

# Impact of MGNREGA on Rural Poor: A Case Study of Panchrukhi Block, District- Kangra, Himachal Pradesh

Guru Swarup<sup>a</sup> and Jitender Kumar Tiwari<sup>b</sup>

<sup>a</sup>*V.P.O –Kandbari, Tehsil – Palampur, District – Kangra, H.P. (176061), India.*

<sup>b</sup>*Chankyapuri, Ghuggar, Palampur, District-Kangra, H.P(176061), India.*

**Abstract:** Indian economy is growing at rapid pace but more than one fourth of rural population found to be below poverty line due to fluctuations in employment, shrinking employment opportunities, and low wage rates. Government of India (GoI) has been introducing a number of wage employment programmes. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is among one of them. The Indian Parliament has passed MGNREGA act in 2005, which came into force in February 2006. MGNREGA evidently indicate increase in employment opportunities, and market wage rates and reduction in distress migration in many parts of the country. This paper is an attempt to study the impact of MGNREGA on the life style of rural poor. The study is confined to 6 panchayats Shimbal khola, Tikker, Tatehal, Biara, Ladoh and Rajot of Panchrukhi block, District Kangra, H.P. The study is based on both primary and secondary data. The main findings of the study are most of the people think that MGNREGA is helpful in the development of the village, most of the people are not aware about the process and practices under MGNREGA Scheme, most of the people are not aware of how much money is coming from the block level and how much is used in the public works, most of the people think that the earning in terms of wages through MGNREGA is helping in the financial upliftment of the life styles of the people. As far as corruption is concerned in MNREGA people are almost of the same opinion. People are of the mixed opinion that corruption exists in MGNREGA as well as there is no point of corruption in MGNREGA.

Keywords: MGNREGA; rural poor; employment; wages; villages; corruption.

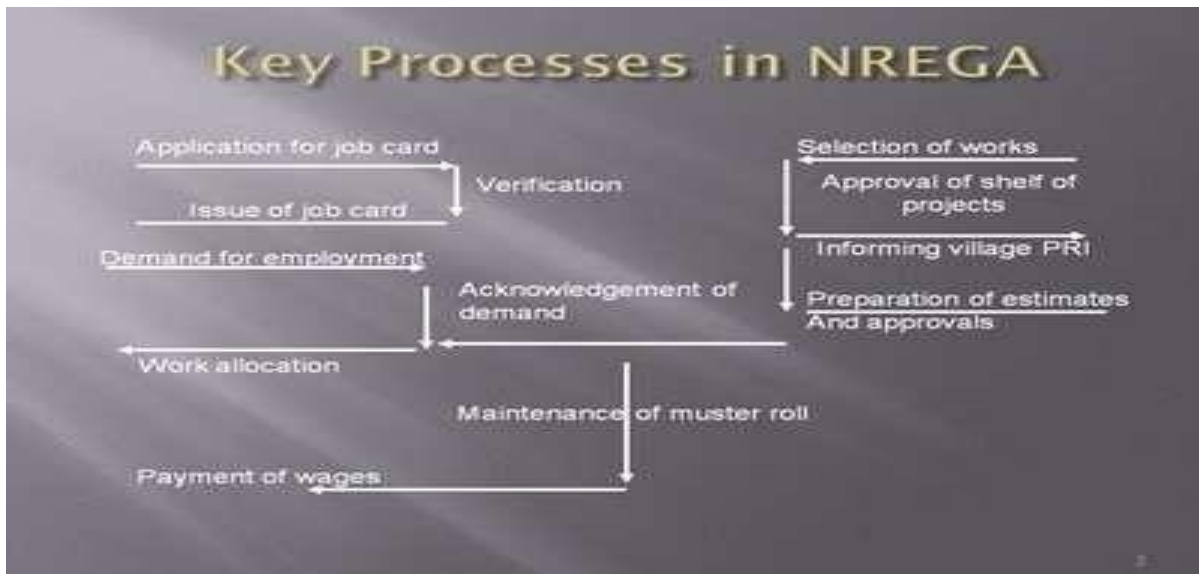
© 2013 Journal of Management and Science. All rights reserved

