

Mgnrega and Rural Development: An Empirical Study of Harak, Block in Barabanki

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Abstract

Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) implemented by the Ministry of Rural Development the flagship programme of the Government that directly touches lives of the poor and promotes inclusive growth. The paper aims at enhancing livelihood security in rural areas of the country by providing guaranteed wage employment in financial year to every household whose audit members volunteer to do unskilled manual work. Mahatma Gandhi NREGA is the first ever law internationally that guarantees so. The primary objective of the Act is augmenting wage employment.

KEYWORDS: MGNREGA, Performance, Rural Employment, Households.

THE initiation and countrywide implementation of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) represents a milestone in social policy and employment creation with its right based approach and focus on livelihood security- The flagship programme has benefitted millions of marginalized rural households by providing them unskilled work and led to prevention of stress migration from rural areas, in lean agricultural seasons. A UNDP/Carnegie Endowment for Peace study points out that from the scheme's first year of operation in 2006-2007 till 2010-2011, job creation accelerated from less than 1 billion workdays distributed amongst 20 million households to 2.5 billion workdays for 50 million households. This article has thrown light on the role of MGNREGA in development of Harak & Sharifabad Nyay Panchayat in Harak Block & District Barabanki, U.P. and changes in economic conditions of rural folk.

Whereas majority of the poor's are residing in rural area, the main reason for aggravating poverty is unemployment during non-agricultural season and decline in the agricultural productivity. So this is a challenging task for GOI, in order to overcome from this problem they have under taken many programmes such as 'Sampoorna Grameen Rozgar Yojana' (SGRY) or Universal Rural Employment Programme and National Food For Work Programme (NFFWP) etc, but unfortunately these programme were not able to reach expected targeted people. This made them to introduce new programme i.e., MGNREGP (Mahatma Gandhi National Rural Employment Guarantee Act) it's a combination of both SGRY and NFFWP and it's also provided short-term unskilled employment to poor, assured food and job security and created durable assets. In contrast to the earlier wage employment programmes.

Evolving the design of the wage employment programs to more effectively fight poverty, the Central Government formulated the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2005. With its legal framework and rights- based approach, MGNREGA provides employment to those who demand it and is a paradigm shift from earlier programs. Notified in 7th September, 2005, MGNREGA aims at

enhancing livelihood security by providing at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 130 additional districts in 2007-2008. All the remaining rural areas have been notified with effect from 1st April, 2008.

Objectives of the Mahatma Gandhi National Rural Employment Guarantee programme

The following are the major objectives of Mahatma Gandhi National Rural Employment Guarantee programme. They are as follows:

1. To provide employment opportunities for the most vulnerable people living in rural India.
2. To provide livelihood security for the rural poor through creation of durable assets, soil conservation and higher land productivity, improved water security etc,
3. To empowerment of the marginalized communities particularly women belong to Scheduled Castes (SCs) and Scheduled Tribes (STs).
4. To establish drought-proofing and flood, management in rural India,
5. To strengthening decentralized, participatory planning through convergence of various anti-poverty and livelihoods initiatives.
6. To strengthening the Panchayati Raj Institutions (PRIs).
7. To maintain greater transparency and accountability in governance.

This above objectives justifies that of MGNREGA is helping rural mass to get employment opportunity and acting as a powerful instrument for inclusive growth in rural India through its impact on social protection, livelihood security and democratic governance.

Salient features of the MGNREG Act

The important features of the MGN- REG Act are as under:

1. Right based Framework: For adult members of a rural household willing to do unskilled manual work.
2. Time bound Guarantee: 15 days for provision of employment, else un-employment allowance Up-to 100 days in a financial year per household, depending on the actual demand.
3. Labour Intensive Works: 60:40 wage and material ratio for permissible works; no contractors/machinery.
4. Decentralized Planning:
5. Gram Sabhas to recommend works
6. At least 50% of works by Gram Panchayat for execution.

