

## **Mahatma Gandhi National Rural Employment Guarantee Scheme and Rural Livelihoods**

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### **ABSTRACT**

Since 2000 India has experienced rapid economic growth and a sharp decline in poverty. But employment has grown far more slowly. And although agriculture contributes only 18% to the Indian economy, it continues to employ 47% of the workers. The rural poverty and unemployment in India has grown and recorded huge in last few decades. Due to that there is a growing illiteracy, increase the hungry people, undernourished children, farmer suicides, hunger deaths, rural people migration for inadequate employment and increasing poverty. Thus the Government of India (GOI) enacted the National Rural Employment Guarantee Act (NREGA) in 2005 to solve the listed problems. The National Rural Employment Guarantee Act (NREGA) was passed by the parliament in 2005 and came into force on February 2, 2006. It was renamed Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009. The aim this scheme is to enhance livelihood security for all adults willing to perform unskilled manual labour in rural areas. The main objective of the present study is to assess the impact of MGNREGA on rural livelihoods. This study was carried out in Uthirangudi Village Panchayat of Sempanarkoil Block in Nagapattinam District. The survey method was adopted. There are 483 card holders in the study area (Village Panchayat office record). Out of this 218 card holders were determined as the sample size of the study. To select the sample respondent three stages were followed. In the first stage, purposive sampling method was followed to select the sample village Panchayat. In the second stage, proportionate sampling technique was used to determine the sample size each hamlets. In the third stage, random sampling method was used to select the sample respondent from each hamlet. Data were collected from the respondents through direct interviewing method using a pre-tested structured interview schedule. The interview schedule consists of two parts viz., Demographic profile and their perception towards MGNREGA. The collected data was analyzed using SPSS package. The study conclude that majority of the sample card holders responded that the local administrator does not properly implement the programmes, the number of days employment is not given as per the MGNREGA Act, the officers are not monitor the work properly and the programmes helps to improve their income to meet day to day expenses only.

Keywords: MGNREGA, NREG, impact on NREG, Rural Livelihoods.

### **INTRODUCTION**

Since 2000 India has experienced rapid economic growth and a sharp decline in poverty. But employment has grown far more slowly. And although agriculture contributes only 18% to the Indian economy, it continues to employ 47% of the workers. This large proportion disguises unemployment, as it reflects crowding of workers particularly women into seasonal or poorly paying work, such as collecting forest produce (Sonalde Desai et. al., 2015). The rural poverty and unemployment in India has grown and recorded huge in last few decades. Due to that there is a

growing illiteracy, increase the hungry people, undernourished children, farmer suicides, hunger deaths, rural people migration for inadequate employment and increasing poverty. Thus the Government of India (GOI) enacted the National Rural Employment Guarantee Act (NREGA) in 2005 to solve the listed problems. It is the biggest poverty alleviation programme in the world which is started with an initial outlay of Rs. 11,300 crore in year 2006-07. The National Rural Employment Guarantee Act (NREGA) was passed by the parliament in 2005 and came into force on February 2, 2006. It was renamed Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in October 2009. Prior to MGNREGA, several programmes/ schemes had been initiated by the Government of India for raising the productive employment of unemployed and underemployed rural labourers (NCAER, 2016). The aim of this scheme is to enhance the livelihood security for all adults willing to perform unskilled manual labour in rural areas. Therefore, an attempt was made to know the implementation of MGNREGA in rural areas and to what extent the MGNREGA has helped to sustain the rural livelihood in study area.

## **REVIEWS OF LITERATURE**

Mohammad (2008) studied Mahatma Gandhi National Rural Employment Guarantee Scheme in poverty reduction. The study result found that a positive administrative intent and public participation in monitoring and implementing the MGNREGA had succeeded in minimizing the corruption. 1.40 lakh people in rural areas were given employment in the districts. Based on the findings study concluded that Rajasthan government paying the great attention in MGNREGA to remove poverty in the state. MGNREGA helped the many poor and landless people to improve their economic status and cross the poverty line. It also reduced the migration of people and increased regional wages. The study revealed that the women participation has increased under MGNREGA. Bank and post offices are performing a great role in the MGNREGA success. The MGNREGA achieved great success, where the state government performing a great role. If implemented effectively the MGNREGA would ensure the development of India.

Ankita et al. (2012) conducted a survey on evaluation of MGNREGA wells in Purio Gram Panchayat, Ratu Block, Ranchi (Jharkhand). The study found that the MGNREGA growing the ginger, onion, lady finger, radish, pumpkin, chili and garlic of the sample respondents. The study also found that the average “usual cultivation cost” before and after the construction of the well estimated Rs. 8425 and Rs. 21,988 per year respectively. The average “usual value of produce” for its part, increased from Rs. 16,060 per year to Rs. 37,716 per year. Thus, average “usual profit” from crops grown in the command area increased from Rs. 7635 per year before the construction of the wells to Rs. 15,728 per year after construction.

Reddy (2012), studied the role of Mahatma Gandhi NREGA on self help groups in the districts of Andhra Pradesh the study found that the MGNREGA was improved the earning, better functioning of self-help groups, facilitation of bulk buying of food grains and other essential commodities, there had been a complete turnaround in food deficit and hunger of the self help members.

