

## MGNREGA-An Instrument of Employment Generation in Assam: An Empirical Study.

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### Abstract

*In Assam majority of the population live in rural areas and their main livelihood is agriculture. The incidence of poverty is more in rural areas than in urban areas. Our country will achieve development if the rural poverty is alleviated. Over the years the central Government has introduced various schemes to reduce poverty through employment generation. Mahatma Gandhi National Rural Employment Guarantee Act -2005 is an Indian labour law and social security measure that aims to guarantee the 'right to work.' This act was passed in 23 August 2005 under the UPA Government of Prime Minister of Dr. Manmohan Singh. This is the most important poverty alleviation programme as it guarantees 100 days of work after getting a job card. In this paper an attempt has been made to know the implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme. For this purpose primary data are collected from 27no. Sapartary Gaon Panchayat of Rampur Block in Kamrup district by selecting 50 sample respondents on the basis of simple random sampling technique. The study found that MGNREGS has been able to generate employment in the rural areas and hence reduced the problem of poverty to some extent.*

**Keywords:** Rural poverty, Alleviation, Employment.

### I. Introduction:

In Assam majority of the people live in rural areas and their main livelihood is agriculture. The incidence of poverty is much higher in rural areas than in urban areas. The income levels of the rural people are very low. In rural areas mainly seasonal and disguised unemployment are prevailed. The main causes of such unemployment are due to heavy pressure of population on agriculture and due to lack of diversification of agriculture. Unemployment creates the problem of poverty. In order to reduce poverty, several poverty alleviation measures are introduced by the Central Government over the years. As a result, poverty has been reduced but still a large numbers of people are living below the poverty line i.e, they are deprived from the basic necessities of life. Thus,

MGNREGS- a centrally sponsored scheme is a flagship rural development scheme which provides a legal guarantee for 100 days of work in each financial year to adult members of rural households willing to do unskilled manual work. The scheme has multiple aims such as social and livelihood security, poverty alleviation, increasing rural consumption, creation of durable assets for rural development and environment protection, social inclusion and strengthening Panchayati Raj System. It also helps the rural poor people to avoid hunger, cope with illness, avoid migration and improve their health status. MGNREGA jobs include water conservation and water harvesting, afforestation, minor irrigation, horticulture and land development, creation of new ponds and road construction. In this paper, an attempt has been made to analyse how far this Act has been able to create employment in rural areas in Assam through which poverty is reduced.

### Evolution of MGNREGA:

After Independence of India, Economic Planning was adopted in our country. Third Five year plan (1961-66) advocated the need to provide 100 days of employment. In 1972, Maharashtra introduced Employment Guarantee Scheme (EGS). In 1980's Central government following Maharashtra introduced National Rural Employment Programme (NREP) in 1980 and Rural Landless Employment Guarantee Programme (RLEGP) in 1983. Before this in 1978, Food for Work Programme (FWP) was launched. In 1990 NREP and RLEGP were merged into Jawahar Rozgar Yojana (JRY). In 2004, National Food for Work Programme (NFWP) was launched in 150 backward districts. National Rural Employment Guarantee Programme (NREGP) bill was tabled in parliament on 18<sup>th</sup> August 2005. Thus, NREGA was enacted on 23<sup>rd</sup> August 2005 and from February 2006 the Act was made operational in 200 districts in India. Subsequently, by 2008 all districts were covered. On 2<sup>nd</sup> October 2009, NREGA has been renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Since its inception in 2006 to March 2015, MGNREGS has generated

1,848 crore mandays for which Rs.2,86,870 crore has been disbursed directly on wage payments in India. In Assam 54,84,650 nos. job cards have been issued and out of total active cards are 36,72,555 nos. In addition, the programme has been widened so as to attain the goal of financial inclusion. Bank as well as post office savings bank accounts of around 10 crores have been opened in our country for the benefit of the poorer section of the society.

## II. Reviw Of Literature:

Mukherjee, S and Ghosh, S (2009) had observed that inspite of many favourable factors, West Bengal's performance in the NREGS is not comparable to that of the best performing states. The study shows considerable inter block variations in the average number of persondays created per household and the utilization of NREGA Funds.

Khera, R & Nayak, N (2009) found 32 per cent women workers out of their sample survey in six north Indian states in 2008. Employment created under NREGA in India have had a significant impact on the lives of women and men workers. Serious problems remain in the implementation across the states.

