

Impact of MGNREGA in Improving Socio-Economic Status of Rural-Poor: a study of Jodhpur District of Rajasthan

Ms. Rekha & Dr. Rekha Mehta*

*Assistant Professor, Associate Professor**
Department Of Economics, J NV University, Jodhpur, Rajasthan
Corresponding Author; Ms. Rekha

ABSTRACT: *The present study conducted in the Jodhpur district of Rajasthan, has examined the socio-economic impact of MGNREGA on the rural poor who are mainly comprised of landless, small and marginal farmers. The study is based on a random sample of 240 respondents. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was developed by the Indian government to reduce rural poverty through 100 days of guaranteed employment per year. The scheme provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work at the statutory minimum wage. The objective is to ensure livelihood and food security by providing unskilled work to people through creation of sustainable assets. The Study mainly concentrated on to study the performance and impact of MGNREGA in the study area.*

It has been found that significant changes have taken place in the socio-economic variable and the adjusted R2 value for the model was 0.54, indicating a good fit, explaining 54 per cent of the total variations in the dependent variable. The coefficients of variables like social group and economic category were non-significant; indicating that they are not significantly contributing to the change in the dependent variable. The coefficients of other variables like gender, age, family size, education and landholding size were significant. The study has made some suggestions also for incorporating improvements in the present MGNREG Scheme based on the constraints reported by the workers associated with this scheme. It can be said that if the is executed properly with accountability and obligation to the laws, MGNREGA can efficiently contribute towards the inclusive economic growth of the country.

KEYWORDS: *Impact of MGNREGA, Rural employment, Socio-economic conditions*

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I. INTRODUCTION

Despite high rates of economic growth in India since the 1990s, rural poverty continues to be a policy concern. Over two thirds of India's population inhabits rural areas, accounting for 68% of all impoverished citizens in India. Currently, nearly 29.5% of rural Indians live below the poverty line (Rangarajan committee). Risks for rural poverty include caste, employment status, gender and land ownership.

Employment generation, particularly in rural areas, appears to be most challenging task for planners and policy makers. The employment situation has worsened over a period of time. One of the main objectives of various five year plans is to create employment avenues for over six million rural people every year. In addition, the number of unemployed in rural areas is reportedly increasing at the rate of one million per year. The rural labour force is adversely affected due to meager wage rates and rising unemployment. The Government sought to improve the plight of rural labourers by implementing special programmes for supplementing work opportunities and programmes for increasing labour absorption in agriculture. The programmes so far implemented to enhance the labour absorption capacity of agriculture sector have failed to reach the point of success.

According to the National Sample Survey Organization, 300 million Indians live in extreme poverty. A majority of them earns their livelihood through unskilled, casual manual labour and exploiting of the natural resource base. This dependence makes them more vulnerable to crises, like climate change, natural disaster, ill-health, etc, all of which adversely impact their employment opportunities and reduce their ability to move out of the poverty trap. The Ministry of Rural Development has agamut of programmes which aim at providing direct employment, self employment, social security, housing, building rural infrastructure and managing land resources to alleviate poverty. Since the First Five year Plan, many programme interventions have been promoted. Although there has been an improvement in employment generation through these programmes in rural areas over the years, particularly certain sections of the rural population, especially those unskilled, casual, manual labourers remained unaffected to a greater extent by these measures. This was mainly because these

developmental programmes typically offered only relief-type employment opportunities rather than creating productive assets. Moreover, there was no guarantee of employment for longer durations or payment of the wages, which compelled the Government to ensure guaranteed jobs for substantial period of a year and minimum wages. In the words of **Mahatma Gandhi**: “To a people famishing and idle, the only acceptable form in which God can dare appear is work and promise of food as wages”.