25th August, 2005	NREGA enacted by legalization
5th September, 200	Assent of the President
7th September, 2005	Notified in the Gazette of India

2nd February, 2006	Came into force in 200 districts
1st April, 2007	113 more districts were notified
15th May, 2007	17 more districts were notified
1st April, 2008	Notified in the remaining rural districts
2nd October, 2009	Renamed as MGNREGA
Source: Compiled from various reports of MGNREGA	

7. Principal role of PRIs in planning, monitoring and implementation
8. Work site facilities: Creche, drinking water, first aid and shade provided at worksites.
9. Women empowerment: At least one-third of beneficiaries should be women.
10. Transparency & Accountability: Proactive disclosure through Social Audits, Grievance Redressal Mechanism.
11. Implementation: Under Sec 3, States are responsible for providing work in accordance with the scheme. Under Sec 4, every state government is required to make a scheme for providing not less than 100 days of guaranteed employment in a financial year, to those who demand work.

Nature of work under MGNREGA programme

MGNREGA works must always belong to the list of 'Permissible Works'. They are, water conservation and water harvesting, drought proofing (including afforestation and tree plantation), Irrigation canal including micro and minor irrigation works, Provision of irrigation facility, plantation, horticulture, land development to land owned by household belonging to certain group (SC/ST, or to the land of beneficiaries of land reforms, or to land of the beneficiaries IAY/BPL families), renovation of traditional water bodies including de-silting of tanks, land development, flood control and protection works including drainage in water logged areas, rural Connectivity to provide all weather access, any other work which may be notified by the central Government in consultation with the state Government, construction of Bharat Nirman Rajiv Gandhi Sewa Kendra and "Gram Panchayat Bhawan". These works are assigned to the rural people (have job cards) during off season. So this programme will help to get employment and full fill the basic needs.

Funding pattern of MGNREG Act

The following is the funding pattern of Mahatma Gandhi National Rural Employment Guarantee programme:

1. The Central Government bears the entire cost of wages of unskilled manual workers.
2. 75% of the cost of material, wages of skilled and semi-skilled workers. Administrative expenses as may be determined by the Central Government, which will include, inter alia, the salary and the allowances of the programme officer and his supporting staff and work site facilities.
3. The state Government bears the costs on the following items:
 - a. 25% of the cost of material, wages of skilled and semi-skilled workers (as a ratio of 60:40 is to be maintained for wages of the unskilled manual workers and the

- material, skilled/semi-skilled Government has to bear only 25% of the 40% component, which means a contribution of 10 % of the expenditure.
- b. Unemployment allowance payable in case the State Government cannot provide wage employment on time.
 - c. State Employment Guarantee Councils administrative expenses.

MGNREGA has provided around ` 1,10,700 crore (66% of the total expenditure of around ` 1, 66,000 crore) as worker wages from FY 2006 up to FY 2011-12. Studies note a positive impact of this transfer on household income, monthly per capita expenditure, food security and health of the beneficiaries. Overall, while there are several indications of the significant impact of the scheme, it has even greater potential in terms of poverty alleviation at scale, that can be realized. In FY 2011-12 alone, 24,600 crore of the total expenditure under MGNREGA was made on worker wages and assessed the impact of the Scheme on poverty and deprivation.

Literature review

The summary of the important literature reviewed are mentioned as under: Dr. Dhenadhayalan V (2010), in his article entitled "National Rural Employment Guarantee Scheme on Rural Development - A path to rural prosperity" has analyzed the success and failure of various schemes introduced by GOI to provide partial employment to the rural poor and to support them economically. After the failure of these schemes the GOI experimented new scheme that is NREGP to fight against the rural poverty. This has implemented its objectives through the involvement of panchayat, civil society and local administration. Here poor families were targeted to give benefits of employments and livelihood to supplement their family income.

Anandharaja. R, et al. (2010), in their article entitled "Rural Road Development in India through NREGA" depicted that a well- developed infrastructure is a prerequisite for capital formation and for the economic development. Rural economic development is influenced by road connectivity in many ways; poverty reduction enhances productivity, improve quality of life and increase the opportunities for poor. For this government has taken various programs for road development like "Pradan Mantri Gram Sadak Yojana", "Bharat Nirman" etc, and another important scheme is "NREGP". These are provides connectivity at all unconnected habitations in rural areas. This leads to boost the development of physical infrastructure of rural India.

Sankari.V and Dr. Sivamurugan. C (2009), in their article entitled "Economic impact of NREGP on employment generation", have analyzed that, in India unemployment is the main reason for the existence of poverty in rural areas. For that the government has launched various employment generation programs, mere providing such employment programs in it does not improve their economic condition. But with the launching of the NREGP it has improved the economic condition of the poor people by giving employment opportunities to the rural poor in the country, with a special social safety needs, helping in reduction of poverty and improves the rural infrastructure in many ways.

