²¹⁴ Pavlina Tcherneva. "Job or Income Guarantee?" 2.

²¹⁵ Pavlina Tcherneva. "What Do Poor Women Want? Public Employment or Cash Transfers? Lessons from Argentina." Levy Economics Institute of Bard College. February 2012. 1.

as women from both countries felt a greater sense of empowerment in both their households and communities due to participation in the program. The women surveyed from Argentina knew that income alone does not empower, but it is rather the sense that they are doing something good for their communities and earning a living for themselves and their families. However, one cannot know for certain at this time whether or not a guaranteed income program would be a viable alternative in rural India. This perhaps calls for further research into this subject.

I currently, however, remain unconvinced that changing to a system of cash transfers would be the best way to reform the NREGA, especially keeping women in mind. A component that guarantees a right to work for all is still necessary in order to empower women and decrease unpaid work responsibilities. What may be most conducive to perpetuating this right and maintaining positive effects for women would be to give greater power to communities and social enterprises in creating and providing works. Arturo Escobar, an anthropology professor at the University of North Carolina, discusses the importance of social movements to bringing about change. He quotes the following:

If we study the meaning of political practices in daily life, the construction of identities and discourses, we do not do it assuming that these are determinant - or necessary - of practices at the institutional level. Neither do we assume the autonomy of democracy on the political plane in relation to people's everyday practices. The relationships between one and the other level are complex and mediated. Our intention is to point to a field of construction of democracy that, in the first place, is important in itself: the social relations of daily life (as Chilean feminists say: democracy in the home and democracy in the State).²¹⁶

What this states is that it is difficult for institutions to formulate policies that are specific to the needs of every household and community, especially in a vast country such as India that contains many different households with many different needs. This is why Escobar and others place a

²¹⁶ Arturo Escobar. "Imagining a Post-Development Era? Critical Thought. Development and Social Movements." *Third World and Post-Colonial Issues*. 1992. 29.

great importance on local, social movements in order to implement and carry out change, or poverty alleviation in this case.

As discussed, it was grassroots organizations that held a lot of influence in organizing the demand for a right to work program in India. Further, in many states where the program has seen success and also high rates of female participation, local organizations have played a major role in the implementation and carrying out of the NREGA. In the state of Rajasthan, which boasts a female share of 68 percent, a number of active civil society groups have engaged with the program since the design stage.²¹⁷ As shown before, many self-help groups have also aided in the carrying out of the program in the state of Kerala. This state is also usually regarded as one of the best performers in terms of decentralization and local governance. Kerala has the highest female participation rate in the NREGA, at 85 percent and most recently, the state had the highest revision of the program's wage with an increase of Rs. 17.²¹⁸ This shows the positive outcomes that have occurred when locals are involved with the planning of works. In a country so expansive, it can be easy for oversights to be made. Perhaps breaking down the hierarchal and bureaucratic tendencies of the program can help to improve its functionality and targeting of disadvantaged groups.

The argument that has been made in this project states that when you take away the NREGA, negative impacts for women will occur. This reasoning does, however, have its obvious limitations. Because this phenomenon is occurring in real time, it is impossible to make any conclusive statements on how the program will affect women in the long run. However, by analyzing how the program has impacted women over the nearly ten years of its implementation

²¹⁷ Ratna M. Sudarshan (2011). 5.

²¹⁸ Subodh Ghildiyal. "Rs. 2 To Rs. 17: Rise in NREGS wages is no hike at all." Times of India. April 7, 2015. <http://timesofindia.indiatimes.com/india/Rs-2-to-Rs-17-Rise-in-NREGS-wages-is-no-hike-at-all/articleshow/46830788.cms>.

and looking towards the effects the scale back has most recently made, this project has attempted to answer this question in an educated manner.

Although faulty implementation has occurred and the government has only aided in exacerbating the program's weaknesses, the core of the NREGA – providing people with the right to work – is worth saving. Women in India and other developing nations have faced severe barriers to the labor market, prompting them to fall into a spiral of poverty and unpaid work burdens. However, the guarantee that one can have a secure and stable job has shown time and time again that it helps to weaken the pull of this spiral. However, some have failed to see the potential of such programs. This is what this project has attempted to do, so that women who have lived and seen the benefits of the NREGA can continue to do so and the program can continue to grow and develop to meet the needs of India's most disadvantaged.

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Appendix

Figure 1: Share of Female Participation in South Africa's Expanded Public Works Program²¹⁹