## 1. INTRODUCTION

This Act came into force on February 2, 2006. The twin objectives of the Act are augmenting wage employment and strengthening natural resource management. As per the National Rural Employment Guarantee Act, job cards are issued to the rural unskilled labour by guaranteeing work for 100 days in a financial year at a minimum daily wage of Rs.138. It is the largest programme in the world for rural reconstruction. The scheme covered 604 districts in India in three phases and provided employment opportunities for more than 4.47 crore households in 2008-09. The total outlay for the scheme is \$8 billion during 2009-10. NREGA creates transparency and accountability in governance. All NREGA beneficiaries now have accounts with banks or post offices. The scope of the programme is limited to unskilled manual labour. The scope can be extended through increased land productivity. Land productivity can be maximized through better convergence of NREGA with other programmes. Sustainable development is the ultimate goal of NREGA.

M.S. Swaminathan, Father of Green Revolution in India argues that there is a synergy between National Food Security Act and NREGA. NREGA through its diversified programmes on human development helps to ensure food security for all. It is the realisation of Gandhi's dream to make India self-sufficient. It was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed on 2 October 2009. The scheme has now been renamed as Mahatma Gandhi Rural Employment Guarantee Act. Gandhiji thought us how unskilled manual labour can be made use of for the betterment of society. This act was introduced with an aim of improving the purchasing power of the rural people, primarily semi or un-skilled work to people living in rural India, whether or not they are below the poverty line. Around one-third of the stipulated work force is women. The government is planning to open a call center, which upon becoming operational can be approached on the toll-free number, 1800-345-22-44.

## HOW MNNREGA WORKS?



**HOW CAN ONE APPLY FOR WORK** - To get employment the registered adult holding a Job Card should ask for work through an application on a plain paper in writing to the Gram Panchayat or Programme Officer (at Block level) and ask for a dated receipt of application.

**WHEN CAN ONE GET EMPLOYMENT** - Within 15 days of submitting the application or from the day work is demanded, employment will be provided to the applicant.

**WHO WILL ALLOT EMPLOYMENT** -Gram Panchayat or the Programme Officer, whoever has been requested

**HOW WILL ONE KNOW THAT HE HAS GIVEN EMPLOYMENT** -Applicants are to be communicated where and when to report for work within 15 days, through a letter sent by the Gram Panchayat/ Programme Officer. There will also be a public notice displayed on the notice board of the Gram Panchayat and at the office of the Programme Officer at the Block level, providing information on the place, date and the names of those provided employment. Wages are to be paid every week, or in any case \_not later than a fortnight after the date on which such work was done'. A proportion of the wages in cash may be paid on a daily basis. Within 5 km of applicant's residence. If employment is provided beyond 5 km radius of the applicant's residence then he/she is entitled to 10% additional wages towards transport and living expenses. If some persons are directed for work beyond 5 kilometres, then persons older in age and women shall be given preference for work on worksites nearer to the village.

**WHAT HAPPENS WHEN EMPLOYMENT IS NOT GIVEN TO ELIGIBLE PERSONS** - If the eligible applicant does not get employment within 15 days of the demand for work or the date from which he sought work (date of submitting application), he shall be provided unemployment allowance as per terms and conditions laid down.

**Allowance rate:** The rate of unemployment allowance will be 25% of the wage rate for the first 30 days and 50% of the wage rate after that during the financial year subject to the household entitlements of days of employment.

