BAJIRAO IAS ACADEMY

# CASE STUDY ON MGNREGA

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ETHICS CASE STUDY ANALYSIS FOR UPSC MAINS EXAMINATION

## 9. Case Study

Subash is Secretary, PWD in the State Government. He is a senior officer, known for his competence, integrity and dedication to work. He enjoys the trust and confidence of Minister Incharge of PWD and Programme Implementation. As a part of his job profile, he is responsible for policy formulation, execution of projects relating to infrastructure initiatives in the State. Besides, he oversees the technical and administrative aspects relating to planning, designing and construction etc.

Subash's Minister is an important Minister in the state and significant growth in urban infrastructure development and road network has been registered during his tenure. He is very keen for launching of ambitious road construction project in the near future.

Subash is in regular touch with the Minister and is working various modalities of road construction project. Regular meetings, interactions and presentations are made by him to the Minister before a formal public announcement of the project is made by the Minister. Subash's only son Vikas is in real estate business. His son from his own sources is aware that a mega road project is on the anvil and announcement in this regard is expected anytime. He is very keen to know from his father the exact location of the upcoming project. He knows that there would be quantum jump in the prices of land at the proposed location. Buying land at this stage at cheaper prices would pay him rich dividends. He is pleading with him (his father) day in and day out to share him location of the proposed project. He assured him that he would handle the matter discreetly as it would not attract any adverse notice as he in the normal course, keeps on buying land as a part of his business. He feels pressurised because of constant pleadings by his son.

Another significant aspect of the matter pertained to the extra/undue interest in the above project by the Minister PWD. His nephew was also having big infrastructure project company. In fact, the Minister has also introduced his nephew to him and indicated to him to take care of his nephew's business interest in the forthcoming project. The Minister encouraged him to act fast in the matter as early announcement and execution of mega road project would enhance his status in the party and public life.
In the above backdrop, Subash is in a fix as to the future course of action.

**(a)** Discuss the ethical issues involved in the case.
**(b)** Critically examine the options available to Subash in the above situation.
**(c)** Which of the above would be most appropriate and why?

## Case Study: Conflict of Interest and Integrity in Public Office

### Introduction

Public servants are entrusted with public resources and confidential information. **Integrity, impartiality, and objectivity** form the ethical backbone of civil services. In this case, **Subash**, Secretary, PWD, faces pressure both from his **family (son)** and **political superior (Minister)**, creating a serious **conflict of interest** and testing his ethical resolve and professional conduct.

## (a) Ethical Issues Involved

**1. Conflict of Interest:**

1. Sharing insider information about the road project location with his son would amount to **misuse of official position for personal gain**.
2. The Minister's pressure to favor his nephew's company also violates **fairness and transparency** in public procurement.

**2. Misuse of Confidential Information:**

1. The project details are **classified** until official announcement. Disclosure would breach **official secrecy** and **trust reposed in his office**.

**3. Nepotism and Cronyism:**

1. Minister's attempt to benefit his relative compromises **public trust** and the **principle of equality of opportunity**.

**4. Integrity and Professional Independence:**

1. Subash's professional ethics require him to maintain **objectivity**, resist **undue influence**, and uphold **rule of law**.

**5. Public Interest vs Private Pressure:**

1. Personal affection toward his son and loyalty toward the Minister conflict with his **duty toward public welfare and transparency**.

## (b) Options Available to Subash

1. **Option 1: Yield to His Son's Request.**
    1. *Pros:* Pleases his family and avoids domestic conflict.
    2. *Cons:* Violates **code of conduct**, **breach of confidentiality**, potential for **corruption charges**, and **loss of credibility**.

2. **Option 2: Follow Minister's Direction and Favor His Nephew's Firm.**
    1. *Pros:* Maintains cordial relations with political executive.
    2. *Cons:* Violates **public procurement ethics**, promotes **favoritism**, attracts **legal and disciplinary action**, erodes public trust.

3. **Option 3: Uphold Integrity and Refuse Both Requests.**
    1. *Pros:* Ethically sound; upholds **transparency, accountability, and impartiality**. Sets example of **ethical leadership**.
    2. *Cons:* May face **political backlash**, personal tension at home, and possible **transfer or career setback**.

4. **Option 4: Report Matter to Higher Authorities / Chief Secretary / Ethics Committee.**
    1. *Pros:* Ensures institutional accountability and documentation of undue pressure.
    2. *Cons:* May escalate political friction.