Jeyashree, P et.al (2010) have examined that MGNREGS in the Thevarkulam Panchayat has made a positive contribution increasing social assets. But they have no significant impact on social and economic standards in the life of rural people and in generating employment to the rural poor. The benefits appear to be inadequate. This scheme provided only a temporary solution to the problem of poverty. Deepak, S and M. Sovna (2010) reported that the state of Maharashtra showed very poor performance in terms of issue of job cards to the registered households, low employment generation and payment of wages less than the minimum wage. S. Krishna & A. Balakrishnan (2004) have examined MGNREGA in India's policy and programme commitment to achieve Millennium Development Goals and efforts are towards total eradication of poverty by 2015. Even though there are some problems, MGNREGA is the most successful poverty eradication programme introduced in India. It provides money in the hands of poor and particularly to women. Gurukalyana, R (2013) found that the concerned Ministry is increasing the operational capacity at the Gram Panchayat level for providing positive impact on gender and women empowerment. Roy, R.P (2014) observed that 38 per cent of India's population is poor. Hence, rural poverty is largely a result of low productivity and unemployment. In order to alleviate rural poverty by

generating employment and creation of sustainable assets in rural India, Government of India brought in the Flagship Programme called MGNREGA 2005. Kareemull, K et.al (2009) had observed on rural livelihoods and soil and water conservation (SWC) works. NREGS is under implementation in almost all rural districts of the country with the major objective of enhancing livelihoods through productive works. The above studies show that a number of research works were undertaken by the different researchers in different parts of India on different times to examine the effectiveness of MGNREGS in alleviation of rural poverty and generation of employment. But no such work is found in Assam and therefore an attempt has been made to analyse the role of MGNREGA in the economy of Assam.

## Objectives of the Study:

The main objectives of the study are:

1. To know the features of MGNREGA.
2. To analyse the role of the scheme in alleviation of poverty in rural areas by generating employment.
3. To provide some suggestion for the better implementation of MGNREGA.

## III. Methodology

The study is based on both primary and secondary data. Secondary data are collected from different articles, journals, research papers, reports and related websites.

In order to collect primary data, samples are collected from 27 no. Sapartary Gaon Panchayat which belongs to Rampur Block of Kamrup District. This Panchayat is constituted with 13 revenue villages. Till 2020 March, Sapartary Gaon Panchayat issued 2,165 job cards to rural households. For sample collection the researcher selected five revenue villages and from each village 10 samples are collected on the basis of simple random sampling technique. Thus, the total sample size is 50. Primary data are collected through interview with the help of structured questionnaire. The primary data collected through interview are analysed by using percentages.

The important features of MGNREGA are:

1. The Act provides legal right to rural households to claim 100 days of work per year at prescribed wage rate.
2. The applicants should get job within 15 days of making such claim. Otherwise, compensation in the form of unemployment allowance should be given.

3. One-third beneficiary must be women.
4. The job card holders should get job within 5 k.m. from their house.
5. MGNREGA is a self-targetting scheme i.e, whoever demand the job should get wihin 15 days of application for the job.
6. Wage rate varies among different states of the country. The average wage rate is Rs.210/.
7. Direct payment is given to the bank accounts of beneficiaries.

8. Funding is shared between the centre and the states.
9. 60:40 is the ratio of labour and material in works undertaken.

**Data Analysis and Interpretation:**

Age is one of the most important variables in determining the working capacity. Following table shows the age of the respondents.

**Table 1: Age of the Respondents.**

Age	No. of Respondents	Percentage(%)
Below 30	12	24
30-40	25	50
40-50	10	20
50 and above	03	06
Total	50	100

Source : Field Survey.

The above table shows that most of the job card holders belong to the age group of 30-40. In the Act there is the provision that no person below 18 years of age can not apply for job. People below 30 years prefer to work in some other areas due to low wage rate prevailing in MGNREGA. Hence the

young people want to do skilled work whereas the job under the Act required only unskilled manual work. Most of the respondents i.e., 50 per cent of the samples belong to the age group of 30-40. Only 6 per cent people belong in the age group of 50 and above.

**Table-2: Gender of the Respondents**

Gender	No. of Respondents	Percentage (%)
Male	37	74
Female	13	26
Total	50	100

Source Field Survey

It has been found that 74 per cent of the respondents are male and only 26 per cent are female. According to MGNREGA one-third of the beneficiary should be women. Thus, from the field investigation it has been found that less than one-

third women have got job opportunity. Participation of women in works under MGNREGS have increased their economic status and also in the process of decision making process to run a family.