Progress of Work Execution of Panchrukhi block in Financial year 2012-2013-

S.No	Panchayats	Spill Over Works				Work Approved in Current Year	Work Take Up In Current Year			Work Completed In Current Year		
		from Fin. Year 2009-2010 and earlier	from Fin. Year 2010-2011	from Fin. Year 2011-2012	Total		Approved In Previous Year	Approved In Current Year	Total	Spill Over Work Completed in Current Year	Approved and Completed in Current Year	Total
1	AGOJAR	2	2	7	11	6	3	5	8	4	0	4
2	ANDRETA	1	1	3	5	7	8	7	15	3	0	3
3	BADEHAR	0	0	10	10	8	6	8	14	7	0	7
4	BANOORI KHAS	0	0	11	11	6	1	6	7	4	0	4
5	BHARWANA	1	1	6	8	8	0	8	8	0	0	0
6	BHIRDI	1	9	5	15	11	6	11	17	2	1	3
7	BHUANA	1	2	10	13	12	6	12	18	11	3	14
8	BHULANA	1	2	7	10	5	4	5	9	5	0	5
9	BIYADA	0	0	4	4	9	8	9	17	0	1	1
10	CHADHIYAR	1	1	9	11	14	3	14	17	6	0	6
11	CHANDROPA	6	3	10	19	14	10	14	24	17	6	23
12	CHHEK	3	4	13	20	18	14	18	32	4	1	5
13	DAROOG	0	3	15	18	16	5	15	20	14	3	17
14	DIYOGRA	3	1	6	10	3	1	3	4	5	0	5
15	GADYARA	3	1	9	13	9	2	9	11	2	1	3
16	JANDPUR	2	0	5	7	6	6	6	12	3	0	3
17	KAILASHPUR	10	4	7	21	1	10	1	11	11	0	11
18	LADOH	4	2	5	11	6	0	6	6	9	4	13
19	MAKOL	0	0	6	6	10	1	9	10	1	0	1
20	MOLI CHAK	0	0	7	7	5	14	5	19	7	1	8
21	MUHAL BANOORI	3	12	3	18	0	0	0	0	6	0	6
22	MUHAL HOLTA	0	0	8	8	9	1	9	10	6	3	9
23	NAURI JHIKLI	3	0	4	7	8	5	8	13	4	0	4
24	PATHIYARKAR	1	0	10	11	16	1	15	16	10	1	11
25	RAJOT	2	2	6	10	4	0	4	4	2	4	6
26	RAJPUR	8	4	6	18	2	0	2	2	14	0	14
27	RAKKER BHERI	0	1	5	6	1	4	1	5	0	0	0
28	SAGOOR	0	1	4	5	5	4	5	9	2	0	2
29	SALYANA	2	4	2	8	5	1	5	6	1	0	1
30	SIMBEL	2	2	12	16	11	1	9	10	4	0	4
31	SIMBEL KHOLA	2	1	1	4	4	1	4	5	3	0	3
32	SUNGAL	0	0	14	14	9	3	9	12	9	0	9
33	TANDA	11	21	4	36	0	0	0	0	25	0	25
34	TAREHAL	0	0	10	10	10	5	10	15	6	6	12
35	TATEHAIL	21	4	4	29	7	2	7	9	25	1	26
36	TIKKER KHAS	1	1	2	4	4	8	4	12	3	1	4
37	VAND VIHAR	0	0	14	14	4	5	4	9	7	1	8
	Total	95	89	264	448	273	149	267	416	242	38	280

2. **REVIEW OF LITERATURE** – A number of literature based on empirical studies are available on the role of MGNREGA in achieving livelihood security and promoting sustainable development. These studies depicts that MGNREGA programme has shown mixed results so far in whole rural area.

Dattar 1987 found that employment guarantee scheme supplies core income to many women and that this economic power accorded them higher status within the family. Concentrating a large number of women in one place can increase interaction, break down social taboos, expand social awareness and instil confidence in women.

**Wage:** - Many research works have done on wage system in MGNREGA scheme like (Anindita et.al 2010), (Anish Vanaik et.al 2008), (CAG 2008), (Siddhartha et al 2008), (NCAER 2009), (Kidambi somya). MGNREGA has a demand driven Scheme so under this scheme part of funds 60% expended on wages but due to irregularities in some cases work has been completed but wages have not been given to beneficiaries. Payments of wages through bank are another safe guard of this scheme but due to corruption and irregularities wage has been not received by beneficiaries.

Hirway et al. (2006) finds that there is limited success towards the implementation of the scheme. Ghuman et al. (2008) says that the achievement of the Act in terms of annual average days of employment per household has been nearly 1/4th of the minimum 100 days employment.

Joshi et al. (2008), the impact of the study reveals that people at large are satisfied with the scheme. Ministry of Rural De velopment (2008) opines that the monitoring and implementation of MGNREGA

has problem in many states. RTBI (2009) the program remained true to its 'right to work' entailments and did not counsel hous eholds that approached for works with better living standards.

3. **OBJECTIVES OF THE STUDY** - The paper is attempted with main objectives to study the impact of MGNREGA in society.

