

Role of MGNREGA on Rural Employment Generation and Development: A Descriptive study

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Structured Abstract:

Purpose: To study the role of MGNREGA on rural employment generation and development. A comprehensive study on the MGNREGA has been planned to carry out in-depth analysis on advantages of the MGNREGA, applicability of MGNREGA and challenges before MGNREGA implementation. It also proposed to portray the present status of MGNREGA in rural areas of India as well as West Bengal in recent years.

Design/Methodology/Approach: Secondary data have been collected from different books, research papers, reports, journals, news papers and online data base. The paper is based on descriptive arguments and incorporation of various qualitative and quantitative elements, related to MGNREGA activities in rural India. Various statistics and charts of the MGNREGA in India have been extracted from different published reports and internet.

Findings: The study reveals that MGNREGA has a positive impact on rural employment generation and development.

Originality/Value: It is a pioneering effort which ensures the socio-economic safety for the rural lives. Effective and efficient utilization of MGNREGA can bring a radical change in rural life style.

Key Words: MGNREGA, Rural Employment, Poverty Alleviation.

Paper Type: Descriptive Study.

Introduction

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is the most comprehensive and effective employment generation process in rural areas since the independence. In the year 2005 Indian Government introduced this act and opened up a new job horizon for rural people. As per the Act 'to provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled work' (source: The National Rural Employment Guarantee Act, 2005, No. 42 of 2005, 5th September, 2005). Indeed it creates enormous job

opportunity all over rural India. This legislation enables a certain job for every poorest household in the rural area and ascertains a minimum income for all. MGNREGA not only widens the employment opportunity but it seems to be a working tool for poverty alleviation in remote India. MGNREGA increases the income and the purchasing power of the member works at MGNREG project. After participating into MGNREG programme villagers are in a position to satisfy their minimum livelihood need. Pre and post MGNREGA joining status comparison of the villagers states that it enhances their socio-economic condition and provides a better standard of living.

Literature Review

There is no dearth of literature for the understanding of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and also the implementation process of it in rural India. We found, there are many empirical as well as theoretical studies in India on different districts, blocks and gram panchayets for evaluating the emergence of MGNREGA in a view of a poverty alleviation scheme.

Ahuja, R. U. et.al., (2011) have conducted a study for investigating the impact of implementation of MGNREGA on two districts of the state of Haryana in the year 2010 and 2011. They have chosen two districts one is agriculturally advanced and the other is agriculturally backward. The main objective of their study is to investigate the differences in employment status, income, landholding size, herd size and other assets of the households of these two districts. They have taken 60 farm families from each district for their survey and found a significance difference in the extent of employment under MGNREGA works in both the districts. They observed despite a strong employment generation wing, MGNREGA has not been able to check the migration from the developed region due to higher wage rates and the farmers are less interested to join MGNREGA projects.

Rengasamy, J. and Kumar, B.S. (2011) studied the state-wise performance of MGNREGA and its impact on various streams of agriculture and rural agriculture wages. Their comparative study depicts that the MGNREGA scheme has not only benefited agricultural laborers directly but it indirectly increases the Minimum Agricultural Wage Rate (MAWR). They have pointed out some improvement strategies like workers empowerment, other development programmes connectivity and searching for other possible works.

Bishnoi, I. et.al., (2012) have examined the performance of MGNREGA in Khota Mahawa village of Babhani block of Sonbhadra district of Uttar Pradesh. They have conducted a survey on 100 beneficiaries of MGNREGA scheme both male and female through structured interview schedule and found that the respondents are well aware of the every aspect of the scheme like registration, job card, hundred days works in a year, having bank account, receiving payment from bank etc. At the same time they have realized that delayed in wage payment and accessing the bank account is the main problem of the respondents. They have another significant observation that the gram pradhan played a very vital role in conveying information about the MGNREGA.

