

Periodic Research

Role of Mnregs in Socio - Economic Welfare of Rural Households: A Study of Seoni District

Abstract

The paper analyses the role of Mahatma Gandhi National Rural Employment Guarantee Scheme in provision of employment and generation of income and women's participation among the rural households in Seoni district of Madhya Pradesh.

Keyword: MNREGS, Wage-Employment, Wage Income, Women's Empowerment.

Introduction

To strengthen the process of democracy at the grass root level and infusing transparency and accountability in governance and for the upliftment of rural poor and rural unemployed, the Government has introduced a programme namely "National Rural Employment Guarantee Programme" that directly touches the lives of the poor and promotes inclusive growth.

After the notification National Rural Employment Guarantee Act (NAREGA) on September 7th, 2005, 'National Rural Employment Guarantee Scheme' was launched on February 2nd, 2006. On October 1st, 2009, NREGA was renamed after Father of Nation Mahatma Gandhi as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

The Act came into force on February 2nd, 2006 and was implemented in a phase manner. In phase I, it was introduced in the most backward 200 districts of the country, it was implemented in an additional 130 districts in phase II in 2007-08. In order to bring the whole nation under its safety net and keeping in view the demand, the scheme was extended to the remaining 274 districts of India from April 1st, 2008 in phase III.

Mahatma Gandhi National Rural Employment Act (MNREGA) is the first ever law internationally, that guarantees wage employment at an unprecedented scale.

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 unskilled manual work. The primary objective of MNREGA is augmenting wage employment. Its auxiliary objective is to strengthen natural resource management through works that address cause of chronic poverty like drought, deforestation, soil erosion to encourage sustainable development.

Several studies have examined pertinent aspects of the functioning of the programme, such as targeting (**Jha et al 2009**), its impact on consumption (**Ravi and Engler 2009**), and its performance in terms of implementation (**Bhatia and Dreze 2006; Ambasta et al 2008; IAMR 2008**).

Many studies have documented the processes followed in MNREGS implementation (**Dreze. 2009, Ambasta et al., 2008**). Change in the consumption pattern and purchase behaviour of household durables among employment beneficiaries were reported (**IAMR, 2008**). Similarly, socio-economic issues, especially



Anirudha Singh Kakodia

Guest Faculty
Department of Economics
Rani Durgawati
Vishwavidyalaya,
Jabalpur (M.P.)

Periodic Research

on the level of women participation in the scheme have also been studied (RTBI, 2009).

There has been a spate of studies designed to assess the performance of NREGS ever since the Act came into being (Dreze and Khera, 2009, Mehrotra, 2008, Ambasta et al., 2008, Gopal, 2009, Jha et al., 2008, Jha et al 2009a, 2009b and Scandizzo et al., 2009) have drawn attention to huge leakage and fudging of muster rolls.

The available literature suggests that though researchers have made attempt to study various aspects of Mahatma Gandhi National Rural Employment Guarantee Scheme across the country. However, this scheme was not seriously explored by the researchers in Seoni district of Madhya Pradesh.

In 2006 the Ministry of Panchayati Raj named Seoni one of the country's 250 most backward districts (out of a total of 640). It is one of the 24 districts in Madhya Pradesh currently receiving funds from the Backward Regions Grant Fund Programme (BRGF).

Looking into the peculiar characteristics of Seoni district a thorough investigation into this problem is essential. The available literature further suggests that this kind of research study is certainly lacking in academic arena. Thus, with this objective in mind the present study has been undertaken to bridge this gap.

Research Methodology

In the light of above mentioned facts, a research study titled "Role of National Rural Employment Guarantee Scheme in Socio-Economic Welfare: A Study of Seoni District" is conducted. The area of the study is Seoni district of Madhya Pradesh. Seoni is one of the district which was selected in the phase I of the MNREGS as the Act came into force on February 2nd, 2006 and initially it was implemented in the most backward 200 districts of the country.

The primary data and information of the study is related to the period of 2010-11. The purpose for selection of this year is to gather first hand detailed information to assess and evaluate various aspects of MNREGA.

The overall objective of the research study is to assess the impact of MNREGS in Seoni district of Madhya Pradesh.

The research study is based on both primary as well as secondary data related to the objective.

A sample survey was conducted in the study region for collection of primary data. Data were collected through personal interviews which were carried out in a structured way.

The study is based on multi-stage random sample survey of 645 rural households of eight blocks (Seoni, Kurai, Lakhnadon, Chhapara, Ghansaur, Dhanaura, Kewlari and Barghat) of Seoni district. The 645 rural households represent the total gram panchayats of Seoni district.