1. To study the impact of MGNREGA on the life style of rural poor.
2. To study what people feel about usage of funds provided to their panchayats or blocks.
3. To know about that MGNREGA is helpful in development of village or not.
4. To study about the perception of people regarding corruption in MGNREGA.

4. **NEED OF STUDY** - As MGNREGA is among one of the top most employment generating schemes in India and a lot of money is involved in this for the benefit of the poor that is why it becomes very important to know about the proper functioning of the scheme so that the corruption and such things can be avoided and the people should get maximum benefit out of it. So, the study of the topic is very important and highly needful.

5. **RESEARCH METHODOLOGY** – The study is conducted in 6 panchayats Shimbal khola, Tikker, Tatehal, Biara, Ladoh and Rajot of Panchrukhi block, Dstrict Kangra, H.P. The study is based on both primary and secondary data. The primary data is collected through set of 100questionnaire's and secondary data is collected through published books and reports. The primary data as per the requirement of the objectives of the study has been analysed with appropriate methodology.

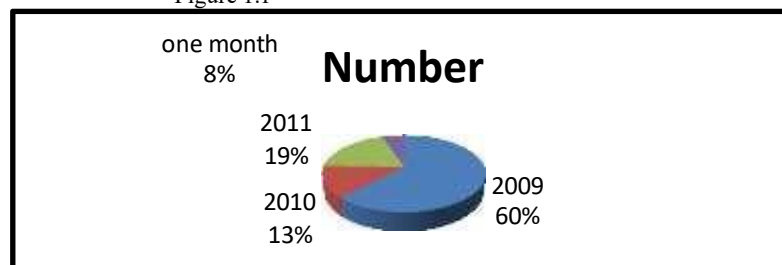
## 6 RESULTS/INTERPRETATION OF DATA-

### 6.1. Since when you have been employed under MGNREGA.

Table 1.1

2009	2010	2011	One month	Total
60	13	19	8	100

Figure 1.1



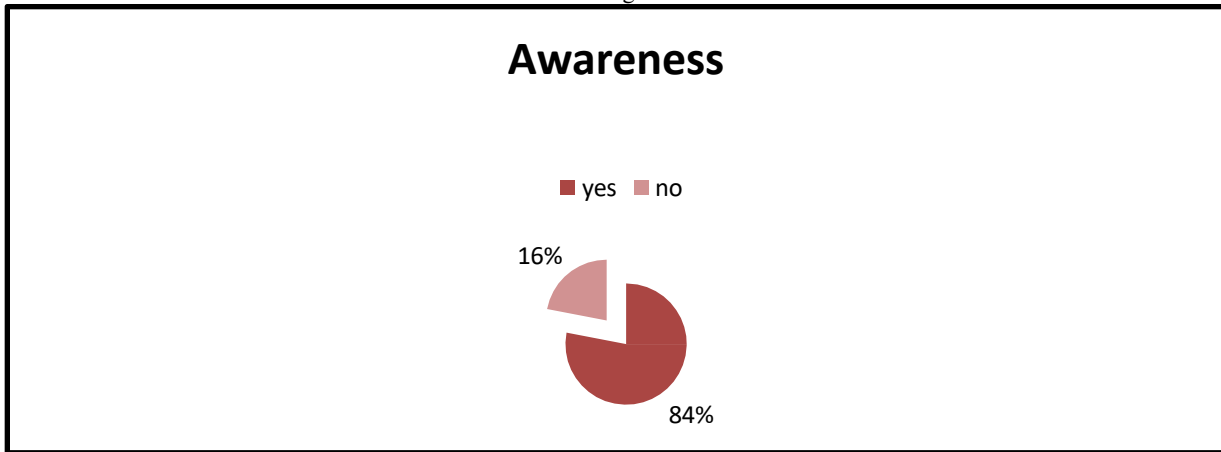
**INTERPRETATION-** It is found that 60% respondents are working under MGNREGA since 2009, 13% respondents working since 2010, 19% since 2011, 8% respondents working since last one month

