

# Impact of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) on the beneficiaries

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**ABSTRACT :** The study was conducted in Bhatkuli Panchayat Samiti of Amravati district of Maharashtra state. The study conducted on impact of MGNREGS on beneficiaries. It was revealed that majority of respondents were middle aged group, educated high school, schedule caste class, marginal farmer, farming + labourer main occupation, half of the beneficiaries under BPL level, nuclear type of family, medium family size, medium level of source of information, low social participation and more than half of beneficiaries had medium impact. Age, education, caste, size of land holding, occupation, annual income, type of family and size of family had positive significant relationship with impact of MGNREGS. Source of information negatively non-significant and social participation had non-significant relationship with impact of MGNREGS.

**KEY WORDS :** Beneficiaries, Poverty Line, NREGA, B.P.L., Labour, Impact

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## INTRODUCTION

In India, despite a robust economic growth, poverty and unemployment continue to be the major economic problems with 75 per cent of the rural population living below poverty line and 74 per cent unemployed population hailing from rural India (Sanyal, 2011). The Government of India is deeply concerned with the widespread poverty and unemployment in the rural areas and has taken several initiatives including the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (Anjani Kumar *et al.*, 2011). The National Rural Employment Guarantee Act (NREGA) was notified on September 7, 2005 which was later renamed as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). The objective of the Act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do undkilled

manual work (GOI, 2008).

Several studies about development programmes had focussed on its socio-economic impact such as rural poverty alleviation, gender issues, self-esteem, livelihood and food security and migration (Haberfeld *et al.*, 2011; Sankaran, 2011; Tiwari *et al.*, 2011; Zorlu *et al.*, 2003; Raju, 2011; Rogaly, 2011). Since its inception the MGNREGS has shown a significant improvement in different aspects. The number of households associated with MGNREGS works has been increasing consistently, the number of days for which employment has been provided have also increased (Ahuja *et al.*, 2011). MGNREGS participants consume more high-value commodities like milk, chicken and fish, as compared to MGNREGS non-participants (Devi, 2011). MGNREGS induced significant changes in the annual per capita income monthly per capita food expenditure, annual per child expenditure on education, per capita savings, condition of the dwelling houses, access to healthcare facility and possession of other

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assets or luxury items for those households which regularly working in the scheme (Sarkar *et al.*, 2011).

Mahatma Gandhi National Rural Employment Guarantee Act is considered as a “Silver Bullet” for eradicating rural poverty and unemployment, by way of generating demand for productive labour force in villages. Poverty and unemployment are the twin problem faced by the developing countries. Policy makers in India have realized the need for generating employment opportunities on large scale to bring the teeming millions of population Above Poverty Line (APL). While the labour force in India is increasing in numbers at every year, the number of unemployment has been swelling and takes the form of a huge backlog. The NREGS came into effect on a pilot basis, in February 2006 in 200 economically disadvantaged districts of the country. In the second phase of implementation, it was extended to 130 additional districts and the remaining districts were covered in the third phase on April 1, 2008. Kurukshetra (2008); Kumar (2011); Pratiyogita Darpan (2006).

The revolutionary programme provides legal right of employment to rural mass, an exclusive feature which differentiates it from routine schemes, aiming to eliminate poverty and generate employment. The objective of the MGNREGS is to provide additional resources apart from there sources available in the district from different wage generating programmes to supplement wage employment to all wage seekers at village level and providing food security through creation of need based economic, social and community assets in the district related to Soil and Water Conservation, Plantation, Forestry related

activities such as Fire Protection, Plantation and Management of NTFPs, Land Development Works, Rural Connectivity Works and B.P.L/ST/SC/ Individual Beneficiary Assets.

## METHODOLOGY

Amravati block was purposively selected for the study. The study was conducted in Bhatkuli Tahsil of Amravati district. MGNREGS beneficiaries in 6 villages were contacted at their places of residence and data were collected by personal interview. From 6 villages 120 respondents were selected. The interview schedule was constructed by formulating relevant questions in accordance with objectives of the study. The schedule included questions pertaining to age, education, caste, size of land holding, occupation, annual income, type of family, size of family, source of information and social participation. Constraints and suggestions from MGNREGS beneficiaries regarding the impact of MGNREGS.

The information from the beneficiaries was collected by personal interview methods and their responses were considered for the purpose of present study. Mean, S.D., correlation and z- test methods were used for analysis of the data.

## OBSERVATION AND ASSESSMENT

The findings of the study as well as relevant discussion have been summarized under the following heads:

It could be observed from Table 1 that more than half of

Sr. No.	Categories	NO. of respondents (n=120)	Percentage
1.	Low (Up to 5259)	18	15.00
2.	Medium (5260 to 11680)	80	66.67
3.	High (11681 and Above )	22	18.33
	Total	120	100.00

Sr. No.	Variables	Impact of MGNREGS 'r' value
1.	Age	0.2305*
2.	Education	0.3408*
3.	Caste	0.365*
4.	Size of land holding	0.4580*
5.	Occupation	0.2593*
6.	Annual income	0.3329*
7.	Type of family	0.4495*
8.	Size of family	0.5698*
9.	Source of information	-0.1707 NS
10.	Social participation	0.0274 NS

NS = Non-significant

\* indicate significance of value at P=0.05

the beneficiaries (66.67 %) belong to medium impact of MGNREGS, followed by 18.33 per cent of beneficiaries belonged to high impact. Whereas, 15.00 per cent of beneficiaries belonged to low impact of MGNREGS in beneficiaries.