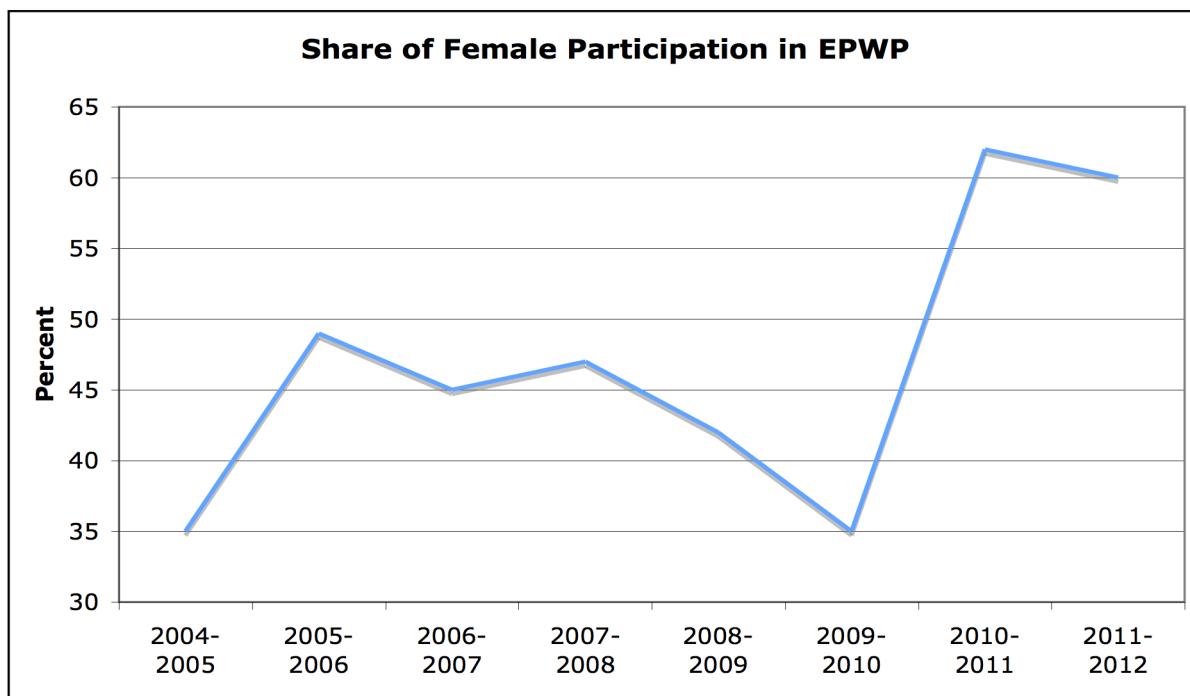
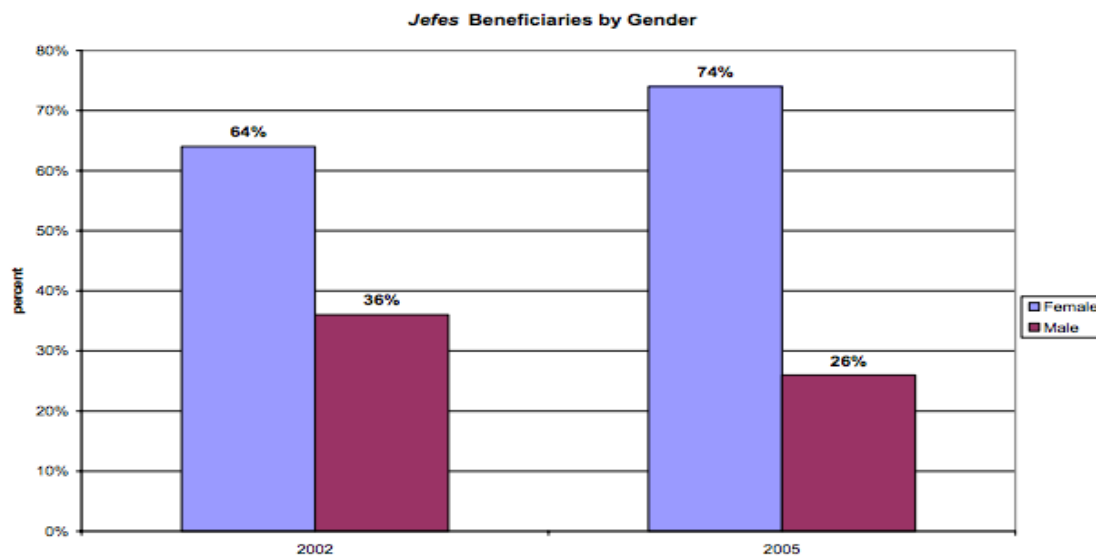


Figure 2: High Percentage of Female Participants in Argentina's Jefes Program²²⁰



SOURCE: Ministry of Labor, Employment and Social Security.

²¹⁹ The Republic of South Africa Department of Public Works.

²²⁰ Pavlina R. Tcherneva. "Beyond Full Employment: The Employer of Last Resort as an Institution for Change." Levy Economics Institute of Bard College. September 2012.

Figure 3: Agricultural v. Non-Agricultural Wages; agricultural wages in India failed to keep up with those in the non-agricultural sector in the years prior to the NREGA²²¹

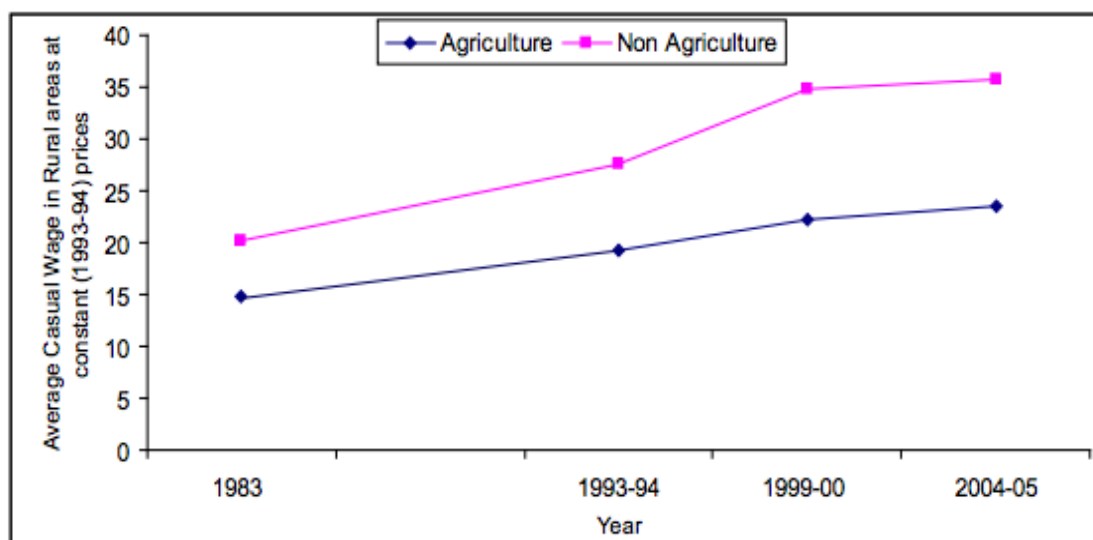
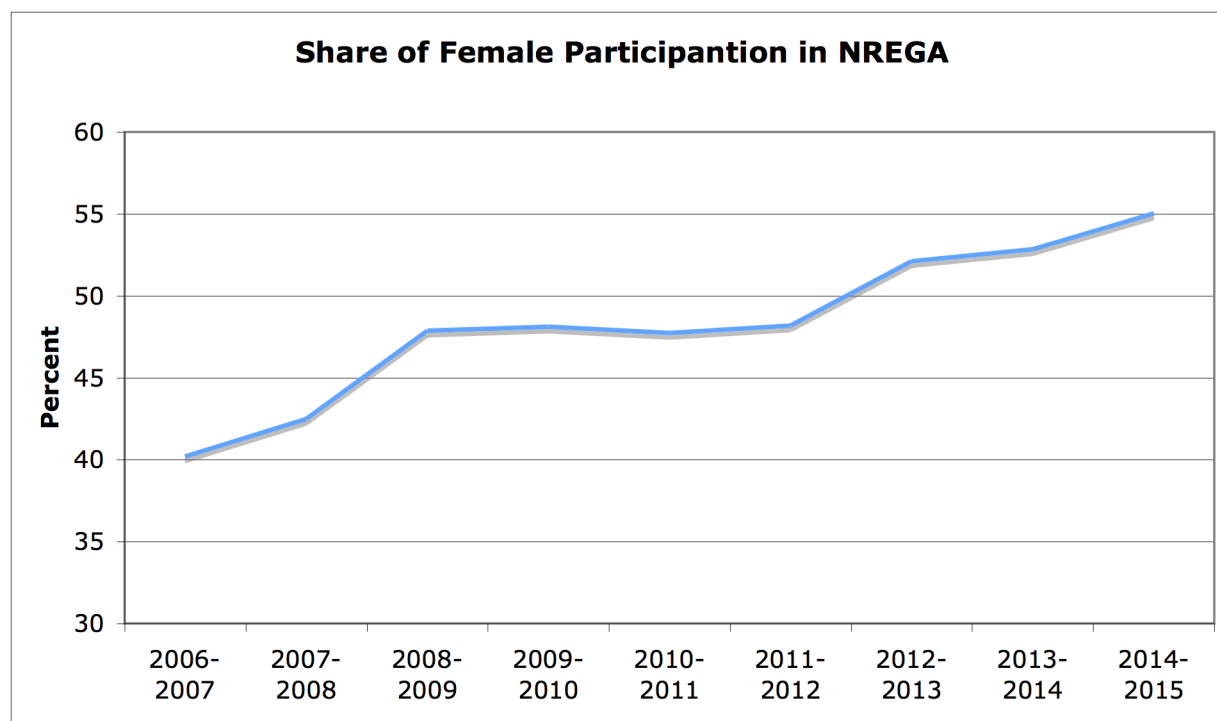