Arora, V. et.al., (2013) aimed to analyze the relevance of MGNREGA project for women empowerment. They have surveyed 250 respondents of Rohtak district of Haryana through designed semi structure questionnaire in the year 2012. They applied stratified random sampling technique for analyzing the data. Their study reveals that through MGNREGA participation a significant change has been made in the life of the rural women regarding the employment opportunity and income generation.

Adeppa, D. (2014) has made a study on implementation and impact of MGNREGA in Anantapuramu district of Andhra Pradesh. The main objective of the study was to examine the impact and implementation of said project on sample beneficiaries and evaluate the success and failure. He has taken sample of ninety respondents from three gram panchayets through random sampling method. The findings of the study were the number of household under the project remains constant during the six years of implementation and the percentage of working households never crossed 46.89 percent in the district under study. The study also shows that after MGNREGA implementation migration of rural labour has declined and wage rate in agricultural and allied sector has been increased but it fails in creation of durable assets.

Xavier, G. and Mari, G. (2014) worked on impact of MGNREGA on socio-economic empowerment of women and the various risk associated with the women during the MGNREGA working time in Kalakkanmoi panchayet in Sivgangai district of Tamilnadu. They have used both primary and secondary data for exploring their study and analyzed the data through SPSS statistical package and origin software. The study reveals that inclusion in the scheme increases the income and purchasing power of the households and it significantly

enhances the financial freedom and social and economical decision making power of the rural women.

Dutta, S. (2015) focused on the accountability of the MGNREGA programmes in the two states of India, Andhra Pradesh (AP) and Uttar Pradesh (UP). He argues that most of the development programmes have failed due to inefficiency, absenteeism, incompetence and corruptions, so MGNREGA, how far is it accountable for the ordinary people and civil society? His empirical results indicate that implementation of said programme is to some extent well in AP but lagged in UP.

Objectives of the Study

The objective of the paper is to make a comprehensive study on the MGNREGA. To fulfill this objective we have made an in-depth analysis on need of the MGNREGA, benefits and applicability of MGNREGA, challenges before MGNREGA implementation. We have also highlighted the present status of MGNREGA in rural areas of India as well as West Bengal in recent years.

Data and Methodology

Secondary data have been collected from different books, research papers, reports, journals, news papers and online data base. The paper is based on descriptive arguments and incorporation of various qualitative and quantitative elements, related to MGNREGA activities in rural India. Various statistics and charts of the MGNREGA in India have been extracted from different published reports and internet.

Discussion

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

MGNREGA is a major government initiative in rural India which provides job guarantee to the unskilled laborers'. The main objective of MGNREGA is to provide job for every household in rural areas of the country for at least 100 days in a financial year with creation of assets for the future benefits. This scheme procures non-skilled work for all the adult members of any family in rural site of the country. In the year 2005 Indian government enacted this legislation for the betterment of the rural lives. MGNREGA enables job for all

which resulted in earnings for all and rise in purchasing power of all the families in the rural areas.

The scheme covers 200 districts in its first phase starting from the district Anantapur of the state Andhra Pradesh. Next in the year 2007-2008 it includes another 130 districts under the scheme and gradually it covers remaining all the rural areas. Present status of MGNREGA in all over Rural India has been shown in **Table 1** and **Table 2** shows the present status of MGNREGA in West Bengal.

Figure 1 shows the comparative picture of Average Person Days per household of the State West Bengal and the Nation in MGNREGA Project. Average person days per household of West Bengal are lower than National average during the period 2011-2012 to 2015-2016. In the financial year 2013-2014 it was highest (i.e. 37) in West Bengal while national average was highest (i.e. 46) in both the year 2012-2013 and 2013-2014 during the study period. Average persons days per household was lowest (i.e. 23) in West Bengal in the year 2015-2016, simultaneously it was also lowest (i.e. 33) in national level in the same year. It can be conclude that there exists a positive correlation between Average Person Days per household of the State West Bengal and the Nation in MGNREGA Project during the study period.