The NREGA is not the first wage employment programme in India, which has almost 56 years of experience of other rural employment programmes implemented in the country. The Government of India has implemented a series of wage employment programmes right from the 1960s when the first programme, Rural Works Programme was introduced. This programme was followed by several other programmes such as, Crash Scheme for Rural Employment (1971), Food for Work Programme (1977), Training of Rural Youth for Self-employment (1979), National Rural Employment Programme (1980), Jawahar Rojgar Yojana (1989) and National Food for Work Programme (2004). Based on the experience of such programmes, the National Rural Employment Guarantee Act (NREGA) was enacted in 2005.

II. REVIEW OF LITERATURE

A review of past research studies helps in understanding the theoretical and conceptual framework relevant to the study. As a flagship programme of the Government of India, MGNREGA has received considerable attention from politicians, policy think tanks, and scholars. Keeping in view the objectives of the study, reviews are presented under the following headings. This study will add to the literature about MGNREGA that to date consists primarily of aggregate national, state level or multi-state evaluations (Deininger and Liu, 2013; Dreze and Khera, 2009; Dreze, 2010; Reddy et al., 2010; Azam, 2012; Imbert and Papp, 2015), or studies that focus on single, or a few, factors such as the relationship between MGNREGA and stunting (Dasgupta, 2013) understand implementation of the programme in various states.

In sum, although MGNREGA has appeared to provide some much needed employment for India's most marginalized workers, a major limitation of the scheme to date has been its ability to generate employment to meet the demand for work. In addition, corruption appears to be an impediment to successful implementation. This finding is more prevalent in some states than others. Despite the large number of empirical studies investigating the impact of the MGNREGA, there are few studies that offer an in-depth, qualitative analysis of implementation and outcomes of MGNREGA in specific sites. Notable exceptions include the study by Sudarshan et al. (2010) in Himachal Pradesh, Kerala and Rajasthan, and Carswell and De Neve's (2014) mixed method study in Tamil Nadu.

III. NREGA- A PEDESTAL FOR GROWTH IN RURAL INDIA

In order to address poverty effectively through provision of wage employment, the Central Government formulated the National Rural Employment Guarantee Act (NREGA) in 2005, a paradigm shift from earlier programmes. With its legal framework and right-based approach, NREGA provides employment to those who demand it- an exclusive feature, which differentiates it from routine schemes. Notified on September 7, 2005, it was formally launched in Ananthpur District of Andhra Pradesh on February 2, 2006. NREGA aims at enhancing livelihood security by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, implemented in 2006 and was extended to 130 additional districts in 2007-2008. All the remaining rural areas have been notified with effect from April 1, 2008. This Programme was formerly known as National Food for Work Programme. Again the Government of India (GOI) on 2nd October, 2009 renamed its flagship Rural Job Guarantee Programme- the National Rural Employment Guarantee Act (NREGA) as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). MGNREGA is the first ever law internationally, that guarantees wage employment at an unprecedented scale. The potential of MGNREGA spans a range of possibilities. The primary objective of the Act is augmenting wage employment. The choice of works suggested in the Act addresses chronic poverty through measures like drought proofing, regeneration of vegetative cover and soil and water conservation, so that the process of employment generation is maintained on a sustainable basis. The Act is also a significant vehicle for strengthening decentralization and deepening processes of democracy by giving a prime role to local governance bodies, that is, the Panchayat Raj Institutions. Hence, MGNREGA is the most significant Act in the history of Indian polity in many ways like grassroot level participation of every citizen and beneficiary through democratic process, multi-layered social audit and transparency mechanism by involvement of civil society organizations, comprehensive planning at village level towards sustainable and equitable development, is getting monitored at various levels. Gram Sabha monitors the work at the village level, while Gram Panchayat monitors works executed by other implementing agencies. Intermediate Panchayat and Programme Officer check the registration of households, employment provided, unemployment allowance paid, social audit, flow of funds, payment of wages, progress and quality of work. District Panchayat and District Programme Coordinator

keep monitoring all aspects of implementation. State Government keeps watch on performance of all districts. State level and district level Vigilance and Monitoring Committees are constituted by Ministry of Rural Development to supervise MGNREGA.