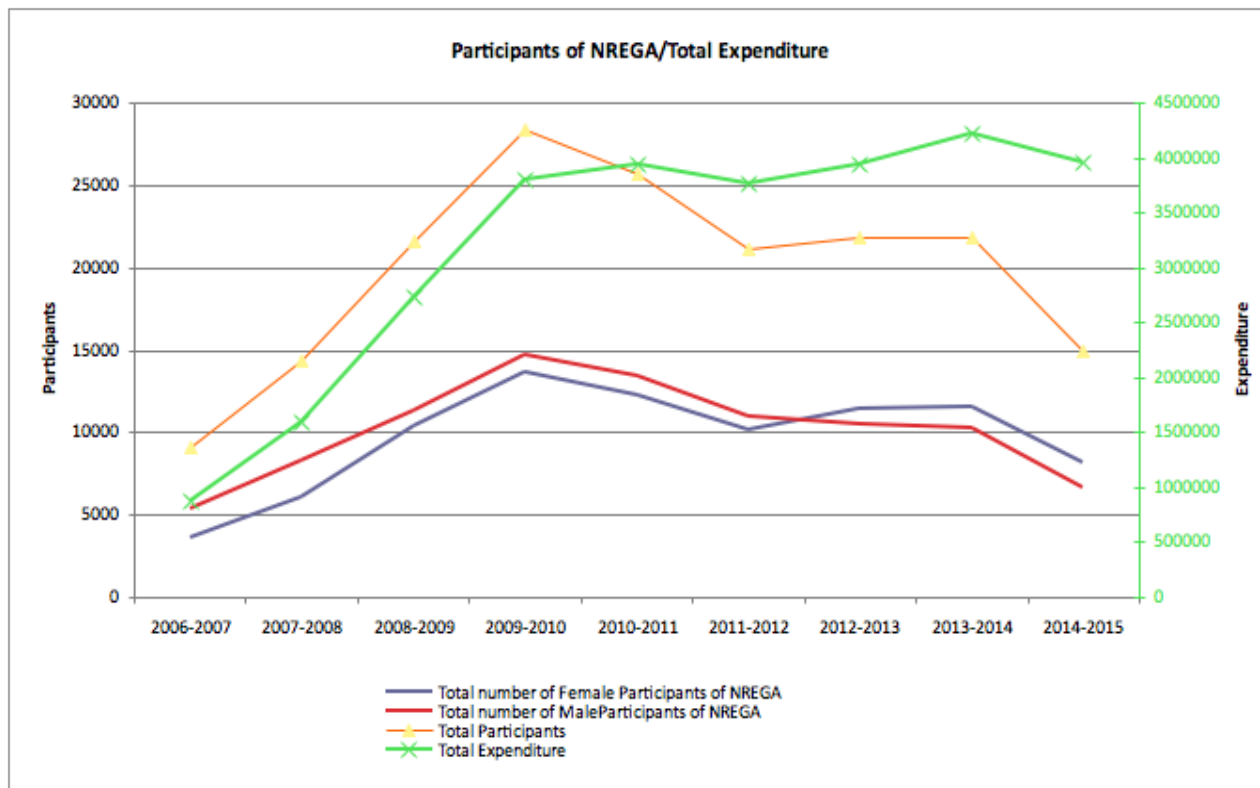
Figure 4: The Share of Female Participation in NREGA; share has risen consistently since 2006²²²



²²¹ Sukti Dasgupta and Ratna M. Sudarshan. "Issues in labour market inequality and women's participation in India's National Rural Employment Guarantee Programme." 4.

²²² Mahatma Gandhi NREGA Outcomes Database.