Figure 2 portrays a Comparative picture of percentage of Women Participation in MGNREGA Project both state and national level during the period 2008-2009 to 2015-2016. In the year 2015-2016 it was highest in both sate level (i.e. 46.77) and also national level (i.e. 58.25). Again, it was lowest (i.e. 26.53) in West Bengal in the year 2008-2009 and in national level (i.e. 47.73) in the year 2010-2011. Women Participation in MGNREGA gradually increases in West Bengal except the year 2011-2012 (i.e. 32.5) during the study period.

Figure 3 exhibits the work completion rate in MGNREGA Project. In most of the cases work completion rate of state exceeds the national rate except the year 2013-2014, 2014-2015 and 2015-2016. In the last three years national work completion rate gradually exceeds the state rates which fall miserably.

Advantages of MGNREGA

MGNREGA provides a number of facilities to the poor people of remote rural areas of India some of them are summarized below:

- Jobless unskilled worker provides some job throughout the year in rural areas.

- It strengthens the rural economy by increasing buying power of the villagers.
- MGNREGA ensures the asset creation for future betterment of the households.
- MGNREGA provides social and financial security for rural India.
- Developing and maintaining the natural resources the project restores the future sustainability.
- The project increases the dependency on local self government and seeks important role performed by the Gram Panchayet.

Challenges before MGNREGA

- Recently the project is under pressure due to poor execution and disbursement of payment.
- Migration problem cannot be eradicated totally as there is no assurance that the job will be made available throughout the year and at the same time 100 days of work cannot fulfill the demand.
- There is grievance cell but the rural people are not well informed where the needy villagers demanded their different wants and there is a gap between demand for job and job as per Job cards.
- Payment procedure seems too complicated to the villagers and delayed payment causes the non-participation into the scheme.
- Lack of connectivity and networking system fails to bring remote rural sector under the same umbrella.
- Local self government should strengthen their capacity and functioning effectively.

Conclusion

MGNREGA is the ever largest rural employment generation programmes in India since independence. This poverty alleviation initiative not only secures 100 days job and minimum earnings for every adult of every household but at the same time it satisfies some other important aspects e.g. environment protection and sustainable development, gender equality and women empowerment, sustainable asset creation and mitigation of the migration problem. MGNREGA has come into the rural life as a ray of light. Participants of MGNREGA have been relieved from poverty and hunger. Poor villagers are releasing themselves from the high-interest bearing local credit and create some household assets by the earnings of the scheme. Above all it is not overstated that the primary objective of the proposal i.e. right to job for all and overall rural welfare has been fulfilled and the project creates job guarantee and strengthens the rural livelihood security.

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Table 1
Present Status of MGNREGA in all over Rural India

National				
Total No. of Districts	658			
Total No. of Blocks	6,849			
Total No. of GPs	2,50,636			
I Job Card				
Total No. of Job Cards [In Cr]	13.03			
Total No. of Workers [In Cr]	27.41			
(i) SC worker % as of total Workers	19.58			
(ii) ST worker % as of total Workers	15.17			
Total No. of Active Job Cards [In Cr]	6.04			
Total No. of Active Workers [In Cr]	9.29			
(i) SC worker % as of total Workers	21.06			
(ii) ST worker % as of total Workers	16.61			
II Progress	FY 2015-2016	FY 2014-2015	FY 2013-2014	FY 2012-2013
Approved Labour Budget [In Cr]	239.112	220.67	258.57	278.71
Person days Generated so far [In Cr]	99.6865	166.29	220.34	230.33
% of Total LB	41.69	75.35	85.21	82.64
% as per Proportionate LB	70.8	0	0	0
SC person days % as of total person days	23.73	22.39	22.81	22.21
ST person days % as of total person days	16.01	17.02	17.53	17.8
Women Person days out of Total (%)	58.25	54.88	52.82	51.3
Average days of employment provided per Household	32.55	40.17	45.98	46.19
(i) Average Person Days for SC House Holds	32.39	39.65	45.29	44.91
(ii) Average Person Days for ST House Holds	31.82	40.14	48.93	49.97
Average Wage rate per day per person (Rs.)	146.98	143.91	132.7	121.4
Total No of HHs completed 100 Days of Wage Employment	6,39,463	24,91,653	46,59,272	51,72,498