## 6.2. Are you aware of the processes and practices of MGNREGA?

Table 1.2

Yes	No	Total
16	84	100

Figure 1.2



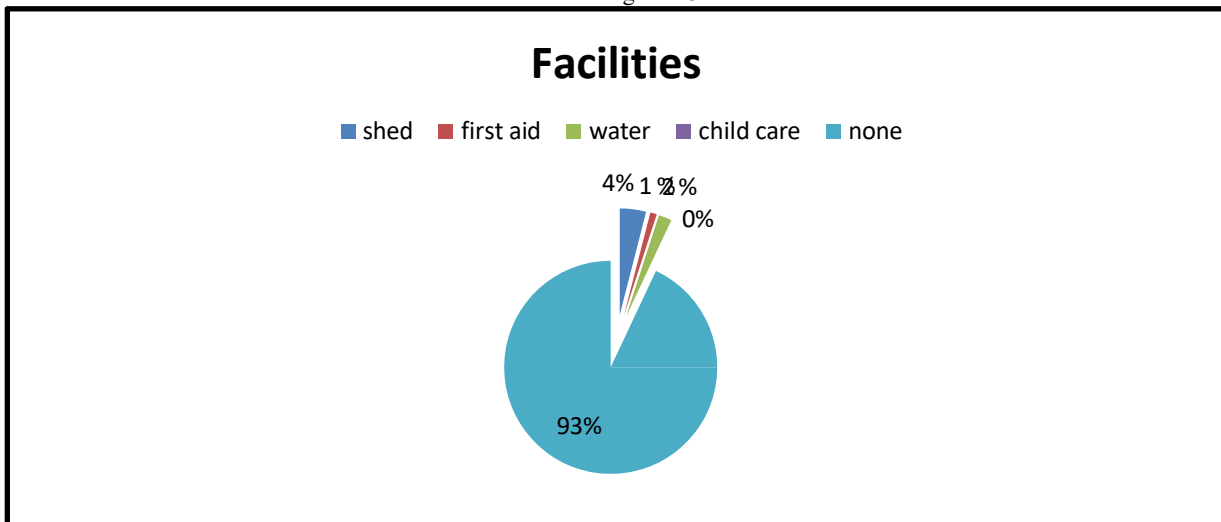
**INTERPRETATION-** In this pie chart it is very much clear that 16% respondents are aware about process & practices of MGNREGA and 84% are unaware.

## 6.3. Do you have the following facilities available at the work site?

Table. 1.3

Shed	First aid-kit	Water	Child care	None	Total
4	1	2	0	93	100

Figure 1.3



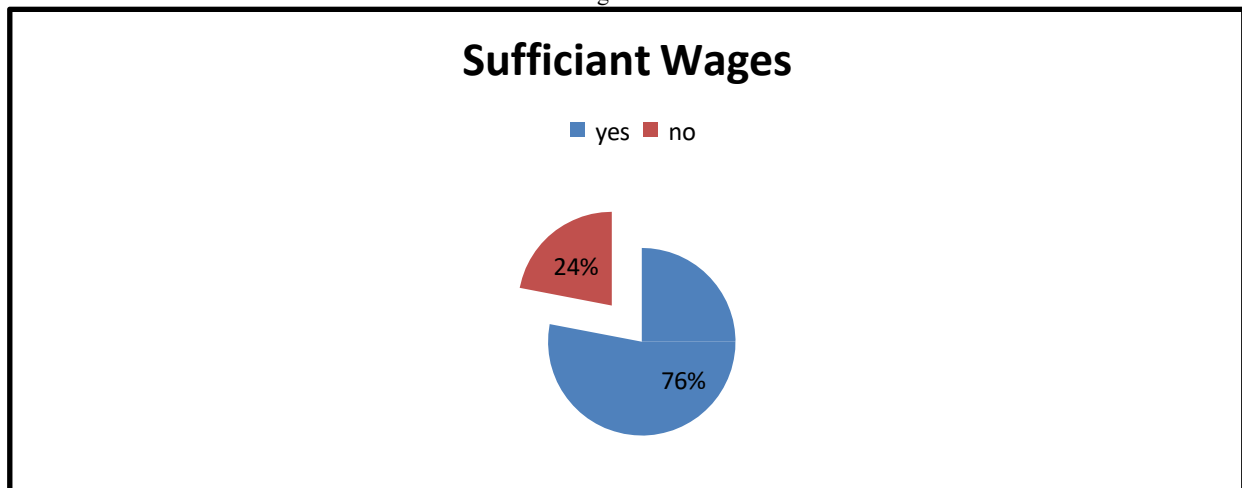
**INTERPRETATION-** In this pie chart it is very much clear that 4% respondents said they have shed facilities. 1% respondents agreed for first aid-kit, 2% respondents agreed for drinking water, 92% respondents said they don't have any of the above said facilities.

