



## THE IMPACT OF MGNREGA PROGRAM ON RURAL DEVELOPMENT

**DR. VASA PRABHAKAR**

Senior Lecturer  
SAP College Vikarabad  
R.R District

### ABSTRACT

*The term Rural Development is the overall development of rural areas to improve the quality of life of rural people. In India, out of total population, 83.3 crores of population living in rural areas (Census of India, 2011) and this population is characterised by mass poverty, low levels of literacy and income, high level of unemployment, and poor nutrition and health status. The rural developmental programmes intends to reduce the poverty and unemployment, to improve the health and educational status and to fulfill the basic needs such as food, shelter and clothing of the rural population. To improve the conditions of rural people, Government of India has launched various schemes such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Rastriya Sama Vikas Yojana (RSVY), Indira Awas Yojana (IAY), Sampoorna Grameen Rozgar Yojana (SGRY), Integrated Tribal Development Project (ITDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), Integrated Child Development Services (ICDS), Development of Women and Children in Rural Areas (DWCRA), etc. All these schemes are aimed to reduce the gap between rural and urban people, which would help reduce economical imbalances and speed up the development process.*

*This article highlights Impact, Issues and Challenges of MGNREGA on Rural Development*

**KEY WORDS:** MGNREGA, Rural Employment, Rural Development, Social Security

### INTRODUCTION:

The National Rural Employment guarantee Act, 2005 (No.42 of 2005) having received the assent of the President on 5th September 2005 was published in the Gazette of India on 7th September 2005 and was renamed as MGNREGA (Mahatma Gandhi National Rural Employment guarantee Act) on 2 October 2009. MGNREGA is the largest employment providing scheme in the world. The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. This Act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas. The Village Panchayat will issue job cards to every registered individual. Payment of the statutory minimum wage and equal wages for men and women are the notable features of the scheme.

### OBJECTIVES OF THE STUDY

The present research study sets the following objectives;

1. To analyse the need and importance of building Inclusive growth in India.
2. To assess the impact of MGNREGA on man days of employment generation in rural areas.
3. To examine the wage rates and its variation among different states of India.

### NEED AND SIGNIFICANCE OF THE STUDY:

The present study is an attempt to highlight the significant aspects and weakness of rural development programs. It is helpful for scientific and systematic planning and proper

implementation of different rural development programs/schemes in the rural areas. Thus, in order to determine the effectiveness of these programs, it is important to examine the impact and performance of these programs in the rural areas.

### RESEARCH GAP:

The previous studies focussed on the need and importance of Rural Development Scheme and the opportunities available for building an inclusive growth. The aim of the present paper is to identify the variables such as man days of generating employment and wage rates which leads to the inclusion of excluded rural poor and their growth. It also examines the challenges, problems & impact of MNREGA on some of the social and economical factors of the rural people.

### REVIEW OF LITERATURE:

**Ajanta (2004)**, made an attempt to study "Cluster Approach for Developing Rural Entrepreneurship." He observed that the main emphasis on the local community gains directly and indirectly from the success of the cluster. It is attributed to increased local employment and more business opportunities, as firms in the service and support sector drawn into the cluster. The successful engagement of local economic factors in the clustering process can in turn spur the development of an entrepreneurial culture of innovation and initiative through the locality.

**Mathur (2009)** states that in social audit undertaken in Andhra Pradesh (India), it was found that in certain villages, some people stated that they had not been paid for the work done. When comparisons were made of the payments as per the pass-book with the payment as per the job card, it was discovered that the job card did not contain the inner pages that record the work done by each person; the job card itself was incomplete.

**The Economic Times, 2009:** The MGNREGA needs to be a support system for the desperately poor and should enable, encourage and empower them to stand on their own feet. In its present format, the MGNREGA could become yet another subsidy programme that runs the risk of becoming a burden on the nation.

A study conducted by **Dreeze and Christian Oldiges (2011)** attempted to provide a snapshot of the implementation of MGNREGA at the national level including state specific patterns and concluded that the states like Rajasthan, Madhya Pradesh & Chhattisgarh were the one who performed well in the year 2007–08.

**Tata Institute of Social Sciences (TISS) in 2011** studied implementation of the MGNREGA and stated that the response from the Kerala state in towards programme implementation was quite remarkable as it capitalised on its achievements in implementing democratising decentralization.

**Bipul & Sebak (2013)** studied the implementation status of MGNREGA in ten villages of Sonamukhi block of district Bankura in West Bengal so as to identify the emerging strengths & weaknesses of the programme. Based on their studies they concluded that though the programme has the potential for upliftment of the socioeconomic status of the rural poor by

providing guaranteed employment but because of some irregularities in implementation people were not satisfied.

