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Employment Generation in Rural India: A Pivotal Role of MGNREGA

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Abstract:

The rural economy of India mostly depends upon the agriculture and its allied sectors for living. The agrarian economy provides seasonal employment to its residents. Therefore a great need of certain other employment sources has been felt by the rural inhabitants. The MGNREGA has been fulfilling such a need quite sufficiently. It has been providing guaranteed 100 days employment to rural residents in a year so overcome the problems of seasonal employment provided by the agricultural sector. This study provides a glimpse of the benefits that the MGNREGA has provided in the rural economy. It also highlights the crucial achievements of the MGNREGA. The study focuses on the fact that MGNREGA has helped in financial inclusion of the rural inhabitants, especially the people living below poverty line.

Keywords: Rural, Agriculture, Seasonal, Employment, MGNREGA.

1. Introduction and Background

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, previously known as NREGA, was launched as an Indian labour law and a social security scheme that primarily focussed on the provision of guaranteed employment opportunities to the rural residents of India. It is a synonymous for 'right to work' for the rural inhabitants. It aims at providing security of livelihood in rural India by 100 days wage employment in a financial year to every rural household in which the adult members of the family are ready to do unskilled manual labour voluntarily. Achieving inclusive growth is also one of the prime objectives of the MGNREGA. Government had already launched schemes like Jawahar Rozgar Yojana, Employment Assurance Scheme, Food for Work Programme, Jawahar Gram Samridhi Yojana and Sampoorna Grameen Rozgar Yojana. These schemes were being the forerunners to MGNREGA. But the main difference between MGNREGA and these schemes has been that the former is a legal right vested with the rural inhabitants of India.

The scheme covered 200 districts in the beginning in the year 2006. Later on, it covered all the districts of the country from 1 April, 2008. It is the "largest and the most ambitious social security and public works programme in the world"-Ministry of Rural Development, 2012. Since its advent, it has been providing work opportunities to the volunteer rural workers who can now earn their livelihoods through 100 days of guaranteed wage employment in a year.

MGNREGA has many core objectives aiming at the improvement of the job providing opportunities in rural areas of the country. It aims at strengthening the livelihood resource base of the rural poor via 100 days of guaranteed wage employment in a year. It also aims at ensuring social and financial inclusion of the rural inhabitants. It is through the scheme of MGNREGA that the Government of India tries to strengthen the position and structure of Panchayati Raj Institutions.

It is the largest public employment programme in the world providing employment to 5 crore rural households. In the year 2014-15 (Annual Report 2014-15, Ministry of Rural Development), it has provided employment to 3.60 crore households and nearly 121.25 crore person-days of employment was generated in rural India. It has also helped the backward and marginalised communities to participate in it and derive the benefits of the programme. In 2014-15, 40% SCs/STs and 56% women in rural areas were benefited by the scheme. MGNREGA has helped 9.37 crore rural households into financial inclusion network.

It is a well known and accepted fact that MGNREGA has emerged as a social security and employment guarantee scheme. Its role in poverty alleviation cannot be overlooked. This is the reason that MGNREGA is the largest employment providing programme in the whole world.

2. Review of Existing Literature

Dutta (2011) says that MGNREGA has helped the rural poor of two Gram Panchayats of Lakhimpur district of Assam in earning livelihood than any other rural employment scheme of the government. He believes that MGNREGA is the largest employment providing and poverty alleviating programme launched by the government. The scheme has helped in larger financial inclusion the

rural poor. It has helped in generating job opportunities in most backward areas and has also helped the rural inhabitants to earn a moderate level of income.