## 6.4. Do you think wage from MGNREGA has added sufficiently to your family?

Table. 1.4

Yes	No	Total
76	24	100

Figure 1.4



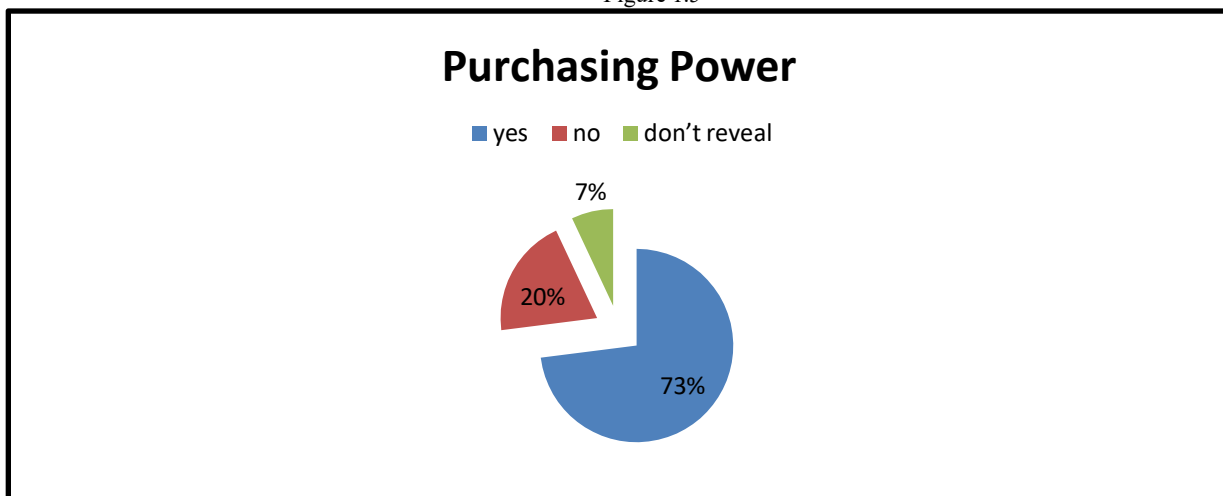
**INTERPRETATION-** In this pie chart it is very much clear that 76% respondents feel that MGNREGA wages have added sufficient to their family.

**6.5. Do you feel that in the last two year or less you have been able to enhance your ability to purchase or own any new asset in your family?**

Table 1.5

Yes	No	Don't want to reveal	Total
73	20	7	100

Figure 1.5



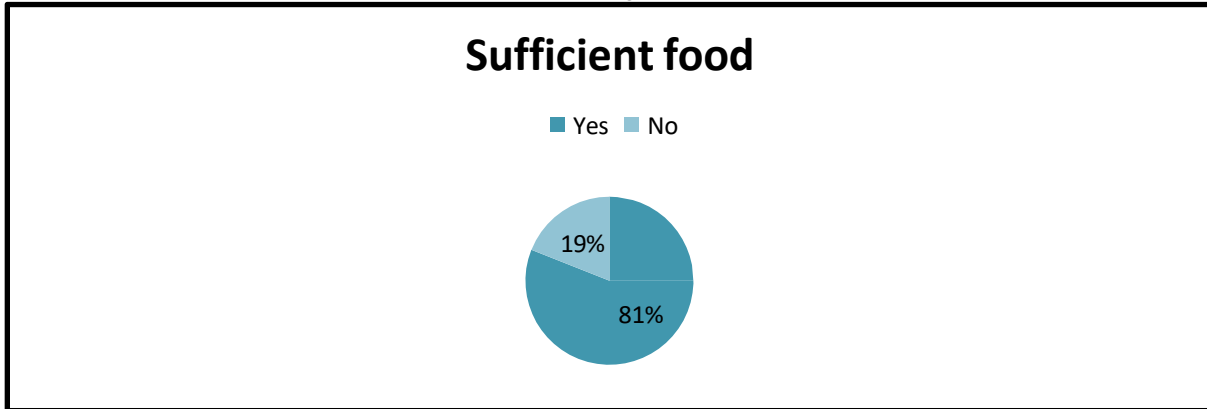
**INTERPRETATION-** In this chart it is clear that 73% respondents have been able to enhance their purchasing power in last two years.