## (c) Most Appropriate Course of Action

The **most ethical and professionally appropriate** option is **Option 3**, supported by **Option 4** if pressure persists. Subash must:

- **Politely refuse** to share confidential information with his son, explaining the ethical and legal implications.
- **Ensure transparent tendering** of the road project as per established norms.
- **Document any political pressure** and inform higher authorities discreetly, if required.

This aligns with the **Code of Conduct for Civil Servants**, the **Central Civil Services (Conduct) Rules**, and principles of **integrity, impartiality, and devotion to duty**.

## Conclusion

Subash's case exemplifies the **moral courage** expected of civil servants. Upholding integrity, even at personal or political cost, strengthens public faith in governance. Ethical conduct in public service is not merely about avoiding wrongdoing but about **demonstrating unwavering commitment to public interest and constitutional values**.

**10. Case Study**

Rajesh is a Group A officer with nine years of service. He is posted as Administrative Officer in an Oil Public Sector undertaking. As an Administrative Officer he is responsible for managing and coordinating various administrative tasks to ensure smooth functioning of office. He also manages office supplies, equipment etc.

Rajesh is now sufficient senior and is expecting his next promotion in JAG (Junior Administrative Grade) in the next one or two years. He knows that promotion is based on examination of ACRs/Performance Appraisal of last few years (5 years or so) of an officer by a DPC (Departmental Promotion Committee) and an officer lacking requisite grading of ACRs may not be found fit for promotion. Consequences of losing promotion may entail financial and reputational loss and set-back for career progression. Though he also puts his best efforts in official discharge of his duties, yet he is unsure of assessment by his superior officer. He is now putting extra efforts so that he gets thumping report at the end of financial year.

As Administrative Officer, Rajesh is regularly interacting with his immediate boss, who is his reporting officer for writing his ACR. One day he calls Rajesh and wants him to buy computer-related stationery on priority from a particular vendor. Rajesh instructs his office to initiate action for procuring these items. During the day, the dealing Assistant brings an estimate of Rupees Thirty Five Lakhs covering all stationery items from the same vendor. It is noticed that as per delegated financial powers, as provided in the GFR (General Financial Rules) as applicable in that Organisation, expenditure for office items exceeding Rupees Thirty Lakhs requires sanction of the next higher authority (boss in the present case).

Rajesh knows that immediate superior would expect all these purchases should be done at his level and may not appreciate such lack of initiative on his part. During discussions with office, he learns that common practice of splitting of expenditure (where large order is divided into a series of smaller ones) is followed to avoid obtaining sanction from higher authority. This practice is against the rules and may come to the adverse notice of Audit.

Rajesh is perturbed. He is unsure of taking decision in the matter.

**(a)** What are the options available with Rajesh in the above situation?
**(b)** What are the ethical issues involved in this case?
**(c)** Which would be the most appropriate option for Rajesh and why?

## Introduction

Public servants often face dilemmas where **professional integrity** conflicts with **personal interest**. Rajesh, an Administrative Officer in a PSU, is caught between following **General Financial Rules (GFR)** and **pleasing his superior** who influences his performance appraisal. The case tests his adherence to **integrity, objectivity, courage of conviction, and accountability**, which are foundational civil service values.

## (a) Options Available to Rajesh

1. **Split the Purchase Order (₹35 lakh) into smaller ones**
   1. This would enable approval at his level and please his superior.
   2. However, it violates **GFR provisions** prohibiting "splitting of expenditure to avoid sanction."
   3. Though it may ensure a good ACR in the short term, it is **illegal and unethical** and may invite **audit objections** or disciplinary action.

2. **Forward the Full Proposal to Higher Authority as per GFR**
   1. Rajesh can consolidate the ₹35 lakh estimate and send it for approval to the competent authority.
   2. This ensures **rule compliance and transparency**, though his boss may feel disappointed.

**3. Seek Clarification or Written Direction from the Superior**

1. Rajesh can record his concern in writing or email, politely noting that the order exceeds his delegated powers.
2. This protects him from future accountability and demonstrates professionalism.

**4. Consult the Finance/Vigilance Wing**

1. He may seek their opinion to confirm the correct procedure.
2. This displays due diligence, though it may delay the purchase.

## (b) Ethical Issues Involved

1. **Integrity vs. Obedience:** Following rules honestly vs. yielding to superior pressure.
2. **Conflict of Interest:** Personal ambition (promotion) conflicting with public duty.
3. **Rule of Law:** GFRs are legal safeguards ensuring financial propriety.
4. **Transparency and Accountability:** Procurement decisions must be open and auditable.
5. **Courage of Conviction:** The ability to say "no" to unethical practices despite fear of repercussions.