IV. MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME-RAJASTHAN

Rajasthan was one of the first states to launch this programme in 2006. The state has had a history of relief works and an advantage of an active civil society involvement since the inception of MGNREGA. The state needs a scheme like MGNREGA. The state is overwhelmingly rural with more than three-quarters of the population living in rural areas. Geographical, ecological and social dimensions are different in the state; these dimensions make it difficult to deliver basic services of health, education and water to people. The west and north-west part of the state having about 61 percent of the total area of the state is either desert or semi-desert. The state faces droughts in this background MGNREGA is a boon to the state.

In Rajasthan, it has been launched in three phases. In first phase (February 2nd, 2006.), MGNREGA was started in six districts in initial stage. MGNREGA was started in Jodhpur in third and final stage during the financial year 2008-09. Thus at present, MGNREGA is being operated in all the districts of Rajasthan. The MGNREGA has completed 12 years of implementation in the state. This scheme has been universalized and is operational in all the Gram Panchayats of the state. In 2013-14 Budget Estimates Government of Rajasthan proposes 150 days employment guarantee. The state Government has also formulated its own scheme titled 'Rajasthan Rural Employment Guarantee Scheme' (RREGS). Rajasthan is one of the states where the scheme implementation is at its best as per State Government statement.

V. STATEMENT OF PROBLEM

Low level of income continues to be the barrier for the poor to escape from the poverty trap. Most of the initiatives of self employment and skill building aim to provide the safety net to the poor from the "poverty that kills". Besides the legal guarantee of 100 days of work in a financial year, MGNREGA households are also assured of basic minimum income. Higher incomes are expected to raise household savings, accelerating economic diversification and household investments in human capital.

Having this background in mind the study put forward the following Question. What is the socio-economic situation of men and women in MGNREGS? Which approach is conducive in Jodhpur to assess the impact of MGNREGA? Is any change after MGNREGA or not?

The aim of this paper is to find out what is the contribution of MGNREGA towards socio-economic status and change in employment after MGNREGA in (Jodhpur) Rajasthan.

VI. OBJECTIVES OF STUDY

- To assess the socio-economic characteristics of participant households in MGNREGS,
- To analyze the relationship of socio-economic conditions and working of beneficiaries under MGNREGA.
- To record the constraints experienced and suggestions offered by the beneficiaries for successful implementation of MGNREGA.

VII. LIMITATIONS OF THE STUDY

The present investigation was confined to only six villages of Jodhpur district viz; Chadi, Ramaliwara, Aasop, Decchu, Sirmandi, Madaliya. The study needs to be replicated in other districts. So, the inference drawn can be generalized to a greater extent.

VIII. METHODS AND METHODOLOGY

For the study undertaken in 2017-18, the primary data for the financial year 2016-17 were collected from 240 respondents. The secondary data were compiled from www.nrega.nic.in. Six villages of different blocks in Jodhpur district, Rajasthan were selected where MGNREGA was implemented during its 3rd phase (2008-09). The study was conducted in Jodhpur District of Rajasthan State. Jodhpur District consists of sixteen blocks, out of which six blocks were selected and from each block one village was selected with forty respondents working in MGNREGA. Thus, making a total sample of 240 respondents. Data were collected through structure interview schedule and data were analyzed by using simple mean, percentages, frequency, correlation and regression.

Multiple Linear Regressions:

A multiple linear regression model was employed to identify the factors influencing the number of days, the beneficiaries worked under MGNREGA.

The empirical model used for estimation was of the form of Equations (1)):

$$Y = a + b_1 X_1 + b_2 D_1 + b_3 D_2 + b_4 D_3 + b_5 D_4 + b_6 X_2 \dots (1)$$

Where, Y = Number of days the beneficiaries worked under MGNREGA,

a = Intercept, a scale parameter,

X1 = Age (in years),

D1 = Intercept dummy (1 for male, 0 for female),

D2 = Intercept dummy (1 for literate, 0 for illiterate),

D3 = Family size (in numbers), (1 for low, 2 for medium, 3 for large),

D4 = Social Group (General/OBC for 1, SC/ST for 0),

D5 = Economic Category (APL for 1, BPL for 0),

X2 = Size of landholding (in hec.)