Figure 5: Number of Participants in NREGA by Gender and Program Expenditure²²³

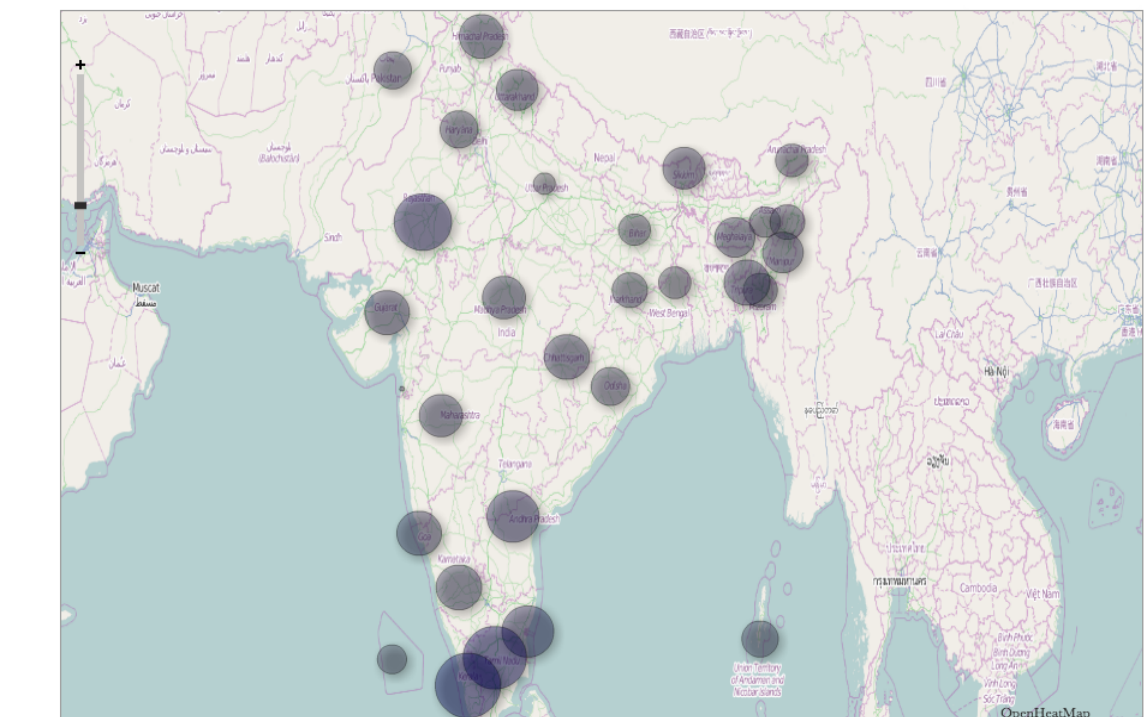


²²³ Ibid.

Figure 6: Share of Female Participants in NREGA by State²²⁴

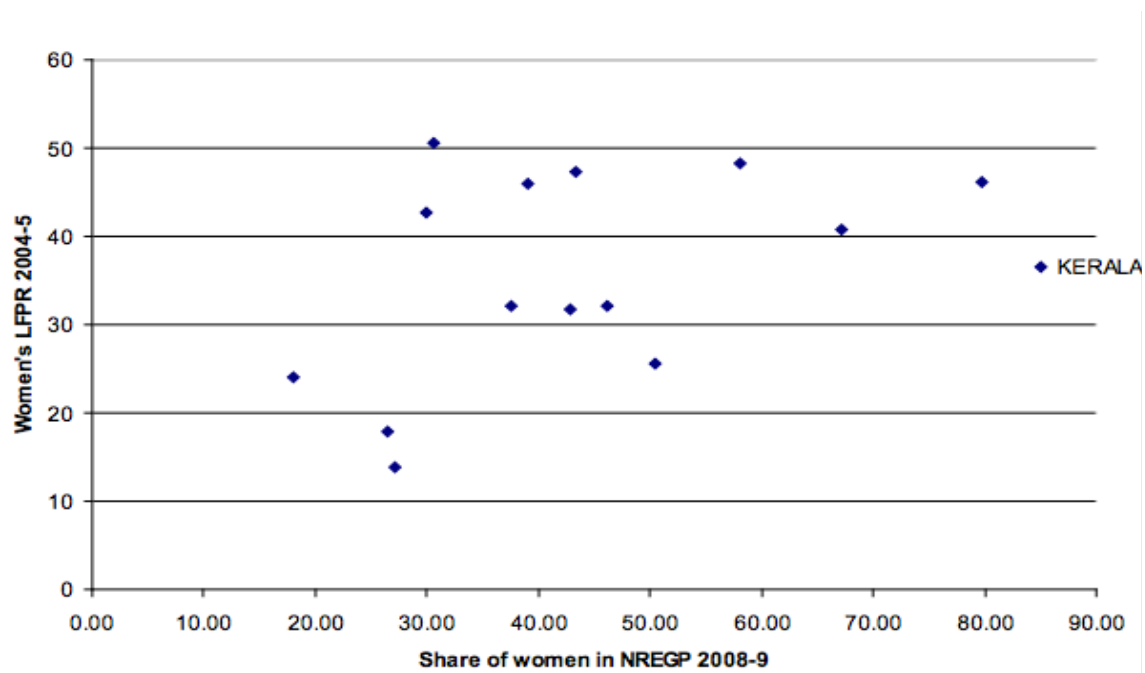
Percentage of Female Participants by state

OPENHEATMAP



²²⁴ Ibid.

Figure 7: Share of Female Participation in NREGA in 2008-2009 against LFPR Prior to Program; the share of women's work in NREGA is greater than their LFPR prior to the program in majority of states²²⁵



²²⁵ Sukti Dasgupta and Ratna M. Sudarshan. 8.

Figure 8: Labor Force Participation Rates for Men and Women; female participation rates have declined since implementation of NREGA²²⁶