**Table-3: Education of the Respondents**

Literacy&Education	No. of Respondents	Percentage (%)
Illiterate	15	30
Primary	25	50
Secondary	10	20
Graduate and above	0	0
Total	50	100

Source: Field Survey

Table-3 highlights the educational status of the respondents. 30 per cent of the sample respondents are illiterate and most of the job card holders i.e., 50 per cent have got only primary education. Only 20 per cent have achieved secondary education. There are no graduate people

among the job card holders. Education increases awareness among people. Since many people are still illiterate, so they find difficulties in getting information relating to the benefits of any scheme provided by the government.

**Table-4:** Satisfaction with Wage

Level of Satisfaction	No. of Respondents	Percentage (%)
Yes	22	44
No	28	56
Total	50	100

Source: Field Survey

Wage rate varies across different states of the country. In Assam the wage rate of the job card holders have increased from Rs.213/ in 2020-2021 to Rs. 224/ in 2021-2022. In Haryana the wage rate per day is Rs.309/, in Sikkim it is Rs.308/, in Bihar it is only Rs. 194/ and in Chattisgarh it is Rs. 190/ as per the data published in the India Gazette of India. Thus the wage rate prevailing in Assam is

lower than some other states but higher than Bihar and Chattisgarh. 56 per cent of the sample respondents are not satisfied with the wage rate given in the scheme whereas 44 per cent viewed that they are satisfied with the wage rate as they have got some work due to the schemes rather than to remain unemployment.

**Table-5:** Timely Available of Fund

Available on Time	No. of Respondents	Percentage(%)
Yes	27	54
No	23	46
Total	50	100

Source: Field Survey

It has been revealed from the above table that 54 per cent of sample respondents have availed fund timely whereas 46 per cent of sample

respondents have not got the fund on time. Due to delay in Fund allotment, the job card holders have to face some difficulties.

**Table-6:** Financial Inclusion

Bank Accounts	No.of Respondents	Percentage(%)
Yes	50	100
No	0	0
Total	50	100

Source: Field Survey

From field investigation, it has been cleared that 100 per cent sample respondents have bank accounts in their name. Wages are directly transferred in their accounts. Without bank

accounts people are not qualified for job card. Thus, MGNREGS has helped the rural people in financial inclusion.

**Table-7:** Generation of Employment

Generate Employment	No. of Respondent	Percentage(%)
Yes	32	64
No	18	36
Total	50	100

Source: Field Survey

MGNREGS is a flagship programme adopted by the government to reduce unemployment especially in rural areas by providing employment opportunities. From field survey it has been found that 64 per cent of the respondents are the opinion that the scheme has reduced poverty by creating employment. But 36 per cent opined that since the wage rate is minimum and as the price level of all goods are

high so, it has not been able to reduce poverty to desired extent. If they do not derive goods through public distribution system, the scheme alone will not be helpful in reducing poverty.

#### IV. Findings

Some of the major findings of the study are-

- a) Majority of the sample respondents i.e., 50 per cent belongs to the age groups of 30-40 years.

- b) 74 percent of the sample respondents are male and 26 per cent are female. It implies that females also get job opportunities under this scheme.
- c) Wage rate varies from state to state. In Assam it is Rs.224/ as in 2021-22. Most of the sample respondents are not satisfied with the wage rate given in the Act.
- d) 50 per cent of the sample respondents have only primary education and 30 per cent are illiterate. Due to low level of education, rural people are not fully aware about the facilities provided by the government.
- e) MGNREGS has helped in financial inclusion by 100 per cent as they have bank accounts.
- f) The scheme has been able to reduce poverty by generating employment to some extent in the rural areas.

#### V. Suggestions:

To achieve the main objectives of the MGNREGS following suggestions are provided:

- a) Awareness should be created among the rural people so that they can get the proper information about government schemes.
- b) More importance should be given on imparting education to the illiterate people. Because education helps in collecting information and to claim their rights.
- c) Corruption should be reduced in allocating funds.
- d) The job card holders should be aware so that no middleman can deceive them.
- e) Wage rate should be increased as the prices of essential goods are very high.
- f) There should be proper investigation from the district level to know the proper utilization of the funds.

#### VI. Conclusions:

After Independence, during different five year plans Government of India has adopted a number of schemes to alleviate poverty through generation of employment especially in rural areas because most of the people of our country live in rural areas. Among those schemes MGNREGS is the most popular scheme as it guarantees 100 days of employment to the unemployed and unskilled people in rural areas. Thus, the scheme has helped temporarily to solve the problems of rural poverty. Number of people living below poverty line has decreased over the years. It has found that the sample respondents are not so much educated and aware about different schemes provided by the government. So, awareness should be created

among the rural people so that the middleman and the contractors do not get the opportunity to deceive them. MGNREGS has helped people to bring them under financial inclusion as the wages are now transferred directly in their bank accounts.

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