% payments generated within 15 days	48.26	26.97	50.08	50.08
Total Households Worked [In Cr]	3.0622	4.14	4.79	4.99
Total Individuals Worked [In Cr]	4.284	6.22	7.39	7.97
% of Men Worked	46.41	49.78	52.03	52.93
% of Women Worked	53.59	50.22	47.97	47.07
% of SC Worked	23.59	22.25	22.93	22.79
% of ST Worked	17.7	18.44	17.89	17.93
% of Disabled Persons Worked	0.67	0.67	0.66	0.57
III Works				
Number of GPs with NIL exp	45,802	31,978	27,230	25,015
Total No. of Works Taken up (New+ Spill Over) [In Lakhs]	93.4	98.08	93.52	104.62
Number of Ongoing Works [In Lakhs]	85.01	71.92	66.1	79.09
Number of Completed Works [In Lakhs]	8.4	26.15	27.42	25.53
% of Expenditure on Agriculture & Agriculture Allied Works	67.12	59.8	52.69	56.06
IV Financial Progress				
Wages [In Cr]	16,638.03	24,202.7	26,538.09	27,153.52
Material and skilled Wages [In Cr]	5,098.38	9,427.55	9,693.74	10,429.97
Total Admin Expenditure [In Cr]	1,107.57	2,401.51	1,718.9	1,650.18
Total Exp [In Cr]	22,843.97	36,031.75	37,950.73	39,233.68
% Total Exp through efms	94.75	77.41	37.9	13.89
Liability (Wages) [In Cr]	1,665.32	587.58	479.64	321.86
Material (%)	23.46	28.03	26.75	27.75
Admin Exp (%)	4.85	6.66	4.53	4.21
Average Cost Per Day Per Person (In Rs.)	192.32	206.54	183.48	170.33
Performance since inception: Person days Generated (In Cr.): 1926.59 Total Expenditure (Rs. In Cr.): 302345.67 Today 5139474 workers are expected on 361253 worksites (as per e-Must Roll)				

