

# MGNREGA and the Intra-household Decision Making: A Gender Perspective

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## Introduction and Background

There is a rich theoretical and empirical literature on the intra-household decision making in sociology as well as in economics. There are mainly three strands- the neo-classical models, ascribing altruistic motives to one of the household members who controls major portion of the economic resources and transfers resources to other members (Sen, 1990; Becker, 1991); the second strand propounding the exploitation theory, where a single individual, usually the head of the household, dominates and dictates his preferences over other family members (Folbre, 1986; McCrate 1987; Roemer, 1988); and finally the bargaining models which talk about the threat points of each household members and other variables influencing individual bargaining power for distribution of resources (Manser and Brown,1980; McElroy and Horney, 1981; Lundberg and Pollak, 1993,1996; Ott, 1996)- which present contesting views as to how resource sharing and decision making interact.

In a developing country context, where the gender inequality is well entrenched in the society, the question of intra-household decision making assumes critical importance. In such a society, females have a low status than their male counterparts, which is also reflected in the decision making process. In several important decisions at the household level, such as, whether to work or not, what to purchase, how much to consume, how many children to have, women do not enjoy the same influence as men. The unequal distribution of resources, especially economic resources, between men and women with former enjoying the greater share is crucially linked to this problem of decision-making (Ramu, 1988).

However, gender inequality does not stem merely from unequal access to resources. A rich set of literature suggests that cultural norms and social stratification systems rely on gender as a primary vehicle through which social boundaries are maintained (Srinivas 1977). Thus, whether increasing access to resources results in changes in women's position within the household remains an empirical question.

Answer to this empirical question is complicated by endogeneity of women's control over resources, particularly their participation in wage labour (Agarwal 1997). Whether women participate in wage labour or not is frequently a matter of negotiation between husband and wife, mother-in-law and daughter-in-law. In this case, gender inequality in the household may shape women's incomes rather than the opposite. This has posed a

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serious challenge to empirical literature with some creative identification strategies used to respond to this challenge (e.g. use of unearned income by (Thomas 1994).

In this paper, we look at exogenous changes in the labour market to see if expansion of economic opportunities in India through Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)<sup>3</sup>, changes gender relations in the household. .

## MGNREGA and Women in India

The MGNREGA promises 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The act initially covered only 200 rural districts, however was extended subsequently to additional 130 districts in 2007-08 and with effect from 1st April 2008 was implemented in the entire country. MGNREGA is first of its kind and offers a marked paradigm shift from previously launched wage employment programmes in India, in that it promises the 'right to work' as a legal right. The act is unique in its design which is bottom-up, people-centered, demand driven, self-selecting and rights-based design. Two critical objectives of the act are:

1. Ensuring livelihood security for the most vulnerable people, those living rural areas<sup>4</sup>, through providing employment opportunities for unskilled manual work; and
2. Aiding in the empowerment of marginalized communities, especially women, Scheduled Castes (SCs) and Scheduled Tribes (STs), through the processes of rights- based legislation.

It is important to point out that MGNREGA act does not have women empowerment or transformational gender outcomes as its explicit objective. However, it makes three specific provisions which are crucial from the gender perspective. They are: a) Schedule II (6) specifies priority to be given for women for work and to have at least one-third of workers at worksite to be women. b) Schedule II (34) provides for equal wages for men and women. c) Schedule II (28) requires that child-care facilities be provided at worksite if children below six years are accompanying their working mothers. Further certain other provisions like work within a radius of five kilometres etc. although not specifically made for women are nonetheless favourable for women workers.

MGNREGA has opened up a new earning opportunity for women in rural India and despite the male-dominated nature of the Indian society and prevailing gender imbalances, 44% of the MGNREGA workers are women (Desai et. al, 2014). The share of works under MGNREGA is greater than their share of work in the casual labour work across all states (Dutta et. al, 2012). Various quantitative and qualitative studies

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<sup>3</sup> National Rural Employment Guarantee Act (NREGA) passed in 2005 was later renamed as Mahatma Gandhi National Rural Guarantee Act (MGNREGA).

<sup>4</sup> This focus on vulnerable population was enhanced through phased implementation with the first 200 districts chosen based on their backwardness.

(MGNREGA Sameeksha, 2012) have recognized the favourable impact of MGNREGA on women with respect to increased participation in labour market, wages, income, access to credit and gender relations.

## Research Question

Our paper contributes to the existing body of literature on gender by exploring the impact of MGNREGA on intra-household decision making by utilizing a unique panel dataset from India Human Development Survey (IHDS). The research question that we address in this paper is: 'Does expansion of economic opportunities via MGNREGA lead to increased influence in decision-making power for women?'

## Data

The data in this paper come from the nationally representative multi- topic India Human Development Survey (IHDS). This panel survey was conducted in two rounds, the first in 2004-05 and the latest in 2011-12. IHDS-I and IHDS-II are part of a collaborative research programme between the National Council of Applied Economic Research (NCAER) and the University of Maryland with the goal to document changes in the daily lives of Indian households in the face of a society undergoing rapid transition. IHDS was conducted in all states and union territories in India except the union territories of Andaman and Nicobar Islands and Lakshadweep. It has gathered detailed village, household and individual information about a range of demographic and socio-economic variables viz. income, employment, consumption expenditure, education, gender relations, social network, marriage, youth, health and fertility.