**6.6. Whether you feel comfortable in having sufficient food after working in MGNREGA?**

Table 1.6

Yes	No	Total
81	19	100

Figure 1.6



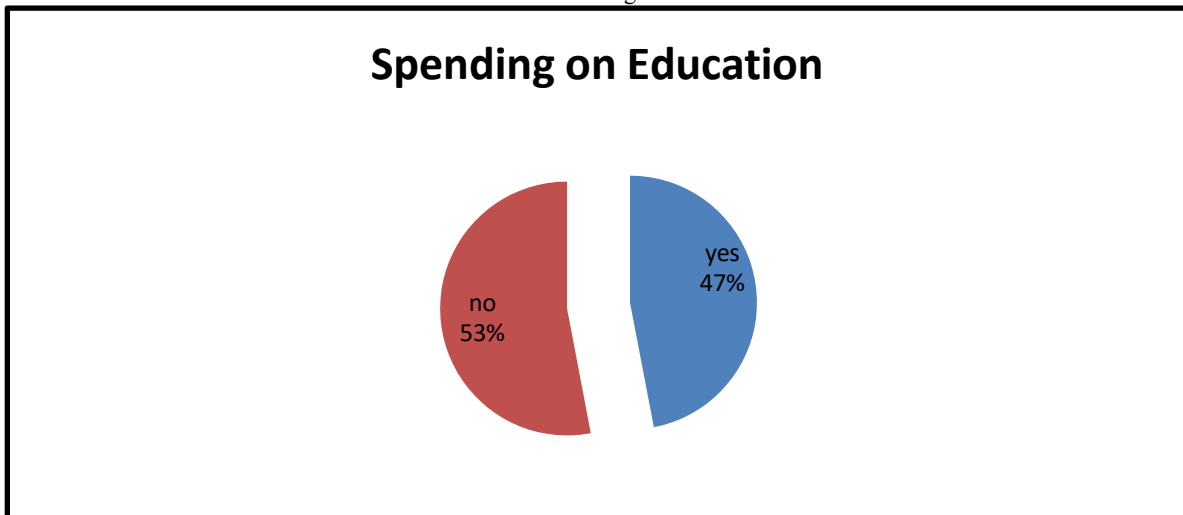
**INTERPRETATION-** In this pie chart it is very much clear that 81% respondents having sufficient food after working in MGNREGA.

**6.7. Are you able to spend more on your childrens education after working in MGNREGA?**

Table 1.7

Yes	No	Total
47	53	100

Figure 1.7



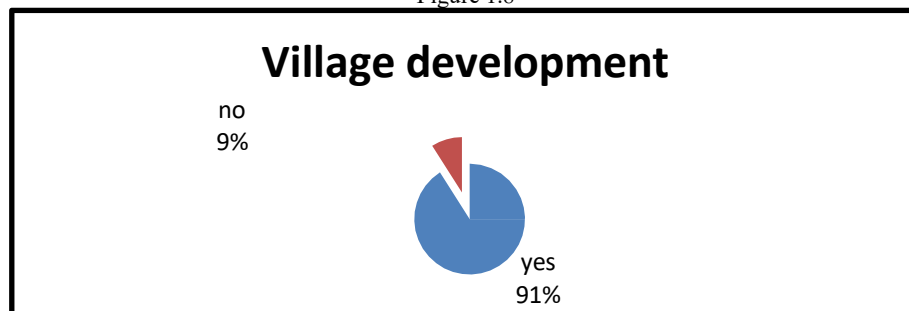
**INTERPRETATION-** In this pie chart it is very much clear that 53% respondents are not able to spend more money on children's education.