And bi s = Regression coefficients of respective independent variables.

IX. RESULTS AND DISCUSSIONS

9.1 Socio-economic factors for MGNREGA beneficiaries

Participation in MGNREGA depends upon various attributes which in turn are mainly governed by socio-economic factors. Socio-economic factors such as age, sex-ratio and composition of the family, family size, economic category and social group play an important role in the prevailing grinding poverty in the study area. The socio-economic conditions of respondents were analyzed and presented in the following table 1

Table 1

Socio-economic Profile of the MGNREGA Beneficiaries

n=240

S.No.	Characteristics	Category	Frequency	Percent (%)
1.	Age	Young (18-30)	18	7.5
		Middle (31-50)	172	71.65
		Old (>50)	50	20.85
2.	Gender	Male	74	30.84
		Female	166	69.16
3.	Caste	SC /ST	127	52.92
		OBC/General	113	47.08
4.	Education level	Illiterate	177	73.75
		Primary school	42	17.5
		Middle school	18	7.5
		High school	3	1.25
5.	Land holding	Landless farmers	23	9.6
		Marginal farmers (<1.0 hec)	102	42.5
		Small farmers (1.0-2.0 hec)	93	38.75
		Medium farmers (2.0> =3.0 hec)	22	9.15
6.	Family size	Low (less than 3)	19	7.91
		Medium (4 to 6)	100	41.67
		Large (more than 6)	121	50.42
7.	Economic Category	APL	135	56.25
		BPL	105	43.75

Source: Primary Survey

It is evident from the results that the percentage of female workers is approx 70 percent in the sample families. It indicates that this scheme gives much important to the female workers. According to the scheme Act, it is true.

9.2 Factors Influencing Period of Employment under MGNREGA Programmes

The number of days, the beneficiaries worked under MGNREGA programmes was regressed on the factors like age, gender, education, family size, social group, economic category and landholding size of the workers to analyze the relationship between the number of days worked under the programme and the contributing factors (Table 2). The coefficients of variables like social group and economic category were non-significant; indicating that they are not significantly contributing to the change in the dependent variable shows that working of APL category is more than BPL in the study area followed by social group shows that the number of days working is not dependent on social group. It is just equal for general/OBC to the SC/ST in the study area that shows that scheme is beneficial for all the categories. But, the coefficients of other variables like gender, age, family size, education and landholding size were significant.

Table 2

Determinants of number of days beneficiaries worked under MGNREGA programmes Dependent variable: Number of days worked under the MGNREGA programmes

Variable	Coefficient	t-stat	p-value
Constant	54.181	14.530	.000
Age	.373	4.440	.000
Gender	-3.873	-2.510	.013
Education	8.713	4.668	.000
Family size	3.054	2.113	.036
Size of land holding	-17.711	-13.293	.000
Social group	2.425	1.228	.221
Economic category	1.754	.960	.338
Adjusted R2 0.54 N= 240 workers			