*(Example: In the "Commonwealth Games 2010" audit, several officials faced action for splitting orders to bypass financial limits — highlighting the risk of such violations.)*

**(c) Most Appropriate Option and Justification**
The **second and third options combined** are most appropriate. Rajesh should:

- **Follow the GFR** by forwarding the ₹35 lakh proposal for higher sanction.
- **Politely inform** his boss in writing that this ensures compliance and avoids audit objections.

This upholds **integrity, objectivity, and professionalism**—core values of civil service ethics. While it may cause temporary displeasure, it safeguards Rajesh’s reputation and the organization’s financial propriety. Long-term credibility and trust are more valuable than short-term personal gains.

## Conclusion

Rajesh’s dilemma mirrors real-life ethical challenges faced by officers. By choosing to **act lawfully and transparently**, he demonstrates **ethical leadership** and fidelity to public trust. Upholding integrity, even at personal cost, ultimately strengthens both the individual’s character and the institution’s credibility — the true mark of a responsible civil servant.

## 11. Case Study

Mahatma Gandhi National Rural Employment Guarantee Program, MGNREGA was earlier known as National Rural Employment Scheme, NREGA. It is an Indian Social Welfare Program that aimed at fulfilling the ‘Right to Work’ provisions made in the Constitution. MGNREGA was launched in 2006 under Rural Employment Sector by the Ministry of Rural Development.

Main objective of the program is to give legal guarantee of wage employment to the adult members of rural households who are willing to do unskilled manual labour work subject to a maximum of 100 days per year for every household. Every rural household has the right to register under the scheme, job card is issued to the registered, Job Card holder can seek employment; State Government shall pay 25% of minimum wage for the first 30 days as compensatory daily unemployment allowance to the families and of wage for remaining period of the year. MGNREGA work was undertaken by various Gram Panchayats.

You have been appointed as an Administrator Incharge of the District. You have been given the responsibility of monitoring MGNREGA work undertaken by various Gram Panchayats. You are also given the authority to give technical sanctions to all MGNREGA works.

In one of the Panchayats in your jurisdiction, you notice that your predecessor has mismanaged the Program in terms of:

(i) Money not disbursed to actual job-seekers.
(ii) Muster Rolls of the Labourers not properly maintained.
(iii) Mismatch between the work done and payments made.
(iv) Payments made to fictitious persons.
(v) Job Cards were given without looking into the need of person.
(vi) Mismanagement of funds and to the extent of siphoning of funds.
(vii) Approved works that never existed.

**(a)** What is your reaction to the above situation and how do you restore the proper functioning of MGNREGA Program in this regard?
**(b)** What actions would you initiate, to solve the various issues listed above?
**(c)** How would you deal with the above situation?

## Introduction

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a landmark social welfare program that provides the *Right to Work* and ensures livelihood security for rural households. As a District Administrator, my ethical and administrative duty is to uphold transparency, accountability, and justice in its implementation. The reported mismanagement violates not only administrative norms but also the moral trust placed by citizens in the government.

## (a) Reaction to the Situation

- The findings — fake beneficiaries, fudged muster rolls, and fund siphoning — indicate *serious ethical lapses* such as corruption, negligence, and violation of public trust.
- My immediate reaction would be a mix of **ethical concern**, **professional responsibility**, and **commitment to corrective action**.
- I would adopt a balanced approach based on the principles of **Integrity, Objectivity, and Public Accountability**, ensuring that both the wrongdoers are held accountable and the genuine beneficiaries are protected.

## (b) Actions to Restore Proper Functioning

### 1. Fact-Finding and Transparency

- Conduct a **comprehensive audit** of all MGNREGA accounts, muster rolls, and work registers.
- Involve **independent agencies**, such as social audit units and NGOs, to ensure impartiality.
- Suspend ongoing payments until verification is complete.

### 2. Accountability and Legal Action

- Identify officials involved in malpractice.
- Initiate **departmental inquiry** and, if required, file **FIRs** under Prevention of Corruption Act.
- Blacklist contractors or vendors involved in siphoning.

### 3. Systemic Reforms

- Introduce **biometric attendance** and **geo-tagging** of MGNREGA works to eliminate ghost entries.
- Mandate **online fund transfers** directly to verified beneficiaries (DBT mode).
- Strengthen **Gram Sabha oversight** to enhance community participation.

### (c) Dealing with the Situation Ethically

I would demonstrate **ethical leadership** by:

- Upholding **probity and impartiality** in the investigation.
- Protecting whistle-blowers and encouraging a culture of honesty.
- Communicating openly with villagers to rebuild trust in governance.

My approach would blend **ethical principles (Integrity, Fairness, Empathy)** with **administrative efficiency** to restore faith in public service.