## **STATEMENT OF THE PROBLEMS**

As Gandhi stated India lives in its villages, India village dominated society which more than 68 percent of population resides in rural area, county should provides employment facilities to all people. A majority of the poor in rural areas of the country depend mainly on the wages for their life, they earn through unskilled labour. In this backdrop the government of India has been implemented many wages employment programmes. Among the programmes the MGNREG was merged with other programmes and it providing continuous employment to rural people from 2006 onwards. Most studies examine the programme after its implementation without considering the situation before the programme was initiated. Without appropriate comparison, it is not possible to

fully appreciate how MGNREGA shapes the social and economic fabric of rural India or how the programme is itself shaped by conditions on the ground. Hence, an attempt to fill this gap by examining data from a household survey conducted before and after programme implementation towards impact of rural livelihoods in the study area.

## **OBJECTIVE OF THE STUDY**

The main objective of the present study is to assess the impact of MGNREGA on rural livelihoods.

## **RESEARCH METHODOLOGY**

This study was carried out in Uthirangudi Village Panchayat of Sempanarkoil Block in Nagapattinam District. This panchayat is predominantly agricultural based panchayat and most of the people directly and indirectly involving the agricultural activities. The village consists of three hamlets namely, Uthirangudi, Sankaranpandal and Olakkudi. The survey method was adopted. There are 483 card holders in the study area (Village Panchayat office record). Out of this, 218 card holders were determined as the sample size of the study (Using Cohran formula, 1977). To select the sample respondent, multi stages sampling techniques was followed. The first stage, purposive sampling technique was followed to select the sample village Panchayat. The second stage, proportionate sampling technique was used to determine the sample size for each hamlet. The third stage, simple random sampling method was used to select the sample respondent from each hamlet. Data were collected from the respondents through direct interviewing method using a pre-tested structured interview schedule. The interview schedule consists of two parts viz., demographic profile and their perception towards MGNREGA. The collected data was analyzed using SPSS package.

## **LIMITATION OF THE STUDY**

The study was undertaken in Vanagiri Village Panchyat only. The researcher used only 77 cardholders and the analysis covered only social and economic impact of the MGNREGA. Due to the lack of time and money the researcher does not followed sample size determination techniques.

## **MAJOR FINDINGS OF THE STUDY**

The primary objective of MGNREGA is to uplift the overall quality of life of rural households. In specific, one of the important objectives of MGNREGA is to improve the rural people income levels and enhancement of livelihood security in rural areas. Thus, the sample respondents were asked the role of MGNREGA on their livelihoods improvement. The following findings were identified from the analysis.

- Majority of the sample card holders were responded that they were benefited from MGNREGA scheme.
- Majority of the respondent opined that the number of employment has increased almost double after joining the MGNREGA scheme. However majority of the sample cardholders responded that the local village Panchayat does not give 100 days' employment. The study also found that the officers provide limited and irregular supply of works.
- Majority of the sample card holders opined that the annual income was increased after joined MGNREGA.
- The result also found that the most of the card holders opined that the amount of expenditure is increased with the help of MGNREGA scheme.
- The study found that the scheme has decreased the expenditure on food items in the sample respondent. On the other side majority of the card holders gradually shifted to non-food items which include both luxury and necessity items.

- Majority of the respondent opined that the scheme improves their regular employment opportunities and also it reduces the migration due to unemployment.
- Majority of the respondents expressed that the scheme does not improve their asset creation which means the remuneration is only sufficient for their food and other expenses.
- The study also found that majority of the sample responded opined that the scheme helps to clean their rural areas like, road, small canals, ponds, small tanks, etc.
- Majority of the sample respondents opined that the schemes slightly improved their standard of living.

## **CONCLUSION AND RECOMMENDATIONS**

The primary objective of MGNREGA is to improve the rural livelihoods by eradicating the rural poverty and unemployment. It provides an alternative source of livelihood which will have an impact on reducing migration, restricting child labor, alleviating poverty, and making villages self-sustaining through productive assets creation such as road construction, cleaning up of water tanks, soil and water conservation work, etc. Therefore the scheme has been considered as the largest anti-poverty programme in the world. In general the success of the programme depends upon its proper implementation and the assessment of any programme i.e., success or failure is based on the beneficiary opinion. Thus, the present study has critically examined the MGNREGA scheme and its impact on rural livelihoods. The study conclude that majority of the sample card holders responded that the local administrator does not properly implement the programmes, the number of days employment is not given as per the MGNREG Act, the officers are not monitor the work properly and the programmes helps to improve their income to meet day to day expenses only.

- There is need for creating adequate awareness and continuous efforts among the officers and people.
- The government should create awareness on MGNREGA objective and motivate the people to work effectively and efficiently.
- There is immense need for transparency and accountability for utilization of resources under MGNREGA scheme.
- Provision for social audit at the panchayat level on a regular basis can play a significant role in this regard.
- The democratic leadership should be followed.
- The Govt. must take immediate steps to stop corruption in its implementation by which the MGNREGA wages reaches to the workers directly.
- The local government and Panchayat officers should work properly and follow the Act effectively.

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