Venkata Naidu. G, et al. (2010), in their article entitled "Impact of MGNREGA on the living condition of rural poor" pointed-out that, NRJEGA came in to effect to enhance the livelihood security of people in rural areas by generating wage employment. This has

reduced the migration of farmers and laborers by increasing their income level, education, helped them to settle in their life and also helping in balancing regional development of the country.

Angel Anila. A (2010), in his article entitled "Persistence of Poverty in India - A critical Assessment of National Rural Employment Guarantee Act" stressed upon to remove the poverty the GOI introduced various programs, but unfortunately they failed to implement the programs properly. Even in case of MGNREG programme also GOI failed because of the lack of adequate administrative and technical manpower at the Block and GP (Gram Panchayat) levels. This lack of manpower adversely affected the preparation of plans, inspection, approval, monitoring and measurement of works and maintenance of the stipulated records at the block and Gram Panchayath levels.

Prem Chand Kamboj et al. (2010), in their paper entitled "NREG Scheme on agriculture sector, a case study of Haryana" noted that, NREGP not only provides employment opportunities during lean agricultural seasons but also create rural infrastructure because this programme mainly focus is on the works like water conservation and water harvesting, draught proofing, including afforestation and tree plantation improvement of irrigation canals, including micro and minor irrigation works related to rural connectivity, this construction of water channel and land leveling has improved the productivity of land. In this way NREGS proved to be a virtue for the agriculture sector.

All the above studies pointed the different issues about the rural employments schemes, but this present study has focused on Mahatma Gandhi National Rural Employment Guarantee Schemes role in rural employment and development with special reference to Reference to Harak and Sharifabad Nyay Panchayat of Harak Block District-Barabanki, U.P.

Objectives of the study

The primary objective of the present study is to assess the role of Mahatma Gandhi National Rural Employment Guarantee Programme in rural employment and rural development. Based on this primary objective, other specific and detailed objectives are drawn as under:

- To study the objectives, salient features and funding pattern of MGNREGA.
- To examine about the role of MGNREGA in rural employment and rural development.
- To analyze the dynamics impelling on the rural employment and overall progress of rural area through MGNREGA programme.
- To give some suggestions for the effective implementation of MGNREGA Programme for rural employment.

Age group (in years)	Gender			Percentage (%)
	Male	Female	Total	
Below 18	10	04	14	5.6
18-30	10			
30-45	50	28	78	31.2
50				

45 and above	86	72	158	63.2
Total	146	104	250	100
(Source: Primary data)				

Research methodology

Type of research

This study is an empirical in nature, conducted to know the role of MN- REG Programme in rural employment and development.

Scope of the study

This study is mainly concentrated about beneficiary's perception towards MGNREGP and has been restricted to Harak and Sharifabad Nyay Panchayat of Harak Block District-Barabanki, U.P.

Research tool

This study is conducted through random sampling method.

Sample size

Sample size is 250 respondents. Respondents are scattered over 21 villages, so interview is conducted only for the selected respondents of the study area.

Hypothesis

H1: Employments under MGNREG programme has influenced on the overall development of rural area.

H0: Employments under MGNREG programme has not influenced on the overall development of rural area.

Hypothesis Test

The study has been tested by hypothesis and the research used Chi-square test to test the hypothesis.

Sources of data

The present study is conducted both from primary and secondary sources.

The primary data is gathered directly from concerned authorities and beneficiaries through structured interview and questionnaire.

The secondary data is collected from published sources such as various articles, NREGP report, books, journals, periodicals and interest.

Analysis and interpretation

Discussion and conclusion

The above Table5.1 indicates that, out of 250 respondents, 58.4% are male and 41.6% of them are female, where as 5.6% belongs to the age group of 18 to 30, 31.2% belongs to the age group of 30 to 45 and majority of them belongs to 45 and above age group i.e. 63.2%. This shows that 45 years and above have taken it seriously and taking the maximum benefit.