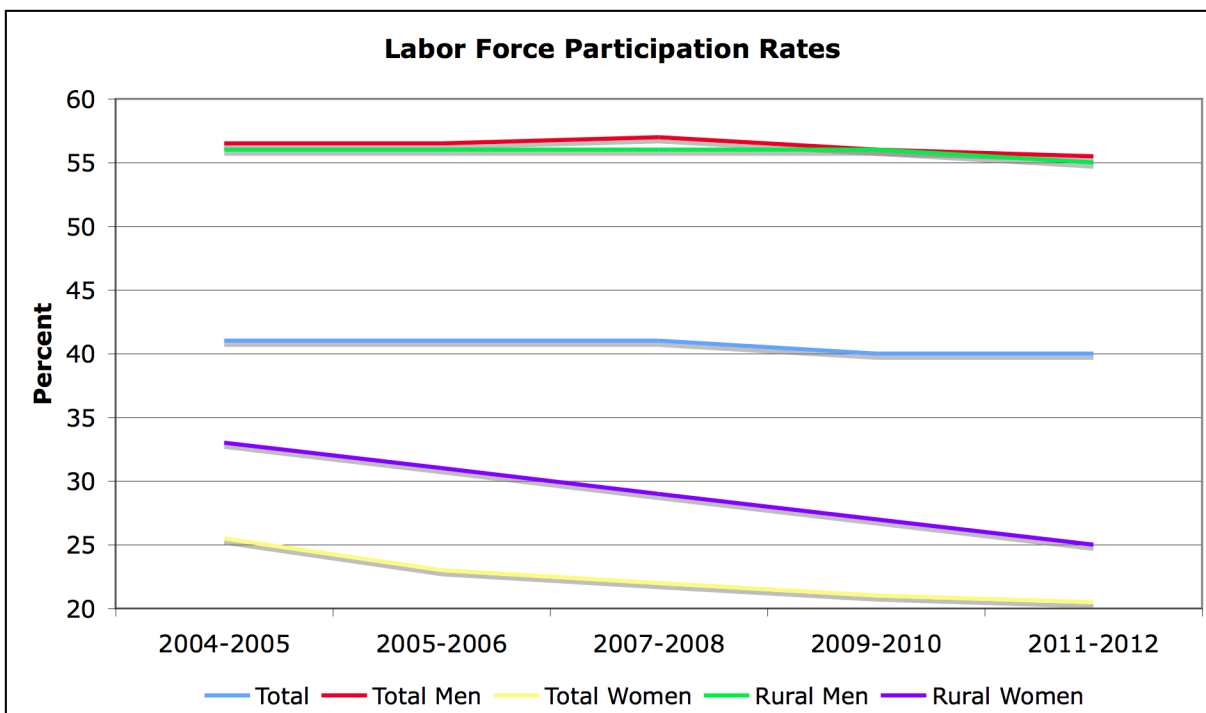
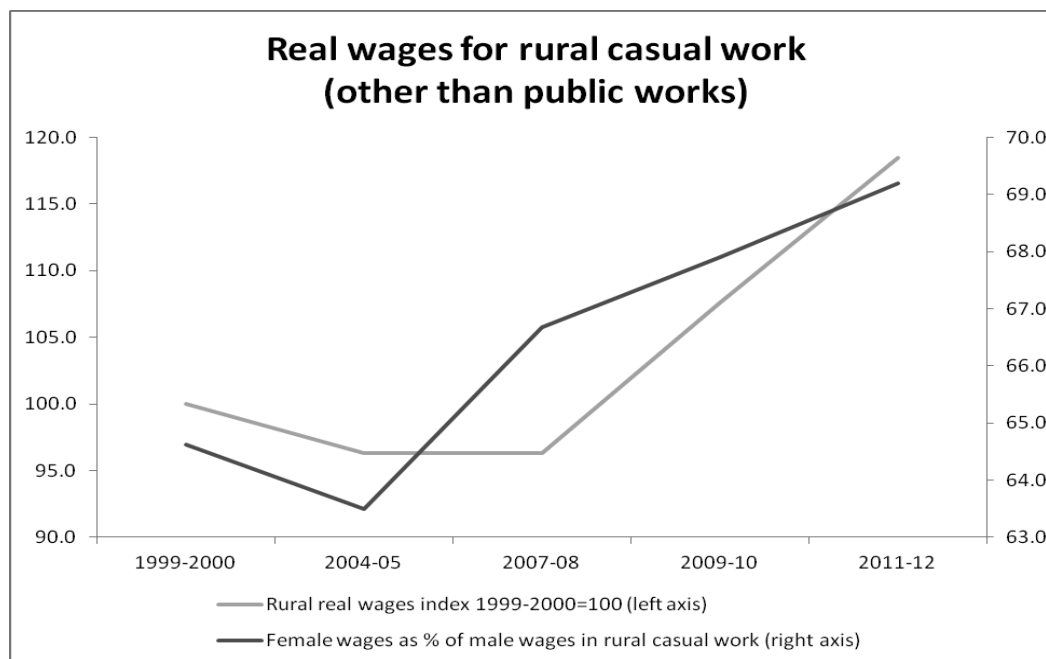


Figure 9: Rise in Rural Wages and Decrease in Wage Gap²²⁷



²²⁶ India Ministry of Statistics and Programme Implementation. NSSO

²²⁷ Jayati Ghosh. "The curious case of the jobs that did not appear: Structural change, employment and social patterns in India." ISLE 2013 Presidential Lecture.

Figure 10: Rather Equal Distribution of NREGA Works²²⁸

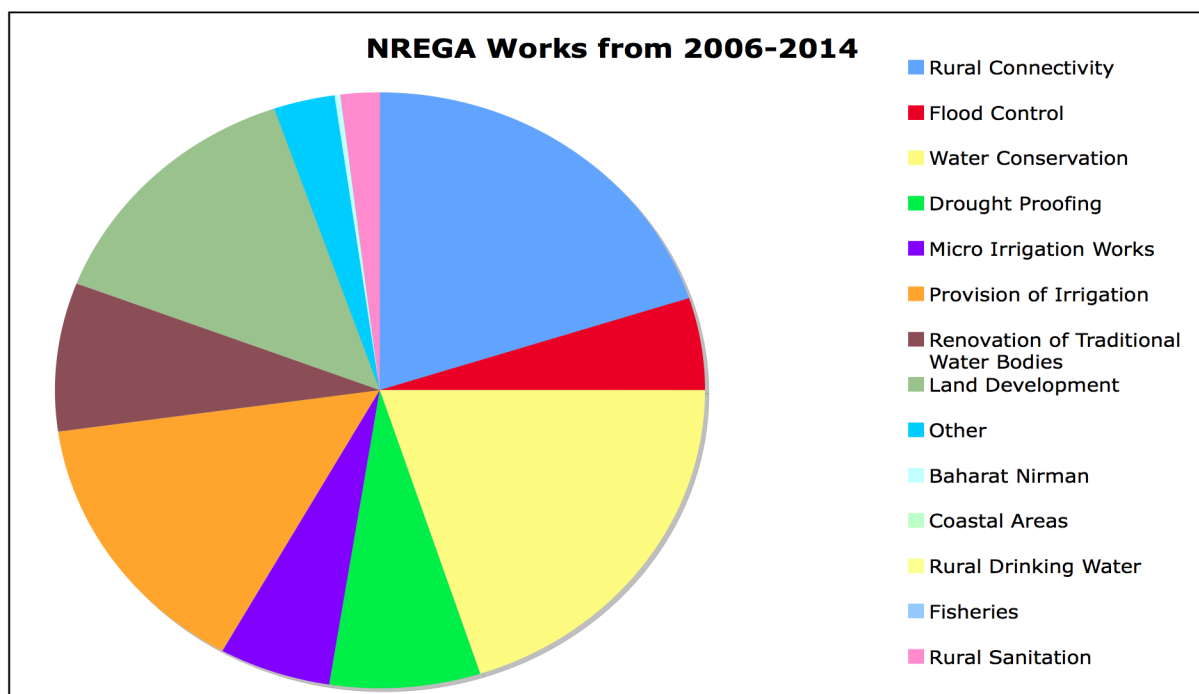
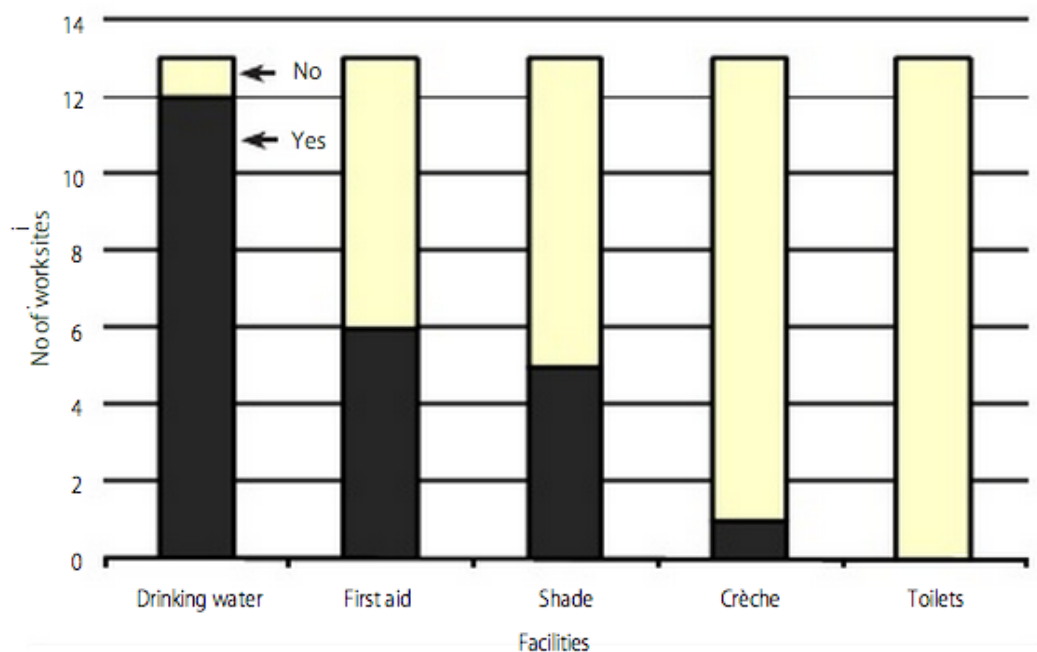


