

## BOOK REVIEW

**Bhaskar, Anjor and Yadav, Pankaj .(2015). *All's Well That Ends in a Well: An Economic Evaluation of MGNREGA Wells in Jharkhand*. New Delhi: Institute for Human Development. [ISBN: 978-81-88315-48-2 (PB)], pp. 130. Price INR 200/-**

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Access to water is difficult for millions of rural people for that goes beyond the physical resources base. In some places water is abundant, but getting it to people is difficult due to lack of infrastructure and restricted access as a result of political and socio-cultural issues. Main reasons for water problems lie on lack of commitment to water and poverty, inadequate and inadequately targeted investment, insufficient human capacity, ineffective institutions, and poor governance. Without better water management in agriculture the Millennium Development Goals for poverty, hunger, and a sustainable environment can't be achieved.

Greater use of water for irrigated agriculture has benefited farmers and poor people - propelling economies, improving livelihoods, and fighting hunger. The last six decades have seen remarkable developments in water resources and in agriculture. Provision of well construction under the MNREGA is one of the best examples of three in one benefit- well construction provides wage employment, development of assets, and eradicates drinking water problem; increase in agricultural productivity due to irrigation facilities; and, shifting from single crop to multiple crops system.

Mahatama Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005 is a landmark legislation in Indian History of Social Security Legislation since its Independence. The main distinguishing feature of the scheme is that it is demand driven right based and inclusive in nature. The scheme was implemented in three phases; in the first phase i.e. in the year 2006-07, the scheme covered 200 most backward districts of India. Subsequently, in the year 2007-08, another 130 districts were added. The remaining districts in the country have been covered by 1<sup>st</sup> April 2008 leaving aside those districts that have 100 percent urban population. The primary objective of the scheme is to augment wage employment by setting up a strong social safety net for vulnerable groups and women by providing fall back employment

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channel when other employment sources are inadequate. The construction of wells is one of the activities scheme under the MGNREGA scheme.

However, this activity in Jharkhand was initiated much before the ‘implementation of MGNREGA in the country. Construction of dug-wells of different diameters in low and medium lands was launched by the district administration of Ranchi under a project ‘JALDHARA’ in 1987. Ram Krishna Mission (1994) was requested to undertake a part of this task, in an around its adopted villages. By March, 1992, 800 wells were constructed in a unique approach of collective endeavour. The construction of dug-well involved stone cutting, making a stone in brick size and masonry work. The collective enterprises of villagers eliminated all sorts of middlemen in this work. This resulted in better quality, completion of the project within the stipulated time frame and saving by about 10% of the estimated cost. This money saved by the beneficiaries was used for the purchase of pump-sets, etc. The farmers started growing cash crops successfully, particularly vegetables in *Rabi* season when they were forced to go out to cities as migratory labour.

Along with the implementation of the Social Security Schemes, their socio-economic evaluations have also been conducted from time to time in order to judge what significant/lasting changes the actions have brought in people’s lives so far as their development is concerned. Keeping in line, Agrawal, Gupta and Kumar (2012) conducted a study on the ‘evaluation of NREGA wells in Jharkhand’. The study was conducted in Purio Gram Panchayat, in Ratu block of Ranchi district. The objective of the study was to assess the economic impacts of the wells through the perceptions of the beneficiaries, and the use of wells and hurdles involved in constructing wells. Two methods were used to estimate the cultivation cost and the value of the product grown in the command area. In the first method, well owners were asked to estimate the total cultivation cost and the total value of the product grown in the same areas in a “normal year” before and after the completion of their wells. Estimates of costs and earnings obtained by this method are referred to as “usual cultivation of costs” and “usual value of produce”, the difference between them is the “usual profit”. In the second method, owners of the NREGA wells were asked to recall all the crops that were grown in the command area in the year immediately preceding and following the completion of construction of their wells. They were then asked to calculate all the input costs and value to each produced crops. The sum of all input cost (cultivation cost) was referred to as “actual cultivation cost”, and the total value of crops as “actual value of produce”. The excess of latter over the former represents “actual profits”. While the first method gives an idea of the cultivation costs and value of produce in a normal year, the second method tends to

provide more accurate and detailed estimates of the cost and value of the produce. The study resulted in an increase of almost 50% in average “actual profits”. The main reason for large increase in cultivation costs, value of produce, and profits is the shift towards multiple successive crops and higher value crops (cash crops) especially vegetables after the construction of NREGA wells (Agrawal, Gupta and Kumar, 2012).

The present book under review is the outcome of an empirical study and is divided into seven sections.

Section one deals with the importance of the study, review of literature and the objectives of the present problem. The primary objective of the study was to assess the Returns On Investments from NREGA assets, particularly irrigation well constructed under NREGA in Jharkhand. In doing so, it has also attempted to highlight obstacles encountered in the construction of these wells and to identify ways to improve the returns from such investments.

