

# Informing discussions to continue world's largest public work scheme in India

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## Highlights

### Evidence impact

- The evaluation was used to inform government officials' discussions with the Ministry of Rural Development's (MoRD) in support of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) programme.
- The ministry found the study findings useful and featured the evaluation in the second volume of an anthology, MGNREGA Sameeksha II, published by them.

### Factors that contributed to impact

- Strong working relations between the study team and MoRD allowed room for sufficient advocacy and effective uptake of the study findings.
- The study was effectively disseminated amongst stakeholders during some key engagement activities, which helped improve buy-in.
- The evaluation was available in time for the government officials to use it to make a case for MGNREGA amongst the newly elected government.

## Impact evaluation details

Title: [Impact evaluation of national rural employment guarantee scheme in India](#)

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Status : Completed July 2017



## Context

In 2005, the government of India launched the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which provides each rural household with a legal right to be employed up to 100 days per year at the state-level minimum wage rate. Following the act, in 2006, the government launched the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the world's largest employment guarantee and public works programme. The primary objective of the scheme is to guarantee 100 days of wage employment per year to one adult member of every rural household living below the poverty line. Planning and implementation of public works lies with the local government at the village level or the Panchayati Raj Institutions.

In 2011, I supported researchers from International Food Policy Research Institute, Cornell University, Indira Gandhi Institute of Development Research and the World Bank to study MGNREGA targeting, implementation and impact on household welfare and labour supply. The study also provides empirical evidence of political influence on project spending under the scheme.

## Evidence

The study finds a decline in demand for MGNREGS, and this is attributed to poor implementation as opposed to reduced relevance at the local level. While the scheme is inclusive of women, there exists substantial variation across states on inclusion of women from vulnerable groups.

In the state of Andhra Pradesh, participation in MGNREGS significantly improved household welfare and had pronounced spill-over effects on non-participating households. The study also finds that MGNREGS led to an increase in the total household labour supply, with a considerable crowding-out effect. This showed that the scheme has the potential to divert labourers' time previously allocated to work within the private sector. This effect can cause constraints in the labour market. The study also finds some evidence of affiliation with political candidates and parties impacting fund allocation to different projects under the scheme at the block level, even though it is largely based on the needs of the potential beneficiaries.

## Evidence impacts

### MoRD uses the evaluation to reinforce support to MGNREGS

The Ministry of Rural Development (MoRD), the ministry that implements the scheme, leveraged the evaluation to strengthen support for it. The researchers highlighted that the evaluation was used by government officials in conversations with ministers when making a case for MGNREGS. The evaluation was also used to build a case for the scheme as an effective social safety net programme.

### Evaluation features in MoRD's publication, MGNREGA Sameeksha II

The positive evaluation findings prompted MoRD to include the evaluation in the second volume of an anthology, [MGNREGA Sameeksha II](#), published in 2015, in collaboration with the United Nations Development Programme. Sameeksha is meant to serve as a guide for those engaged in implementing MGNREGA.

## Suggested citation

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