Source: http://mnregaweb4.nic.in/netnrega/all_lvl_details_dashboard_new.aspx

Table 2
Present Status of MGNREGA in West Bengal

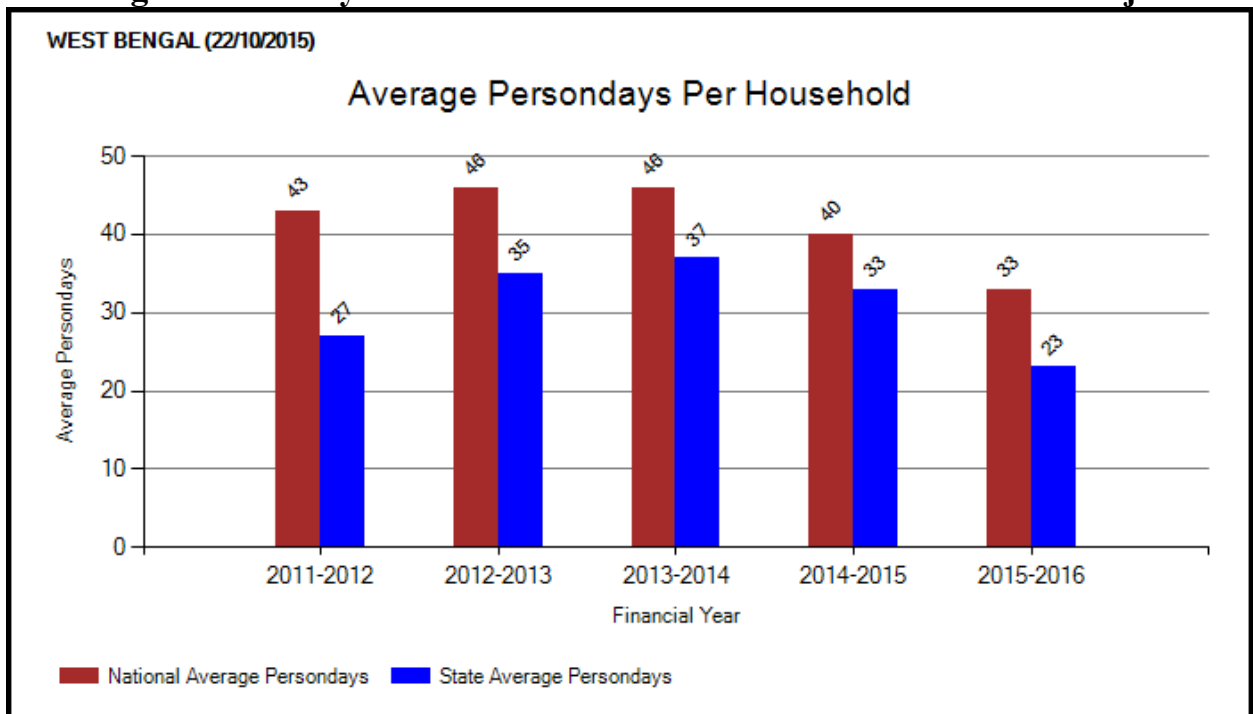
State : WEST BENGAL				
Total No. of Districts	20			
Total No. of Blocks	341			
Total No. of GPs	3,349			
I Job Card				
Total No. of Job Cards [In Lakhs]	121.96			
Total No. of Workers [In Lakhs]	269.91			
(i) SC worker % as of total Workers	25.79			
(ii) ST worker % as of total Workers	7.68			
Total No. of Active Job Cards [In Lakhs]	74.13			
Total No. of Active Workers [In Lakhs]	116.33			
(i) SC worker % as of total Workers	29.84			
(ii) ST worker % as of total Workers	8.62			
II Progress	FY 2015-2016	FY 2014-2015	FY 2013-2014	FY 2012-2013
Approved Labour Budget [In Lakhs]	2219.72	1882.97	2261.04	1833.22
Person days Generated so far [In Lakhs]	651.32	1697.08	2296.34	2018.42
% of Total LB	29.34	90.13	101.56	110.1
% as per Proportionate LB [Click here for Average Performance of levels above]	67.74			
SC person days % as of total person days	35.65	32.45	33.49	32.53
ST person days % as of total person days	8.98	8.44	9.65	9.96
<u>Women Person days out of Total (%)</u> [Click here for Average Performance of levels above]	46.77	41.36	35.7	33.71
<u>Average days of employment provided per Household</u> [Click here for Average Performance of levels above]	22.84	33.14	37.44	34.7
(i) Average Person Days for SC	23.3	33.66	39.43	35.36