Ahangar (2014) in his study of Shahbad block of Anantnag district of Jammu and Kashmir has talked about the positive sides of MGNREGA. In his study, he has highlighted the role of MGNREGA in upliftment and empowerment of women of Shahbad block. MGNREGA has provided the women with opportunities of doing works other than just doing domestic tasks of homemaking. Women have become aware of their rights and they have been taking part in decision making and implementation process. Women have been financially independent because of the schemes like MGNREGA. Women have now also become the earning members of their family. Sugapriyan, et al. (2015) has tried to analyse the performance of MGNREGA via Data Mining Technique. They have studied the workers in Kanchipuram, Walajabad and Uthiramerur blocks in Kanchipuram district. They have concluded that the MGNREGA scheme has potentially been successful in bringing the rural poor above the poverty line. It has emerged as a financial support so as to up bring the rural households to improve their standards of living and help them enjoy an improved level of economic status. More proper implementation of the scheme shall yield more fruitful and positive results.

Thakur (2011) has explained in his study about the role of MGNREGA and its impact on wage and work relation. In his study, he explains that due to creation of employment opportunities as a result of MGNREGA, the rural inhabitants have been benefited and there has been continuous increase in rural labour as they have been receiving guaranteed wages. As a result of this, the rural scenario has been changing and it has been affecting agricultural sector in a positive way.

MGNREGA has been able to achieve positive results (Annual Report 2014-15, Ministry of Rural Development). In 2014-15, 95.14 lakh works were undertaken out of which 31 % was for water conservation, 14% was for provision of irrigational facilities on land owned by SCs/ STs/ BPL and IAY beneficiaries, 14% for the rural connectivity and 6% for land development. MGNREGA has helped in strengthening the natural resource base in rural India.

2.1. Prime Objectives of Study

- To study the outcomes of MGNREGA in rural India.
- To analyse the extent of households participation in MGNREGA in rural India
- To analyse employment generated by MGNREGA in rural India.

2.2. Hypotheses

- H0 A: There has been substantial level of household participation of rural areas in MGNREGA.
 - H1 A: There has not been substantial level of household participation of rural areas in MGNREGA.
 - H0 B: There has been substantial rate of employment generation in rural areas by MGNREGA.
 - H1 B: There has not been substantial rate of employment generation in rural areas by MGNREGA.
- Note: H0- Null Hypothesis and H1- Alternative Hypothesis.

3. Methodology

The present study has used the secondary sources for availing data. It has availed data from sources like Annual Reports of Ministry of Rural Development, Government of India, research journals and papers, periodicals, government websites such as www.nrega.nic.in and www.planningcommission.nic.in et cetera. The present study is both exploratory and descriptive in nature. MGNREGA is the universe of the study. The study is based upon data of MGNREGA with respect to 6 states of India which is also the size of the sample. Financial year 2014-15 (till 31 Dec, 2014) has been the time of study. Number of households demanding employment, number of households provided employment, employment generation persondays in lakhs and number of households completing 100 days employment is the chief parameters of the present study.

4. Analysis and Interpretation of Data

The present study tends to analyse the outcomes as a result of implementation of MGNREGA as a measure of providing employment safety-net and social security to the rural inhabitants of India. In this study, physical employment generated as a result of MGNREGA has been illustrated. It studies the number of households (H.H.) demanding employment and actually getting employment. It further aims at studying the employment generated persondays (in lakhs) as well as the number of households (H.H.) that completed 100 days of employment in rural areas of India.

Table 1 depicts the MGNREGA outcomes in the financial year (FY) 2014-15 (till 31st Dec, 2014) in terms of physical employment. It reveals the statistics of 6 states of India with respect to main parameters of the present study. In case of Tamil Nadu, the number of H.H. demanding employment and the number of H.H. actually provided with employment under MGNREGA in 2014-15 is 5365195 and 5335310 respectively. This reveals that the MGNREGA has been helping the rural poor to a larger extent in desiring for and getting employment. Employment generated persondays is 2105.06 lakhs and number of H.H. that completed 100 days of employment is 118565 in Tamil Nadu. Similar trends have been followed in Rajasthan and Andhara Pradesh respectively. Number of households demanding and actually provided with employment in the same year in Rajasthan and Andhara Pradesh is 3879264, 3364866 and 3584681, 3105259 respectively. Employment generated persondays and number of H.H. completing 100 days of employment in these 2 states is 2105.06 lakhs, 118565 and 1326.04 lakhs, 119442 respectively.