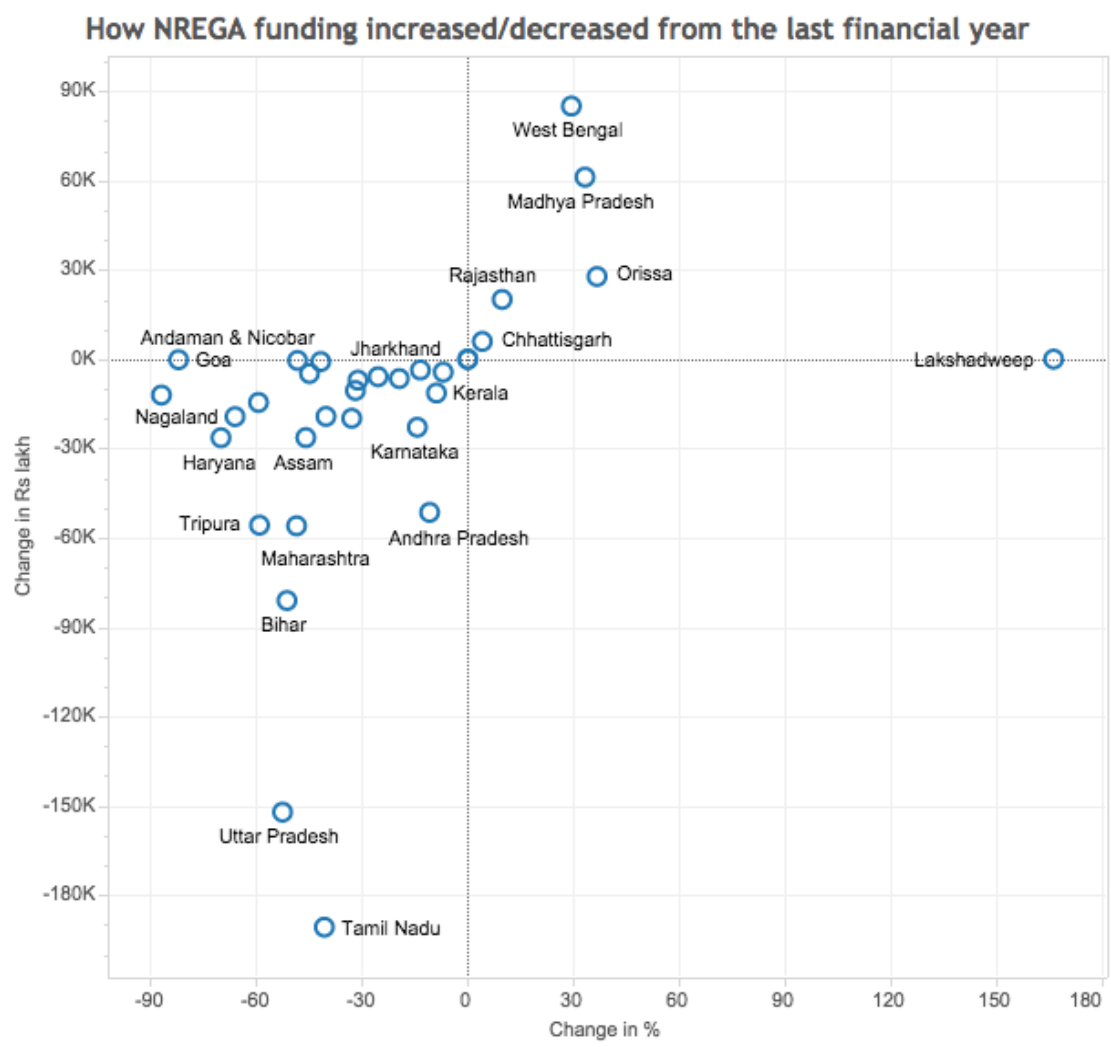
Figure 11: Lack of Provisions at NREGA Worksites²²⁹



²²⁸ Mahatma Gandhi NREGA Outcomes Database.

²²⁹ Ashok Pankaj and Rukmini Tankha. "Empowerment Effects of the NREGS on Women Workers: A Study in Four States." The United Nations Development Fund for Women. 54.

Figure 12: Decreases in NREGA Funding²³⁰



²³⁰ Scroll Staff. "Rural Wage Growth Plunged to 10-year Low." India Spend. January 12, 2015. <http://www.indiaspend.com/cover-story/rural-wage-growth-plunges-to-10-year-low-25295>.