House Holds				
(ii) Average Person Days for ST House Holds	22.42	31.2	38.75	36.69
Total No of HHs completed 100 Days of Wage Employment	13,448	1,58,261	2,80,627	2,53,088
<u>% payments generated within 15 days</u> [Click here for Average Performance of levels above]	43.91	4.2	18.69	25.92
Total Households Worked [In Lakhs]	28.51	51.2	61.33	58.17
Total Individuals Worked [In Lakhs]	38.42	73.54	91.69	88.01
% of Men Worked	56.21	60.6	63.67	64.98
% of Women Worked	43.79	39.4	36.33	35.02
% of SC Worked	35.96	33.48	33.55	33.66
% of ST Worked	9.6	9.44	10.14	10.3
% of Disabled Persons Worked	0.9	1.08	1.21	1.21
III Works				
Number of GPs with NIL exp	23	2	1	6
Total No. of Works Taken up (New+ Spill Over) [In Lakhs]	9.81	7.66	5.79	4.77
Number of Ongoing Works [In Lakhs]	8.72	6.03	3.97	2.32
Number of Completed Works	1,09,316	1,63,088	1,82,494	2,45,345
% of Expenditure on Agriculture & Agriculture Allied Works	64.76	62.25	0	0
IV Financial Progress				
Wages (Rs. In Lakhs)	1,98,811.25	2,71,511.06	2,49,379.61	2,54,384.39
Material and skilled Wages (Rs. In Lakhs)	70,007.57	1,08,926.22	1,05,937.01	1,16,588.87
Total Admin Expenditure (Rs. in Lakhs.)	7,877.76	20,978.54	17,200.62	14,114.16
Total Exp (Rs. in Lakhs.)	2,76,696.58	4,01,415.82	3,72,517.24	3,85,087.42
Liability (Wages) (Rs. in Lakhs.)	41,959.29	13,896.87	6,823.35	1,275.6
<u>Material (%)</u> [Click here for Average Performance of levels above]	26.04	28.63	29.81	31.43
Admin Exp (%)	2.85	5.23	4.62	3.67
% of Wage Expenditure through EFMS	99.97	40.74	0.44	0

% of Material Expenditure through EFMS	99.9	0.17	0	0
% of Admin Expenditure through EFMS	99.46	0.03	0	0
% of Total Expenditure through EFMS	99.94	27.61	0.29	0
Average Wage rate per day per person (Rs.)	169.9	164.06	147.09	137.26
Average Cost Per Day Per Person (In Rs.)	226.38	217.12	193.27	201.26

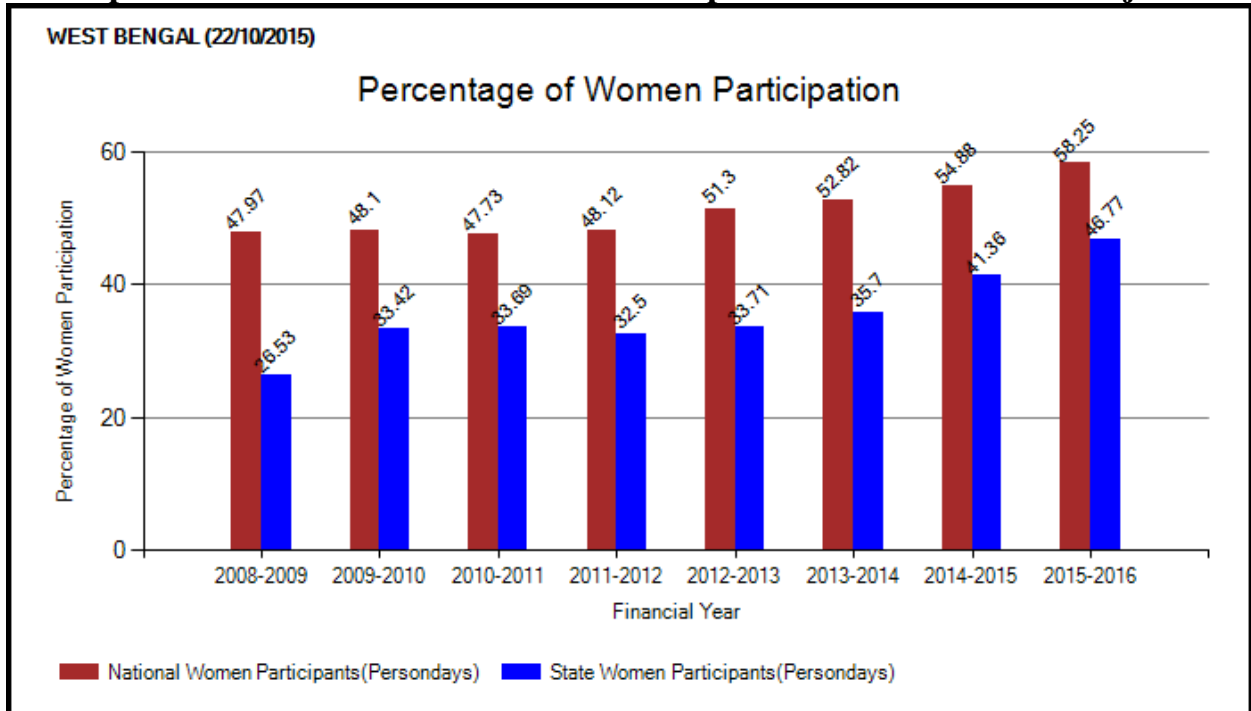
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Figure 1
Average Person Days of the State and the Nation in MGNREGA Project