Table5.2 indicates that, the study covered 2 kirana store owners, 30 agriculturist, 93 daily labours and 68.8% of them have annual income below ` 25,000,21.6% respondents annual income

Table5.2: Demographic profile of respondents - Income and Occupation wise

Annual Income	Occupation				Total	Percentage (%)
	Business	Agricultur e	Labour	Others		
Below ` 25,000		38	134		172	68.8
`25,000 - ` 50,000	04	18	32		54	21.6
`50,000-` ,00,000		02	14		16	6.4
`100,000 & above		02	06		08	3.2
Total	04	60	186		250	100

(Source: Primary data)

Table5.3: Number of members registered under MGNREGP from a family

Beneficiaries	No. of the Respondents	Percentage (%)
Only one	52	20.8
Only two	126	50.4
Only three	70	28
Four and above	02	0.8
Total 125	250	100

(Source: Primary data)

Note: surveyed one respondent from a family

Table No: 5.4: Benefit of the MGNREGP

Type of benefit	No. of the Respondents	Percentage (%)
Employment opportunity	100	40
Infrastructure development	16	6.4
Afforestation	14	5.6
All the above	120	48
Total	250	100

(Source: Primary data)

Role in Rural development	No. of the Respondents	Percentages (%)
Major role	174	69.6
Minor role	62	24.8
No role	14	5.8
Total	250	100

(Source: Primary data)

is between ` 25,000 to ` 50,000 and 6.4% fall between ` 50,000 to ` 1,00,000 and only 3.2% earn above ` 1,00,000. It shows that majority of the respondents who employed under this programme belonged to daily labours and their annual income is under Below Poverty Line and on the other hand small agriculturist are getting an opportunity to earn extra revenue during the off season.

Table5.3 indicates that the number of members in a family registered under MGNREGP. Over 80% respondents registered 2 or more members from a family rural employment programs. Therefore, it can be depicted that most members of a family of village labour class and small agriculturalist enjoying the benefit of the scheme.

Table5.4 presents the facts of benefit of MGNREG Programme to villagers and the village. This scheme has seen the sound success in providing rural employment which is used for development of infrastructure, afforestation, desilting of ponds in villages. Hence, this scheme is achieving two task together.

Table5.5 indicating the opinion of respondents towards the role of MGNREGP towards rural employment. Majority (69.6%) of the respondents' opinion that, this programme is major role in providing the employment opportunities but around 30.4% argue that it is not giving sufficient employment through the year and it is just working as filler.

HI: Employments under MGNREG programme influencing on the overall development of rural area.

Table5.6 value for 1% level of significance is 36.19. The table value for 5% level of significance is 31.41. The computed value is 57.33. Since, the computed value is more than both die table values. So alternative hypothesis is accepted and its result indicates that, there is a relationship between the rural employment and overall development of a village through MGNREGP. This Shows that, MGNREG Programme has influenced on the overall development in the study area.

Particulars	Strongly Agree	Agree	Natural	Disagree	Strongly Disagree-	Total
Political development	28	32				60
Social development	16	08	08	04	04	40
Cultural development		06		10	04	20
Economic	48	40	14			102

development						
Empowerment-		12	06			18
Participation		04	04	02		10
Total	92	102	32	16	08	250
(Source: Primary data)						

Table value @ 1% level of significance	Table value @ 5% level of significance	Computed value	Degree of freedom
36.19	31.41	154.06	20

Table5.7: Problems in MGNREG Programme.		
Problems	No. of the Respondents	Percentage (%)
Corruption	98	39.2
Late Payment	70	28.0
Irregular work	138	55.2
Bossism	22	08.8
Exploitation	12	04.8
Political intervention	102	40.8
Poor quality work	96	38.4
Total respondents	250	100
(Source: Primary data) Note: Respondents answered more than on options		

The above table indicates the problems faced by the registered members (respondents) for MGNREG programme. A majority of the respondents are not happy with the irregularity of work provided to them, political, intervention and favourism playing the major role in allotment of work. Corruption and late payment is one of the major hick-ups in execution of the programme. Though the respondents are part of MGNREG programme, they are not happy with the quality of work done and property created by them.

Findings

The following are the major findings of the study which also includes the observation of Standing Committee on Rural Development.

1. A majority of the members who registered for selling the manual labour are uneducated or under educated but very few have passed matriculation.
2. 91% of the registered members live under the Below Poverty Line and of around 50% of the families registered, at least two members work under this programme.
3. 40% of the respondents opined that the MGNREG programme provided employment to the rural poor and for others working as a filler during off season.
4. 48% of the respondents agree that MGNREG programme facilitating in development of infrastructure, afforestation etc. in the rural area.
5. Around 94% of respondents are totally happy with the way MGNREG programme is performing.