## Conclusion

As a public servant, I am a trustee of public resources. Mismanagement of MGNREGA not only wastes funds but betrays the rural poor's faith in the system. Through **transparent audits, accountability measures, and ethical leadership**, I would strive to restore integrity, ensure justice for genuine beneficiaries, and set an example of good governance — fulfilling the true spirit of MGNREGA and the Constitution's promise of social justice.

## 12. Case Study

Ashok is Divisional Commissioner of one of the border districts of the North East State. A few years back, Military has taken over the neighbouring country after overthrowing the elected civil government. Civil war situation is prevailing in the country especially in last two years. However, internal situation further deteriorated due to rebel groups taking over control of certain populated areas near own border. Due to intense fight between military and rebel groups, civilian casualties has increased manifold in recent past. In the meantime, in one night Ashok got information from the local police guarding the border check post that there are about 200-250 people mainly women and children trying to cross over to our side of the border. There are also about 10 soldiers with their weapons in military uniform part of this group who wants to cross over. Women and Children are also crying and begging for help. A few of them are injured and bleeding profusely need immediate medical care. Ashok tried to contact Home Secretary of the State but failed to do so due to poor connectivity mainly due to inclement weather.

**(a)** What are the options available with Ashok to cope with the situation?
**(b)** What are the ethical and legal dilemmas being faced by Ashok?
**(c)** Which of the options, do you think would be more appropriate for Ashok to adopt and why?
**(d)** In the present situation, what are the extra precautionary measures to be taken by the Border Guarding Police in dealing with soldiers in uniform?

## Introduction

Public administration in border areas often poses complex ethical and legal dilemmas. Ashok, as the Divisional Commissioner, faces a grave humanitarian crisis where refugees—mostly women and children—are fleeing violence from a neighbouring country. The situation requires balancing **national security**, **humanitarian ethics**, and **legal obligations** under both domestic and international frameworks.

## (a) Options Available with Ashok

### 1. Deny Entry Completely

- The border may be sealed, and the group prevented from entering Indian territory until instructions arrive.
- *Pros:* Maintains territorial sovereignty.
- *Cons:* May lead to humanitarian tragedy, violating moral and humanitarian principles.

**2. Allow Conditional Entry on Humanitarian Grounds**

- Permit entry of women, children, and the injured for immediate medical attention and safety under **temporary shelter**.
- Isolate and disarm the armed soldiers.
- *Pros:* Upholds humanitarian ethics and India's tradition of compassion.
- *Cons:* May have security implications and diplomatic repercussions.

**3. Create a Temporary Holding Zone Near the Border**

- Allow the group to stay in a designated “buffer area” under police supervision until higher authorities respond.
- *Pros:* Balances compassion and security.
- *Cons:* Requires immediate logistical arrangements.

## (b) Ethical and Legal Dilemmas

1. **Humanitarian Duty vs. National Security:**
   Helping injured civilians versus preventing infiltration or security breaches.

2. **Legal Boundaries vs. Moral Responsibility:**
   India is not a signatory to the 1951 Refugee Convention, yet international norms (e.g., *non-refoulement*) discourage sending people back to danger.

3. **Obedience to Orders vs. Discretion:**
   Acting without higher approval due to communication failure poses administrative risks but delay may cause deaths.

4. **Treatment of Armed Personnel:**
   Whether to treat the uniformed soldiers as refugees or potential combatants.

## (c) Most Appropriate Option

The **second option—allowing conditional entry on humanitarian grounds**—is ethically and pragmatically best.

- Immediate medical aid to civilians aligns with **Article 21 (Right to Life)** and humanitarian values.
- The **armed personnel** should be **disarmed, detained, and interrogated** as per security protocol.
- Inform central and state authorities promptly and involve **border security forces** for assessment.

*Example:* India allowed entry to Rohingya and Sri Lankan Tamil refugees temporarily while ensuring national security through monitoring.

## (d) Precautionary Measures for Border Police

1. **Disarm and Secure Soldiers Immediately.**
2. **Separate Civilians from Armed Personnel.**
3. **Conduct Identity Verification and Medical Screening.**
4. **Inform Military Intelligence and External Affairs Ministry.**
5. **Maintain strict surveillance and prevent media leaks** that may escalate tensions.

## Conclusion

- Ashok’s response must embody **humanitarian compassion guided by administrative prudence**.
- Upholding ethical governance means saving innocent lives while maintaining national security. By ensuring medical aid, separating combatants, and promptly informing authorities, Ashok can strike the right balance between **moral duty and sovereign responsibility**, exemplifying the true spirit of public service and ethical leadership.

# Thank you

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