## RESULTS & DISCUSSIONS:

The following section provide information about table prepared by using the collected information, diagrams and pie charts are used to substantiate the information drawn through the tables.

**Table 1: Social Conditions of the Respondents**

Category	Number of respondents	Percentages
<b>Sex</b>		
Female	60	60
Male	40	40
<b>Marital Status</b>		
Married	56	56
Unmarried	34	34
Widow	10	10
<b>Age Group</b>		
Below 30	8	8
31-50	77	77
Above 50	15	15
<b>Educational Qualification</b>		
Below 5th	23	23
5th - 8th	25	25
8th -10th	41	41
Above 10th	11	11
<b>Categorization of Workers</b>		
APL	35	35
BPL	65	65
<b>Type of Work</b>		
Concrete	60	60
Tile	29	29
Sheeted	11	11

Health problems		
Yes	20	20
No	80	80

Source: Primary Data

Under the surveyed sample 40 per cent of the respondents are Females (table 1), 60 per cent of the sample are males. Due to low wages (Rs. 150 per day) Female workers are not attracted towards this job. Males prefer this job due to more security in the wage and lower risks etc. Table also shows that 56 percent are married, 34 percent are unmarried and 10 percent are widow. Majority of the surveyed persons are married and they prefer this job only for earning an extra income to maintain their family. The security provided by this job and the intention of getting a better status in the society compared to earlier period. The extra income in addition to widow pension, earned through this job helped the widows to improve their living condition. This shows that no basic qualification or skill is required for getting job under the scheme. Table also reveals that, 65 percent of the surveyed persons are from BPL families and only 35 percent are from APL families. The scheme is mainly intended for the up liftmen of the poor people, which are satisfied to a greater extent by increasing the participation of poor people. Among the total surveyed samples 20 percent are suffering from health problems and these 30 per cent are old age workers. Remaining 80 percent are not suffering from any kinds of serious health problems.

**Table 2: Economic Conditions of the Respondents**

Category	Number of respondents	Percentages
Main areas of expenditure		
Meeting home needs	35	35
Medicine	20	20
Repayment of loan	25	25
Travelling	13	13
Others	7	7
Saving		
Below 500	40	40
500-750	30	30
Above 750	Nil	Nil
No Savings	30	30

Source: Primary Data

The collected data shows that NREGP played a significant role in increasing the earnings of the rural poor. Income earned through this job is providing an additional support for these workers. Table also shows that 40 percent of respondents are taken this wage as a saving. It is evident that, the main areas of expenditure of samples 20 per cent of samples are using their wages for buying medicine. 30 percent of the people are using their wages for meeting day to day expenditure, 13 percent are using wages for travelling and 30 percent are using their wages for repaying loan. Most of the surveyed samples are old age people ,they are suffering from different kinds of body pains, veasing, back pain, leg pain etc. therefore, they have to buy medicines- ayurvedic, allopathy or homeopathy for getting relief from these diseases .

**Table 3: Satisfaction level of the workers**

Category	Number of respondents	Percentages
Satisfaction level		
Yes	20	20
No	80	80
Source of information		
News paper	24	24
Panchayat member	40	40
SHGs	36	36

Source: Primary Data

Table 3 proves workers are not satisfied with the current wage rate and source of information etc. It is clear from the table that nearly nobody is satisfied with the current wage rate. The wage rate provided under NREGP is Rs.150 per day, which is very low as compared to the wage rate in other daily works. But there is more job security compared to other private daily jobs. In this scheme, card holders have been demanding for a wage increment. It is important that the information about availability of work under NREGP correctly and timely available to the workers through various ways. Table also presents SHGs playing a very important role for providing information about the availability of work under NREGP. Thirty six percent of the workers are getting information from SHGs and 40 percent of the workers are getting information from Panchayat members.

**Table 4: Reason for selecting work under NREGP**

Category	Number of respondent	Percentages
Reason for selecting the job		
Other work is not available	10	10
Scope for doing less work	30	30
Work suit women of different age group	60	60
Relatives engaged in NREGP		
Yes	28	28
No	72	72
Opinion of family members		
Supporting	68	68
Not supporting	32	32
Social status		
Increased	90	90
Not increased	10	10

Source: Primary Data

The work provide under this scheme require less hard work and do not involve any risk (30 percent). Sixty percent of the surveyed respondent likes this job, because it suit women of different age groups. The NREGP card is available only to one person in a family. Therefore, one person in a family gets the job under NREGP. But relatives of some of the NREGP workers are also engaged (28 percent) in different jobs under the NREGP scheme. The family members of the respondent provide all support to do the work under NREGP. Sixty-eight percent of the surveyed respondents are getting support from their family. This is one of the important factor for which women are showing interest to do job under this scheme. Thirty two percent are not supportive, it is not because of any defects of NREGP but because of they are old aged and therefore, their relatives are reluctant to send them to do the work. But the attitude of the old age respondents is to be encouraged because they prefer jobs due to an independent existence at their old ages. The table also depicts that, 90 per cent of the surveyed respondent believe that their social status is improved after joining in this programme, especially for widows. They got more self-respect than earlier period. People are

able to mingle with others, share their feelings, and increase their participation in Gram Sabha.