This paper uses the data on eligible women<sup>5</sup> from the both the rounds of the survey.

## Methodology

The IHDS questionnaire has asked some unique questions to women about gender relations. We construct an index of decision making using four important gender relations questions which provide information about who in the family of the women has some say in taking decisions pertaining to: a) how many children to have? b) whether to buy an expensive item such as a TV or a fridge? c) What to do if a child falls sick? d) To whom should your children marry? The IHDS also contains work related questions including MGNREGA work. This helps us in forming our variables required for the analysis.

This index takes values from 0 to 4, with 0 indicating absence of some say in any of the decision making questions and 4 suggesting having some say in all four decision

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<sup>5</sup> Women in the age-group of 15-49 from the first round of survey or from the latest round whatever may be her age at the time of survey.

making questions. We also construct another index which gives us an idea about who has ‘the most say’ in the decision making when apart from the woman other household members also have some say in taking the decisions.

There is an inherent order involved in the way we have constructed the dependent variable, therefore we will use Ordinal Logistic Regression model. Since the dependent variable can take five values denoting five levels there will be four logit functions defined as follows:

Let  $y=1, 2... k$  so we have  $(k-1)$  logit functions

$$\text{Logit Function: } \ln(\Theta_j) = g_1(x) = \alpha_{01} + \alpha_1 * X_1 + \alpha_2 * X_2 + \dots + \alpha_k * X_k$$

where,  $\ln(\Theta_j)$  is dependent variable for all  $j=1, 2... (k-1)$  and  $\Theta_j = (P(Y \leq j) / P(Y > j))$ .  $X_1, X_2, \dots, X_k$  are the independent Variables and  $\alpha_{01}, \alpha_1, \alpha_2, \dots, \alpha_k, \alpha_{02}, \alpha_{03}, \alpha_{04} \dots$  are the parameters of the model.

As regards the independent variables our main variable of our interest is, MGNREGA participation. Other control variables such as the education of eligible women, family type (joint or nuclear), caste, religion, age etc. are used. Some of these variables like caste are time-invariant while others like family type may change between two time periods. The descriptive statistics presented below use the data from second round only.

## Descriptive Statistics

Since MGNREGA is implemented only in rural areas, we have considered only rural sample.

*Table 1: Work Status of Eligible Women*

| Worked for MGNREGA | Frequency | Percent |
|--------------------|-----------|---------|
| No 0               | 20,695    | 79.88   |
| Yes 1              | 5,211     | 20.12   |
| Total              | 25,906    | 100     |

We see from the above table that 20.12% of eligible women have ever worked for MGNREGA. If we consider the decision making index where women have some say in the intra-household questions then the following picture emerges:

*Table 2: MGNREGA Work and Intra-household Decisions (Some Say)*

| Worked for MGNREGA | Index of Decision Making (Some Say) |      |      |       |       | Total |
|--------------------|-------------------------------------|------|------|-------|-------|-------|
|                    | 0                                   | 1    | 2    | 3     | 4     |       |
| No 0               | 4.41                                | 4.36 | 5.77 | 13.48 | 71.98 | 100   |
| Yes 1              | 4.9                                 | 1.65 | 3.07 | 7.05  | 83.33 | 100   |
| Total              | 4.51                                | 3.8  | 5.21 | 12.15 | 74.33 | 100   |

We can see from the above table that those women who have ever participated in MGNREGA also have more decision making power in most of the intra-household

matters. 83.33% of women who have participated in MGNREGA have some say in all four decisions as against the 71.98% of women who have never worked for MGNREGA.

Even if we consider the relationship between MGNREGA participation and another index of decision making which incorporates the 'most say' questions, it also offers an interesting relationship.

*Table 3: MGNREGA Work and Intra-household Decisions (Most Say)*

| Worked for MGNREGA | Index of Decision Making (Most Say) |       |       |      |      | Total |
|--------------------|-------------------------------------|-------|-------|------|------|-------|
|                    | 0                                   | 1     | 2     | 3    | 4    |       |
| No 0               | 59.95                               | 21.52 | 9.99  | 4.8  | 3.74 | 100   |
| Yes 1              | 57.49                               | 20.15 | 10.17 | 5.6  | 6.58 | 100   |
| Total              | 59.46                               | 21.25 | 10.02 | 4.96 | 4.31 | 100   |

While these descriptive statistics are interesting, they do not take into account endogeneity of MGNREGA participation we have noted above. In order to address this, we propose to look at pre and post-NREGA decision making power of women ages 15-40 at the time of the first survey in 2004-5 and compare this to their own decision-making power seven years later in 2011-12 in a fixed effects regression.

Expansion of economic opportunities will be captured using three indicators:

1. Since NREGA was implemented in phased fashion across districts, we would expect that women in districts that implemented MGNREGA earlier will have greater improvement in their decision making power.
2. Since NREGA implementation varies tremendously across states, we will compare changes in decision making power for women in states with better implementation than those in states with poor implementation.
3. Finally, since NREGA provides equal wages to men and women, something not seen in rural labour markets in general, we will compare NREGA participation with participation in other waged work to see if NREGA has a greater positive impact on women's decision making power.

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