Block-wise distribution of the households

S.no	Blocks	Number of Households
1	Seoni	129
2	Kurai	62
3	Lakhnadon	108
4	Chhapara	54
5	Ghansaur	77
6	Dhanaura	47
7	Kewlari	78
8	Barghat	90
Total		645

The respective number of randomly selected rural households from a block represents total gram panchayats of the respective blocks.

The period of the study is limited to the year 2010-11, as objective of the study is to provide first hand information of various socio-economic aspects of Mahatma Gandhi National Rural Employment Guarantee Scheme in the study region.

Gender-wise distribution of the respondents

S.no	Gender	Number of respondents
1	Male	397
2	Female	248
Total		645

The study found that out of 645 participating respondents, 397 (61.55%) were male and 248 (38.44%) were female.

Age-wise distribution of the respondents

S.no	Age-group	Number of respondents
1	Less than 25 years	154
2	Between 25-50 years	349
3	More than 50 years	142
Total		645

Out of the 645 respondents, 154 (23.87%) respondents were less than 25 years of age, 349 (54.10%) respondents were between 25-50 years of age and 142 (22.01%) respondents were more than 50 years of age.

Periodic Research

Social-category wise distribution of the respondents

S.No	Category	Number of respondents
1	Scheduled Tribes	271
2	Scheduled Castes	139
3	Other Backward Castes	232
4	General	3
Total		645

As far as social background is concerned, 271 (42.01%) respondents were from scheduled tribes, 139 (21.55%) respondents were from scheduled castes, 232 (35.96%) respondents were from other backward castes and 3(0.46%) respondents were from general category.

Occupation-wise distribution of the respondents

S.no	Occupation	Number of respondents
1	Agricultural Labour	376
2	Non Agricultural Labour	132
3	Agriculture Self Employed	124
4	Non Agricultural Self Employed	13
Total		645

The study found that out of 645 respondents, 376 (58.29%) respondents were agricultural labour, 132 (20.46%) respondents were non agricultural labour, 124 (19.22%) respondents were agricultural self employed and 13 (2.01%) respondents were non agricultural self employed.

Land ownership wise distribution of the respondents

S.no	Land ownership	Number of respondents
1	Landless	382
2	Marginal farmers	113
3	Small farmers	146
4	Large farmers	4
Total		645

As far as land ownership is concerned, it was found that out of 645 respondents, 382 (59.22%) respondents were landless, 113 (17.51%) respondents were marginal farmers, 146 (22.63%) respondents were small farmers and 4 (0.62%) respondents were large farmers.

Results and Discussions

The study makes an attempt to assess the socio-economic impact of MNREGS among the participating households.

Role of MNREGS on Employment Generation

S No.	Role of MNREGS on Employment Generation	Days
1.	Avg. MNREGS working day of a household	47.27 Days
2.	Avg. total working days of a household other than MNREGS working days	166.1 Days
3.	Avg. total working days of a household including MNREGS working days	213.38 Days
4.	Avg. % share of MNREGS working days in total working days of a household	22.15 %

The study found that the Avg. MNREGS working day of a household is 47.27 days. The Avg. total working days of a household other than MNREGS working days are 166.1 days. The Avg. total working days of a household including MNREGS working days are 213.38 days and the Avg. % share of MNREGS working days in total working days of a household is 22.15%.

Role of MNREGS on Income of the Households

S No.	Role of MNREGS on Income	Rupees
1.	Avg. MNREGS income of a household	Rs. 4613.09
2.	Avg. total income of a household other than MNREGS income	Rs. 16181.64
3.	Avg. total income of a household including MNREGS income	Rs. 20794.73
4.	Avg. % share of MNREGS income in total income of a household	22.18 %

The study found that the Avg. MNREGS income of a household is Rs.4613.09. The Avg. income of a household other than MNREGS income is Rs.16181.64. The Avg. total income of a household including MNREGS income is Rs. 20794.73 and the Avg. % share of MNREGS income in total income of a household is 22.18%.

Periodic Research

Role of MNREGS on Women's Participation

S No.	Impact of MNREGS on Women's participation	Days/Rupees
1.	Avg. women MNREGS working days in a household	24.52 Days
2.	Avg. % share of women working days in Avg. total MNREGS working days of a household	51.87 %
3.	Avg. % share of women MNREGS working days in the total working days of a household	11.49 %
4.	Avg. women MNREGS income in a household	Rs. 2412.36
5.	Avg. % share of women income in Avg. total MNREGS income of a household	52.29 %
6.	Avg. % share of women MNREGS income in the total income of a household	11.71 %

The study found that the Avg. Women MNREGS working day in a household is 24.52 days. The Avg. % share of women working days in Avg. total MNREGS working days of a household is 51.87 %. The Avg. % share of women MNREGS working days in the total working days of a household is 11.49 %. The study also found that the Avg. Women MNREGS income in a household is Rs. 2412.36. The Avg. % share of women income in Avg. total MNREGS income of a household is 52.29%. The Avg. % share of women MNREGS income in the total income of a household is 11.71%.