Sections two presents the methodology of the study undertaken. The book is based on the data collected through the primary and secondary sources as well as case studies. The information for the study from the primary sources was collected through interview schedules. There were two sets of interview schedules – the first was for the beneficiaries of the completed wells & abandoned wells, and the second was for the NREGA functionaries (i.e. *Gram Rozgar Sevaks*, *Panchayat* secretaries, *Mukhiyas*). Focused Group Discussions (FGDs) were conducted through the semi-structured interview schedule. The secondary sources of information were studies, legislations, orders & circulars circulated by the Govt. of India and the State government, newspaper articles, official statistics (Management Information System) and reports through published, printed, unpublished and electronic resources. The authors have presented few case studies of the beneficiaries of the wells also in this book. It also deals with the procedure of selection of samples from the universe (area) of present study. The universe of the study was 24 districts in Jharkhand. The 24 districts was divided into six geographical zones- North east, North west, South east, South west, Central and North. One district was randomly selected from each zones, total six districts. Two blocks were selected randomly from six districts, total of 12 blocks. And finally, two panchayats were selected randomly from each 12 blocks. The study was conducted in total 24 panchayats, selected from the six districts of Jharkhand. The districts are Dumka, Hazaribagh, Jamtara, Palamau, Ramgarh and West Singhbhum.

The analysis of the study documented in the book is divided into three sections, i.e. section 3, 4 and 5. The section three deals with the multi-utility of the wells; the hurdles faced by the beneficiaries during

construction of the wells, construction of wells by the beneficiaries/ the contractors, reasons for out of the pocket expenses, and impact of wells upon the Net Incomes of the farmers. The perceptions of the beneficiaries towards MNREGA wells are also included in this section. The study found that nearly 96 per cent of all the completed NREGA wells were being utilized for irrigation, drinking, washing of clothes, and bathing. It was also found that 87 per cent of the respondents with completed wells actually had to incur significant out-of-pocket expenses for constructing the wells. While 36 per cent of those whose wells had been completed had to take loans to finance the out-of-pocket expenses (average value of the loan being around Rs.18000).

Section four of the book deals with the physical status of the wells. The physical status documents the official status, the actual physical status in the field and the actual status of the completed work on the wells in the field. The authors have found that the status of wells, as shown in the NREGA Management Information System record (government of Jharkhand record) is a fairly reliable source on the actual status of the completed wells. A significant share of the credit for this success in completion can be attributed to the grassroots movements (MNREGA Watch Group) which have worked tirelessly to strengthen the implementation of NREGA in Jharkhand.

Next section (five) of the book deals with the incomplete wells and the reasons for their incompleteness. The most important causes of non-completion of NERGA wells were administrative hurdles including payment delays and partial payments, non-payment of wages and delay in material supply and their expenses and financial leakage in the form of bribes and commissions. Nearly 76 per cent of all abandoned wells remained incomplete due to above mentioned causes. Using the sociological perspective the authors have described various aspects of delay in the completion and non-completion of wells in lucid and concise way in this section of the book.

Section six on 'Who gets a NREGA Well?' deals with the guidelines for the allotment of wells, favouritism of *Mukhiya* or relationship of the peoples representative, government officials and the middleman with the beneficiaries.

Finally, section seven presents the conclusion. The authors have rightly titled the last chapter seven as "Tied-up Threads Together". NREGA wells have transformed the lives of innumerable well beneficiaries. The authors have recorded that there were beneficiaries who had witnessed an increase of 11 times in their net incomes from agriculture in the surrounding areas of the new wells. The performance of NREGA, however, varied across districts and even within districts across panchayats. It was interesting to note that the present study

estimated the average annual Rate of Return (ROR) as nearly thrice the estimate obtained by Agarwal, Gupta and Kumar (2102). Even the overall ROR of 5.7 per cent, which included the abandoned wells, was more than twice of the ROR estimated by them (i.e. 2.29 per cent). This was despite the fact that the present study incorporated the expenditure on abandoned or incomplete wells also. There was basic difference between the previous study and the present study. The major reason for this difference in estimates lied in the fact that the impact of wells upon incomes was much greater at the State level than that estimated by Agrawal, Gupta and Kumar (2012) in one Purio Gram Panchayat of Ranchi district. They estimated the ROR increase around 50 per cent in net incomes. However, the present study estimates from the state-wide sample revealed that the wells actually led to an increase of nearly 200 percent in incomes.

To sum up, it may be concluded that the changes in livelihood strategies, due to the well construction, have brought changes in the way beneficiaries used to work through the year. One of the most notable impact of NREGA reportedly pertains to migration. The wells have led to a small but significant shift, whereby people can spend more time to work as casual labourers. In other words, the wells have increased the farmers' productivity on their own farm, and reduced their reliance on others for wages and employment.

The study was a path-breaking one in several respects, as it showed that: (i) durable and economically productive assets could be created on a large scale under MGNREGA. (ii) MGNREGA can succeed even in the most difficult circumstances, i.e. in the face of a weak administrative machinery, difficult terrain, indigent beneficiaries, and so on. (iii) The beneficiaries have a strong preference for assets that would improve their livelihood, which highlights the need for improved local level participatory planning, and (iv) It has also high-lighted the operational problems like corruption, patronage, and delays, among other things, which demand an urgent administrative response.

This is the first research study of its kind which attempts to objectively measure the Return On Investments from NREGA assets 'well' in general and with special reference to Jharkhand. . This book is an excellent research work. The credit goes to Mr. Jean Dreze, Ankita Agrawal and Prof. Harishwar Dayal for their guidance and support. Apart from the social scientists, research scholars, journalists, and general public will also find the book quite interesting. It is hoped that the book will encourage young social scientists to undertake more empirical studies using the new dimension of research.