

# ABSTRACT

A favourable macroeconomic performance of many developing countries has been accompanied with apparent needs to make the growth socially inclusive. The social state building and social protection is gradually considered as a crucial element of economic and social development strategies in developing countries. Previous concern based predominantly on a basic-needs approach is gradually shifting towards a rights-based approach (associated mainly with socio-economic rights). This new generation of social protection stresses an active involvement of all actors in development process and investments in human capital building.

Indian Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is one of the biggest social intervention ever undertaken and is used as an example of such shifts. MGNREGA has emerged as a major effort of Indian government to mitigate number of problems in rural India. This thesis provides a multidimensional analysis focusing on various effects of MGNREGA and their interaction in a given regional context, when it is widely and properly implemented.

A case study from rural Tamil Nadu draws on 1264 structured interviews in households and 125 semi-structured interviews with local employers and officials. It shows a distinction among diverse MGNREGA impacts when it is seen as a means of provision of welfare, labour market policy, and intervention directed towards other specific objectives such as empowerment of women, public assets and human capital building, or reduction of distress-led migration.

This thesis found that the goals of the scheme had been fulfilled unevenly in the given context. Among other findings, we show that positive effects on people's welfare (both on participating and non-participating households) have been accompanied by adverse effects on the local labour market and local economy. In general, by depicting complexities and ambiguities associated with the given context of workfare scheme, the study warns against its one-dimensional assessments.

## **Keywords:**

Social state, developing countries, public works programmes, India, rural development, labour market