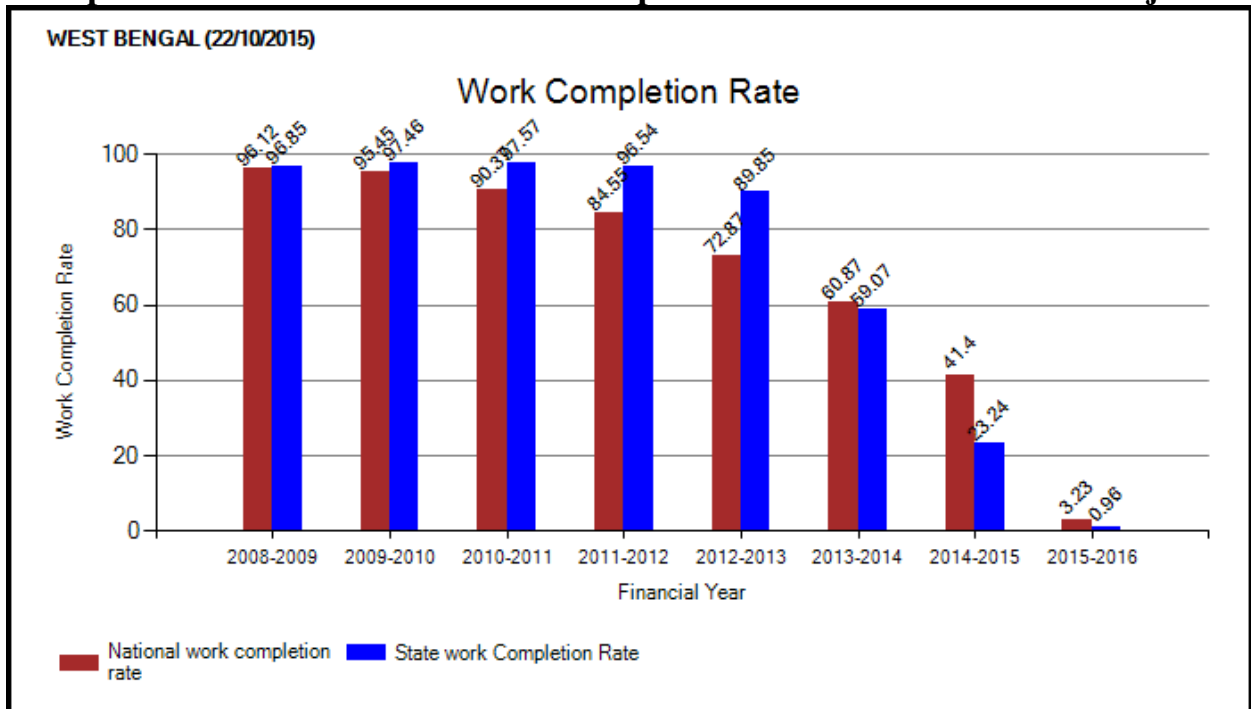
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Figure 2
Comparative Bar Chart of Women Participation in MGNREGA Project



Source: http://164.100.129.6/GRAPH/State_graphs_xml.aspx?source=national

Figure 3
Comparative Bar Chart of Works Completion Rate in MGNREGA Project



Source: http://164.100.129.6/GRAPH/State_graphs_xml.aspx?source=national