It is evident from the findings that majority of beneficiaries had medium level of impact of MGNREGS.

**Relation analysis :**

Table 2 clearly indicates that selected characteristics of MGNREGS beneficiaries, source of information were found to have negative and non-significant correlation with impact of MGNREGS and social participation was found non-significant at 0.05 level of probability.

Further, remaining characteristics of MGNREGS beneficiaries such as age, education, caste, size of land holding, occupation, annual income, type of family and size of family have positive and significant relationship at 0.05 level of probability.

Table 2 also shows that increase in age, education, caste, land holding, occupation, annual income, type of family and size of family of respondents would help to increase in impact of MGNREGS.

**Impact of MGNREGA :**

*Change in annual income :*

Calculated ‘Z’ value 10.23 of Table 3 was found significant at 0.01 per cent level of probability indicating that there existed a significant difference in income generation of beneficiaries before and after MGNREGS.

**Employment generation :**

Calculated ‘Z’ value 7.25 of Table 4 was found significant at 0.01 per cent level of probability indicating that there existed a significant difference in employment generation of

respondent before and after MGNREGS.

**Material possession :**

Calculated ‘Z’ value 7.64 of Table 5 was found significant at 0.01 per cent level of probability indicating that there existed a significant difference in material possession of respondent before and after MGNREGS.

**Constraints :**

Constraints perceived by the respondent during the implementation of MGNREGS were payment scale not known 91.67 per cent followed by late payment of wages 87.50 per cent, non-provision of Crèche facility 65.83 per cent, how to demand work is not known 65.00 per cent, registration is not open in the Gram Panchayat on an ongoing basis 58.33 per cent, delay in allotment of work 56.67 per cent, migration of labourers due to non-provision of works under MGNREGS 54.17 per cent, work not provided when required 50.00 per cent, poor work site facilities 40.00 per cent, no opportunity to get employment more than 100 days 37.50 per cent, non-provision of 100 days work 28.33 per cent delay in disposal of beneficiaries complaints 23.33 per cent, work allotted to relatives and close friends of contractors and members of Gram Panchayat 23.33 per cent, non-payment of unemployment allowance 16.67 per cent, long distances of work sites 10.83 per cent.

**Suggestions :**

The suggestions given by the respondents to overcome the constraints perceived by them during the implementation of MGNREGS were create awareness among the beneficiaries about MGNREGS rules and facilities 91.67 per cent followed by timely payment of wages 87.50 per cent, provision of sufficient employment in own village 75.00 per cent,

**Table 3: Significance of difference in the change in annual income of respondents before and after MGNREGS**

Annual income	Mean (Rs./ year)	SD (Rs./ year)	‘Z’ value
Before MGNREGS	19442	5950.84	10.23**
After MGNREGS	28927.75	6605.93	

\*\* indicate significance of value at P=0.01

**Table 4 : Significance of difference in the employment generation of respondents before and after MGNREGS**

Employment generation	Mean(days/yr)	SD (days/yr)	‘Z’ value
Before MGNREGS	163.5	62.88	7.25**
After MGNREGS	230.59	79.55	

\*\* indicate significance of value at P=0.01

**Table 5: Significance of difference in the material possession of respondent before and after MGNREGS**

Material possession	Mean	S.D.	‘Z’ value
Before MGNREGS	11.85	4.71	7.64**
After MGNREGS	16.74	5.34	

\*\* indicate significance of value at P=0.01

Provision of Crèche facility 65.83 per cent, fulfillment of 100 days employment guarantee 65.00 per cent, Payment of wages should be according to kind of works 62.50 per cent, provision of necessary work site facilities 57.50 per cent, timely allotment of works 56.67 per cent, extend the limit of 100 days employment guarantee 37.50 per cent, registration should be open in the Gram Panchayat on an ongoing basis 25.00 per cent, timely payment of unemployment allowance 16.67 per cent and provision of works through Gram Panchayat nearer to the residence 10.83 per cent, respectively.

### Conclusion :

These findings revealed that, 66.67 per cent of members had medium level of impact of MGNREGS on beneficiaries. Out of ten selected characteristics, one characteristic source of information was found to be negatively non-significant and social participation was non significant relation with impact of MGNREGS.

The study also indicate that age, education, caste, size of land holding, occupation, annual income, type of family and size of family all shows positive and significant relationship with impact of MGNREGS. Increase in age, education, caste, land holding, occupation, annual income, type of family and size of family of respondents would help to increase in impact of MGNREGS.

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