Conclusion

Thus one can see, this social welfare programme is primarily intended to enhance the livelihood securities of the people in rural areas by supplementing wage employment opportunities to the unskilled labour force. The programme is in force with the intention that it would act as a strong safety net for the poor in the wake of lack of alternative employment opportunities. In an attempt to ensure the rural economy to grow, the scheme is expected to regenerate the rural natural resource base for sustainable livelihood by carrying out soil and water conservation activities.

The significance of MNREGS lies in the fact that it creates the right based framework for wage employment programme and makes the government legally bound to extend employment to those who demand it. While the Scheme

provides a legal framework, the state governments have the legal liability and central government provides a fiscal guarantee. The Scheme also ensures that there is decentralized planning, which means a perspective plan needs to be prepared for the whole district with a list of permissible works. In this way the legislation goes beyond providing the social safety net, and towards guaranteeing the right to employment.

The course of MNREGS has to be determined on the basis of the enforcement of two non-negotiable factors, namely, ensuring basic entitlements to workers and creating assets to strengthen the livelihood of the people. Another important non-negotiable factor is that the MNREGS cannot be a permanent programme supporting a large army of unskilled workers. This implies that MNREGS has to create enabling conditions to expand employment avenues in the mainstream economy. The economic logic of public works programme in developing countries is to generate capital assets by using surplus labour to expand the labour absorbing capacity of the mainstream economy. This will reduce the size of surplus labour and shift it gradually to the mainstream economy.

The success of the programme lies in the fact that it is needed less and less as it progresses. One can, therefore, state that even though MNREGS is not able to take up a major developmental role at this stage, it is important to ensure that the assets generated under the scheme are useful to the economy and able to generate mainstream employment in the economy.

References

1. Ambasta, Pramathesh, P S, Vijay Shankar and Mihir Shah (2008): "Two Years of NREGA: The Road Ahead", Economic & Political Weekly, 43(8), pp 41-50.
2. Bhatia, Bela and Jean Dreze (2006): "Employment Guarantee in Jharkhand: Ground Realities", Economic & Political Weekly, 41(29), pp 3198-202.
3. Dreze, J. and Reetika Khera (2009), "The Battle for Employment Guarantee", Frontline, 16th January.
4. Dreze, Jean (2009), "NREGA is not Artificial Employment", Civil Society, May 2009, pp.7-8.
5. Gopal, K. S. (2009), "NREGA Social Audit: Myths and Reality", Economic and Political Weekly, Vol. 44, No.3, January 17, pp.70-71.
6. IAMR (2008): "All-India Report on Evaluation of NREGA: A Survey of Twenty Districts", Institute of Applied Manpower Research,

http://planningcommission.gov.in/reports/genrep/rep_NREGA_03-08-2009.pdf. Accessed on 7 January 2010.

7. Institute of Applied Manpower Research (IAMR) (2008), All-India Report on Evaluation of NREGA: A Survey of Twenty Districts, Prepared with Financial Support and Research Inputs from Programme Evaluation Organisation (PEO), Planning Commission, Delhi, p.24.
8. Jha, R., R. Gaiha and S. Shankar (2008), "Reviewing the National Rural Employment Guarantee Programme", Economic and Political Weekly, Vol.43, No.10, March 8-14, pp.44-48.
9. Jha, R, S Bhattacharya, R Gaiha and S Shankar (2009): "Capture of Anti-Poverty Programmes An Analysis of the National Rural Employment Guarantee Scheme in India", Journal of Asian Economics, 20 (4), pp 456-64.
10. Jha, R., S. Shankar and R. Gaiha (2009), "National Rural Employment Guarantee Programme in Andhra Pradesh and Rajasthan: Some Recent Evidence", Contemporary South Asia.
11. Mehrotra, S. (2008), "NREGA Two Years On: Where Do We Go from Here?", Economic and Political Weekly, Vol.43, No.31, August 2-8, pp.27-35.
12. Ravi, Shamika and M Engler (2009): "Workfare in Low-Income Countries: An Effective Way to Fight Poverty? The Case of NREGS in India". Available at <http://ssrn.com/abstract=1336837>.
13. RTBI (2009), Evaluation of National Rural Employment Guarantee Act in Cuddalore, Dindigul, Kanchipuram, Nagai, Thiruvallur, RTBI, Indian Institute of Technology, Chennai, p.115.
14. Scandizzo, P., R. Gaiha and K. Imai (2009), "Option Values, Switches Wages: An Analyses of the Employment Guarantee Scheme in India", Review of Development Economics.