States	No. of H.H. Demanding Employment	No. of H.H. Provided Employment	Employment Generated Persondays in Lakhs	No of H.H. Completed 100 Days of Employment
Tamil Nadu	5365195	5335310	2105.06	118565
Rajasthan	3879264	3364866	1326.04	119442
Andhara Pradesh	3584681	3105259	1271.47	184676
Madhya Pradesh	3064012	2712584	1099.62	133887
Chhatisgarh	2034767	1738013	550.46	46505
Bihar	1434037	1017592	326.79	23980

Table 1: The MGNREGA Outcomes: FY 2014-15 (Till 31st Dec, 2014) - Physical Employment.

Note: H.H. – Households

Source: Annual Report 2014-15, Ministry Of Rural Development, Government Of India

Similarly, the statistics of Madhya Pradesh reveal the trends as shown by the 1st three states in table 1. Number of H.H. demanding employment in 2014-15 under MGNREGA is 3064012 and the number of H.H. provided with employment is 2712584. Employment generated persondays is 1099.62 lakhs and the number of H.H. completing 100 days of employment in Madhya Pradesh is 133887. The number of H.H. demanding employment and number of H.H. actually provided with employment respectively under MGNREGA in 2014-15 in Chhatisgarh is 2034767 and 1738013 respectively. Employment generated persondays is 550.46 lakhs and number of H.H. completing 100 days employment is 46505 in Chhatisgarh. Bihar, a neighbouring state of Chhatisgarh, also reflects positive results as of the impact of MGNREGA. The number of H.H. demanding employment in 2014-15 under MGNREGA is 1434037 and the number of H.H. actually getting employment is 1017592 in Bihar. Employment generated persondays is 326.79 lakhs and the number of H.H. completing 100 days employment is 23980 in Bihar under MGNREGA in 2014-15.

5. Findings and Recommendations

The present study has worked within the spheres of its prime objectives. It has found out that the outcomes of MGNREGA are positive. The scheme has been beneficial in providing employment of 100 days per year to the rural poor who volunteer themselves for unskilled manual labour. The study has found out that the number of household in rural areas demanding employment under MGNREGA and the number of households which are provided with the employment under MGNREGA have been substantial. The employment generated personsdays in lakhs have been a great deal for the rural residents of India. The number of households in rural areas to complete 100 days employment has been on positive sides for most of the states of India considered in the study. The study reveals that a larger portion of the rural population especially the rural poor are included in the scheme and are benefited from the scheme. MGNREGA has been successful in supporting the process of financial inclusion of the rural inhabitants.

Further the study recommends that there must be more efficient implementations of the scheme of MGNREGA by the concerned government authorities and the local bodies so as to reap more and more benefits from it. Rural poor must be made aware of their 'right to work' under MGNREGA. Lowering the extent of corruption at all levels of implementation of the scheme can be of a great help to further improve the economic levels of rural poor.

6. Limitations of Study

- The present study doesn't deal with all the states of India with respect to role of MGNREGA in provision of employment in rural areas.
- It doesn't incorporate the impact of MGNREGA on the marginalised groups in rural areas

7. Concluding Remarks

The present study concludes that MGNREGA has played a pivotal role in the rural economy of India by providing guaranteed 100 days of unskilled manual labour to the rural poor who volunteer to participate under the provisions of the scheme. It has also been important to note that the extent of provision of employment in rural areas of India under MGNREGA is tremendous and substantial. Large number of households in rural areas is demanding employment under MGNREGA and a large number of households are actually getting employment. The number of rural households completing 100 days employment is also substantial. Employment generated persondays is also high under the provisions of MGNREGA. All the null hypotheses have not been rejected whereas all the alternative hypotheses have been rejected.

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