6. Majority of the respondents are not happy with the irregularity of work provided to them, political intervention and favourism by the executors at gross root level.
7. Corruption and late payment is one of the major hick-ups in execution of the programme.
8. Respondents are not-satisfied with disbursement of wages which has to be disbursed within 15 days as mandated by MGNREGA but not done.
9. Thought the political interference is much in execution of the programme, still MGNREG programme is heading towards development of political, socio-cultural and economic status of the rural folk.

Standing Committee on Rural Development's observation on MGNREG Programme

1. There has been a delay in the completion of works under MGNREGA and inspection of projects has been irregular.
2. While as many as `12.5 crore households have been issued job cards out of an estimated `13.8 crore rural households (as per the 2,001 census), there are several issues related to existence of fake job cards, inclusion of fictitious names, missing entries and delays in making entries in job cards.
3. There has been a delay in the completion of works under MGNREGA and inspection of projects has been irregular. Implementing agencies were able to complete only ` 98 lakh works out of ` 296 lakh works.
4. Many of them noticed that there is a poor quality of assets created, several instances of corruption in the implementation of MGNREGA, and insufficient involvement of PRIs.
5. The Committee found that a large amount of funds allocated for MGN-REGA have remained unutilized. For example, in 2010-11, 27.31% of the funds remained unutilized. The Committee recommends that the Department of Rural Development should analyze reasons for poor utilization of funds and take steps to improve the same. In addition, it should initiate action against officers found guilty of misappropriating funds under MGNREGA.

Suggestions

The following are suggestion for better execution of MGNREG Programme given based on the study.

1. Participation of women in MGNREG programme must be increased through raising awareness as her role in the programme play a vital factor in family's income.
2. The MGNREG Programme is not much popular in the rural area due to lack of awareness. So a special awareness campaign should be conducted for the beneficiaries.
3. Under the MGNREGP programme, large number of workers have suffered from the interference of middlemen. Gram panchayat officers have not given any proper guidance about the programme and they have not supervised the workers at the work site. The workers' usual contact was only with the gram panchayat

- development officer, and if he committed fraudulent activities no one questioned them. In order to reduce this, specialized supervisory board is necessary.
4. Offences such as not recording employment related information in job cards and unlawful possession of job cards with elected PRI represents and MGNREGA functionaries should be made punishable under the Act.
 5. In addition to rural employment this programme should also need to give importance for education of rural poor because majority of them working under this programme are uneducated.
 6. This programme need to be renewed. Because in some of die states the regulatory body is not working properly in successful implication of MGNREG Programme.
 7. Since states are at various stages of socio-economic development, they have varied requirements for development. Therefore, state governments should be allowed to undertake works that are pertinent to their context. There should be more emphasis on skilled and semi-skilled work under MGNREGA. In addition, the Committee recommends a greater emphasis on convergence with other schemes such as the National Rural Livelihoods Mission, National Rural Health Mission, etc.
 8. Dated receipts for demanded work should be issued so that workers can claim unemployment allowance. Funds for unemployment allowance should be met by the central government.
 9. National Level Monitors (NLMs) are deployed by the Ministry of Rural Development for regular and special monitoring of MGNREGA and to enquire into complaints regarding mis-utilisation of funds, etc. The Committee recommends that the frequency of monitoring by NLMs should increase and appropriate measures should be taken by states based on their recommendations. Additionally, social audits must mandatorily be held every six months. The Committee observes that the performance of MGNREGA is better in states with effective social audit mechanisms.
 10. Training and capacity building of elected representatives and other functionaries of PRIs must be done regularly as it will facilitate their involvement in the implementation of MGNREGA.

Conclusion

MGNREGP is one of the largest rural development programme implemented in India. The present study aimed at quantifying and generating empirical evidence on the potential of MGNREGA in creating rural employment and rural development. The empirical evidence from the study area representing that, that MGNREGP is generating multiple benefits in creating employment and also acting as a part in overall development of rural area this leading to improved water availability and soil fertility resulting in increased crop production, afforestation, infrastructure development, socio-economic development, environmental protection etc. This shows that this programme is helping towards the achievement of financial inclusion and inclusive growth in rural area. But still there are number of loopholes are there so if the GOI has taken action for proper implementation of the programme then really the country will get fruitful benefit and helps to overcome from unemployment, reduced migration, reduces poverty etc.

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