### **WAGE PAYMENT - CURRENT SCENARIO:**

In financial year 2014-15, 3.77 Crores households were provided employment and 120.88 Crores person-days of employment were generated. The enhanced wage earnings have led to a strengthening of the livelihood resource base of the rural poor in India; 72 percent of funds utilized were in the form of wages paid to the workers. Self targeting in nature, the programme has high work participation for marginalized groups like SC/STs (40%) and Women (49%) in 2014-15. Total works undertaken were 62.72 lakh in the same period, of which 53 percent relates to Water Conservation, 12 percent for the provision of Irrigation facility to lands owned by SC/ST/BPL/S&M Farmers and IAY beneficiaries, 22 percent for Rural Connectivity, 9 percent for Land Development, 4 percent for Any other activity approved by MoRD and 0.37 percent for Bharat Nirman Rajiv Gandhi Seva Kendra. Women participation in financial year upto December, 2014 was 49% and the participation of SC & ST in financial year upto December, 2014 is 40%.

### **SUGGESTIONS:**

The following are the suggestions for making changes in the implementation of the programme:

- ❖ The amount of employment provided by this scheme is limited in the agricultural sector. Some extent in agricultural sector, it is help to be growth rate on generation of employment and agricultural production in rural India.
- ❖ There is need to motivate the small and marginal farmers to register under NREGA, so more projects may be started for the development of agricultural sector.
- ❖ Social audit under MGNREGA should be strengthened. More creative useful of information technology should be made. This can greatly strengthen social audit and reduce chances of fraud and leakage.
- ❖ Facilitate speedy registration, job card and application of programme for improvement of this scheme in prospect.
- ❖ Allocation of fund for the purpose of promotion in a campaign made with the support from media and other agencies. It will be help to reduce corruption while the fund allocation.

### **CONCLUSION:**

Rural development is the need of the hour. It not only constitutes the development of rural regions but also aims at improving the well-being and quality of life to the rural poor through collective process. It is clear from the review that though this programme is meant for improving the life conditions of the people in the rural settings but this programme suffers from a number of shortcomings.





## REFERENCES:

1. L.J.Chaarlas, J.M.Velmurugan, MGNREGA 2005 : Issues And Challenges, International Journal Of Physical And Social Sciences, Volume 2, Issue 6, June, 2012 ISSN: 2249-5894, Page No. 252-261
2. Shenbagaraj P. and Arockiasamy Impact of mgnrega on local development: a study of ottapidaram blocks in thoothukudi district, tamil nadu, IJDR, Vol. 3, Issue, 04, pp.007-011, April, 2013, page no. 8-11
3. Dr. N. Mani, N. Krishnan, A Study on Employment of MGNREGA Workers In Erode District Of Tamil Nadu, International Journal of Business and administration Research Review, Vol.1, Issue.6, July - Sep, 2014. Page 190-197.
4. Geetika, Analysis Of Performance Of Mahatma Gandhi National Rural Employment Guarantee Act (Mgnrega) With Reference To The State Of Haryana, volume no. 6 (2015), issue no. 05 (may) issn 0976-2183, International journal of research in commerce & management, <http://ijrcm.org.in/>
5. Gangadara Rao G and Mohana Rao LK,(2011), 'Women Participation in India'- Southern Economists, vol.50, PP:34-38
6. Kavitha A and Nagaraj GH(2011), 'Women Empowerment through SHGs –A case study'-Southern Economists, vol.50, PP:9-12
7. Manoj Dolli(2010), 'Gender Equality and Women Empowerment through Renewable Energy'-Southern Economists, vol. 49, PP:49-52
8. Service Enhancement and Vulnerability Reduction :Rapid Appraisal in Chithradurga District , Karnataka'-Economic and Political Weekly, vol.XLVI No.20, PP:39-47
9. Vaidyanathan(2005), 'Employment Guarantee; Need for involvement of states'- Economic and Political Weekly, vol.40, PP:3646-3648
10. Velnganny S;Jaya Shanthi R(2011), 'Income and Expenditure Pattern of Rural Women'-Southern Economists, vol.49, PP:53-54
11. Annual Reports from [www.nrega.nic.in](http://www.nrega.nic.in)
12. Yojana – the monthly magazine of government of India.