Source: Primary Survey

Note: Regression is significance 5 per cent level

X. SALIENT FINDINGS OF THE STUDY

- Three-fourth (70 %) of the beneficiaries were middle aged followed by old (20.85%) and young (7.5%) aged categories.
- Majority (69.16%) of the beneficiaries was female and 30.84 per cent of the beneficiaries were male.
- About 47.08 per cent of the respondents belonged to Other Backward Castes (OBCs) and General castes, 52.92 per cent respondents belonged to Scheduled Castes (SCs)/ Scheduled Tribes (STs).
- About 17.5 per cent of the beneficiaries had completed primary school, 7.5 per cent of the respondents had middle school education, only 1.25 per cent of the beneficiaries completed high school education and majority of 73.75 per cent of the beneficiaries were illiterate. It exposed that most of the respondents did not have sufficient education knowledge therefore they preferred this manual work.
- Majority (42.5%) of beneficiaries were marginal farmers followed small farmers (38.75 %) and 9.15 per cent and 9.60 were medium farmers and landless farmers respectively.
- Majority (50.42 %) of the beneficiaries belonged to joint family whereas 49.58 per cent of the beneficiaries belonged to nuclear family.
- The coefficients of variables like social group and economic category were non-significant; indicating that they are not significantly contributing to the change in the dependent variable
- The coefficients of other variables like gender, age, family size, education and landholding size were significant. The coefficient for the variable gender was -3.87, indicating that if the worker was a male, the number of working days decreased by 3.80 days. The coefficient with respect to landholding size was -17.71, implying that if landholding size increased by 1 hec, the number of days worked decreased by 17.71 days.
- Out of 240 samples respondents 72 percent of the respondents belonged to the age group 31 to 50 years shows that the need of employment in rural area while 20 percent of the respondents belong to more than 50 years.
- The standard of living of the workers is influenced by the size of the family and economic category. If the size of the family is large, the expense of their family is larger than the small size family. Results on size of the family exposed that 50 percent of family having large size (above 6), 42 percent of family having medium size that is, the range 4-6. It clearly indicates that in this study area more than 50 percent of the people do not have a sufficient knowledge about population crisis and in the economic category it is clearly depict from the table that APL (above poverty line) respondents is more than BPL (below poverty line). In the study it also shows that the farmers owning large size of landholdings are not much interested in participating in MGNREGA works as they are busy in their own activities.

XI. CONCLUSION

The study has found that comparatively backward ethnic groups are regularly participating in larger proportions in the MGNREGA works, whereas general and other -backward caste people also constitute the larger share. The traditional concept of joint households in rural areas is being disturbed due to implementation of the programme as a proportion of the jobcards are held by smaller size of households is equal to large size. The education level of the beneficiaries has been found to be lower. The study has revealed that the socio-economic condition of the households regularly working under the MGNREGA scheme is considerably poor in the rural area. They are the really needy people. Though the socio-economic conditions have been improving

gradually, but to fasten the rate of improvement some developmental initiative can be integrated with the scheme mainly targeting those households who are working regularly under the scheme for long periods.

XII. IMPLICATIONS AND RECOMMENDATIONS

- A multiple scheme and multiagency approach could also be a fruitful idea for the same purpose.
- Convergence of MGNREGS with other scheme of public works will certainly improve the skill levels among the workers. Incorporation of some special provisions for the elderly persons within the Scheme is the immediate need to mitigate the problems being faced by the old persons.
- To make payments smooth, a specialized section in banks and post offices to deal with MGNREGA works should be developed.
- Providing only unskilled manual labour work through the scheme does not seem to be a healthy idea in the long-run. Provision for the semi-skilled and skilled workers should be incorporated into the Scheme. Some mechanism should be evolved to restrict political interference in the programme and the 100 days ceiling limit may be re-considered for the benefit of workers regularly engaged with MGNREGS.
- The beneficiaries had less knowledge about existence and functioning of Local Vigilance and Monitoring Committee (LVMC) at Gram Panchayat level to monitor MGNREGA works, getting information related to MGNREGA under Right to Information Act to the public and beneficiaries are entitled to get unemployment allowance, incase Gram Panchayat fail to provide employment within 15 days of application for work. Hence, there is need to create awareness among MGNREGA beneficiaries regarding these components by the MGNREGA implementing agency.
- Monitoring and social auditing of MGNREGA works must be made still more effective by the implementing agency so as to ensure payment of wages in time, issuing of job cards to all the registered households under MGNREGA without any delay and hassles and Gram Sabha should be made more participatory through wide publicity.

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