Figure 13: All Works Performed under NREGA from 2011-2012²³¹

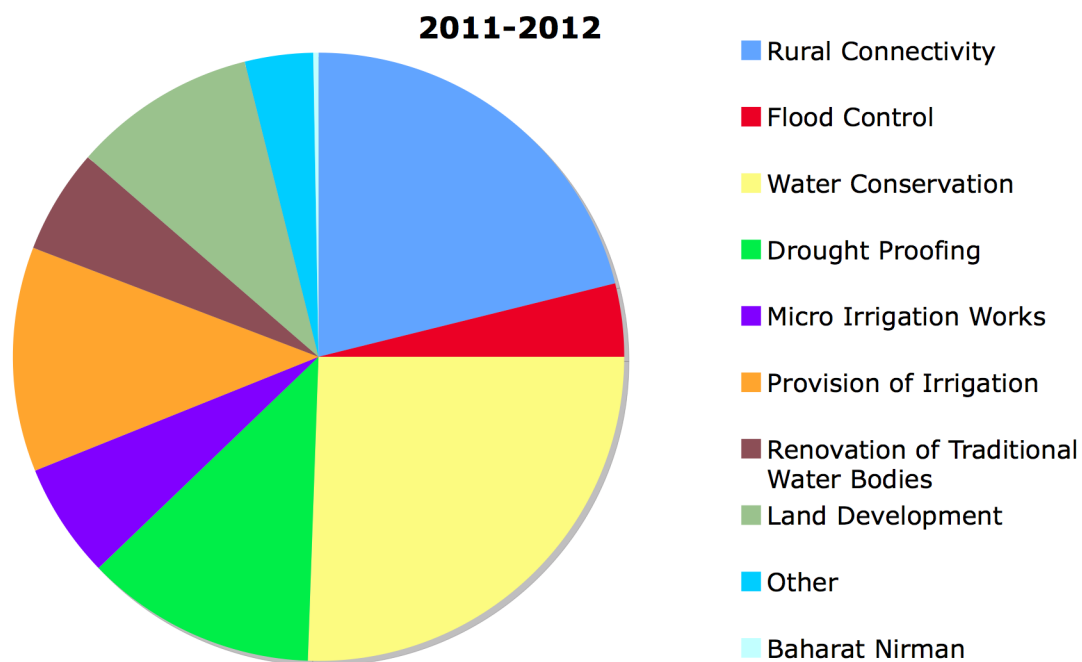
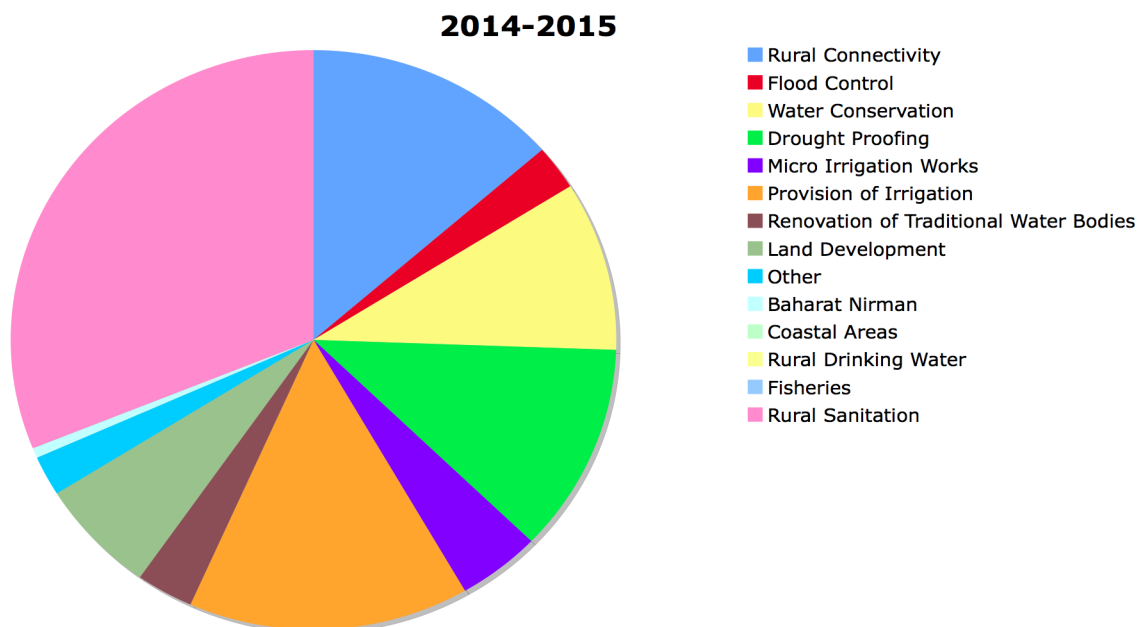


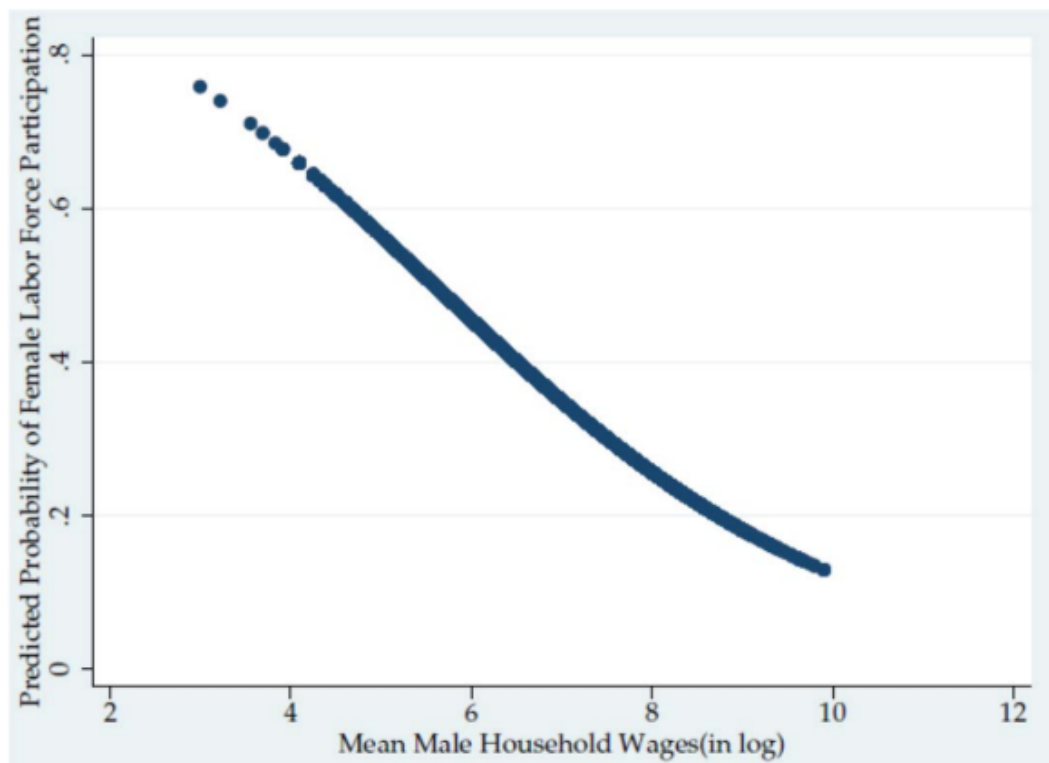
Figure 14: All Works Performed in 2014-2015; shift to more infrastructure-based works²³²



²³¹ Mahatma Gandhi NREGA OutComes Database.

²³² Ibid.

Figure 15: Inverse Relationship between Mean Male Household Wages and Female LFPR, Income Effect²³³



²³³ Daniel Neff, Kunal Sen, and Veronika Kling. "The Puzzling Decline in Rural Women's Labor Force Participation in India: A Reexamination." The German Institute of Global and Area Studies. May 2012.

Table 1: Cost Effectiveness of EGPs ²³⁴

**ANNUAL COST OF CREATING 1 MILLION JOBS* IN A DIRECT
JOB CREATION PROGRAM, PLUS AN ADDITIONAL
414,000 JOBS* OUTSIDE THE PROGRAM**

Direct Job Creation Program Costs		
Estimated Avg. Hourly Wage of UI Recipients Employed in Program	\$ 17.46	dollars
Estimated Avg. Hourly Wage of Other Program Participants	\$ 11.70	dollars
Annual Wage Bill	\$ 26.8	billion
Employer's share of FICA taxes	\$ 2.1	billion
Cost of Providing Federal Employees Health Benefits (FEHB)	\$ 5.9	billion
Non-Labor Costs (space, materials, transportation, etc.)	\$ 11.6	billion
Total Jobs Program Budget	\$ 46.4	billion
Additional Govt. Revenue and Savings Attributable to Program		
Estimated Social Security & Income Taxes Receipts	\$ 5.4	billion
Estimated UI Savings	\$ 6.1	billion
Estimated Medicaid and CHIP Savings Due to FEHB Enrollments	\$ 1.6	billion
Estimated Revenue from Goods & Services Produced @ avg. of 10¢/dollar	\$ 4.6	billion
Total Additional Govt. Revenue and Savings	\$ 17.8	billion
Net Cost of Job Creation Program	\$ 28.6	billion
Indirect Job Creation Effect of Direct Job Creation Program	414,000	jobs

²³⁴ Philip Harvey. "Back to Work: A Public Jobs Proposal for Economic Recovery." 10-11.

Table 2: Change in Private Sector Wages due to NREGA base wage²³⁵

	1999-2000	2007-2008	2009-2010	2011-2012
Average Rural Daily Wage of Women in casual work	29.01	48.41	68.94 % change = 42%	103.28 % change = 50%
Average Rural Daily Wages for Men in casual work	44.84	66.59	101.53 % change = 52%	149.32 % change = 47%
Average Daily Wages for Women in NREGA works	--	79	87.2 % change = 10%	101.97 % change = 17%
Average Daily Wages for Men in NREGA works	--	78.84	90.93 % change = 15%	112.46 % change = 24%

²³⁵ India Ministry of Statistics and Programme Implementation. NSSO.

Table 3: Share of Female Participants in NREGA by State²³⁶

1. KERALA	84.97625
2. TAMIL NADU	80.065
3. RAJASTHAN	68.05
4. PUDUCHERRY	57.6275
5. ANDHRA PRADESH	57.5825
6. TRIPURA	47.12625
7. KARNATAKA	46.6025
8. CHHATTISGARH	45.91875
9. GUJARAT	45.41625
10. GOA	45.11
11. HIMACHAL PRADESH	44.79625
12. MADHYA PRADESH	43.0725
13. MAHARASHTRA	42.87125
14. SIKKIM	41.43125
15. UTTARAKHAND	40.73875
16. MANIPUR	39.6925
17. MEGHALAYA	38.69625
18. ODISHA	36.675
19. HARYANA	35.51375
20. PUNJAB	35.17875
21. ANDAMAN AND NICOBAR	33.83
22. JHARKHAND	32.33625
23. NAGALAND	31.91
24. DADRA & NAGAR HAVELI	31.52625
25. MIZORAM	31.19125
26. ARUNACHAL PRADESH	29.63125
27. WEST BENGAL	28.80125
28. BIHAR	28.325
29. ASSAM	27.44625
30. LAKSHADWEEP	25.505
31. UTTAR PRADESH	18.90625
32. JAMMU AND KASHMIR	10.825
33. DAMAN & DIU	0
34. DemoStateCHANDIGARH	0

²³⁶ Mahatma Gandhi NREGA OutComes Database.

Table 4: Change in Female Labor Force Participation Rate by State; decreases across most states²³⁷

State	Rural		Urban	
	2004-05	2011-12	2004-05	2011-12
Andhra Pradesh	48.3	44.5	22.4	17
Arunachal Pradesh	41	27.8	14.8	12.7
Assam	20.9	12.2	10.9	9
Bihar	13.8	5.3	6.5	4.5
Chhattisgarh	45.4	41.5	18.1	24
Delhi	4.7	14.6	8.8	10.4
Goa	18.8	21	18.8	15.7
Gujarat	42.7	27.8	15.1	13.3
Haryana	31.7	16.2	13.2	9.7
Himachal Pradesh	50.6	52.4	24.1	21.2
Jammu & Kashmir	26.7	25.5	11.2	11.7
Jharkhand	31.3	19.8	13.4	6.6
Karnataka	45.9	28.7	18.1	16.3
Kerala	25.6	22.1	20	19.1
Madhya Pradesh	36.6	23.9	15.4	11.5
Maharashtra	47.4	38.8	19	16.6
Manipur	35.1	26.2	22.1	18.2
Meghalaya	47.8	39.1	30.3	20.2
Mizoram	44.1	39.4	28.1	24.9

²³⁷ Jayati Ghosh. "The curious case of the jobs that did not appear: Structural change, employment and social patterns in India."

Nagaland	50.4	31.2	25.7	14.4
Orissa	32.2	24.6	14.8	15.5
Punjab	32.2	23.4	13.3	13.6
Rajasthan	40.7	34.7	18.2	14.1
Sikkim	31.8	48.7	16.8	27.3
Tamil Nadu	46.1	37.8	24.1	20.1
Tripura	8.5	22.8	10	11.3
Uttaranchal	42.7	30.8	12.7	8.6
Uttar Pradesh	24	17.7	11.7	10.2
West Bengal	17.8	18.9	15.5	17.4
All India	32.7	24.8	16.6	14.7