**6.8. Do you feel MGNREGA is helpful in the development of village?**

Table 1.8

Yes	No	Total
91	9	100

Figure 1.8



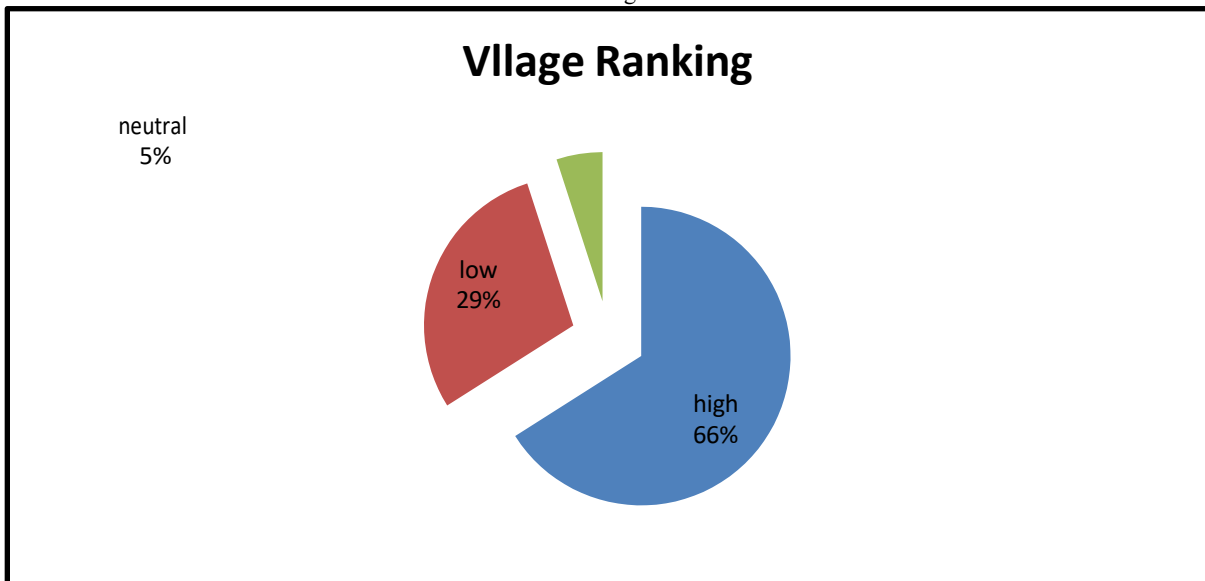
**INTERPRETATION-** In this pie chart it is very much clear that 91% respondents feel that MGNREGA is helpful in the development of village.

**6.9. Rank the development of village before MGNREGA?**

Table 1.9

High	Low	Neutral	Total
66	29	5	100

Figure 1.9



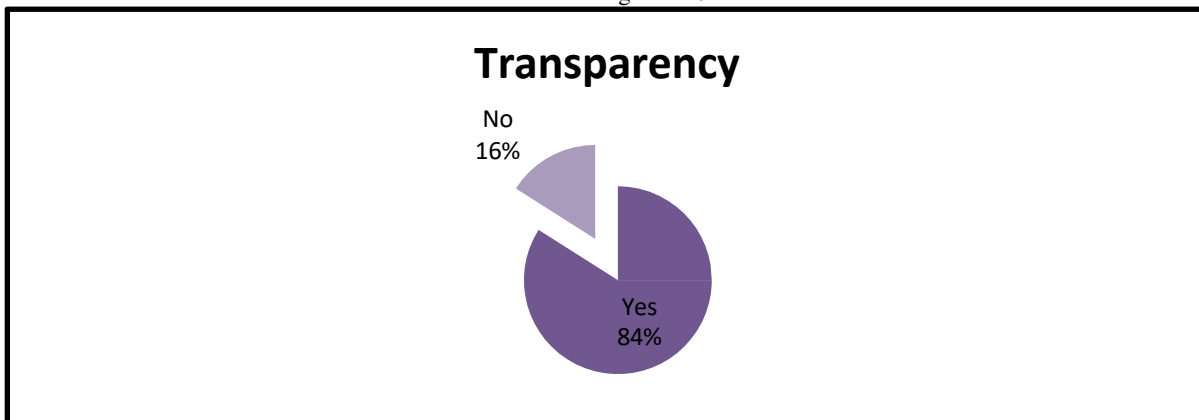
**INTERPRETATION-** In this pie chart it is very much clear that 66% respondents feel that the development of village after MGNREGA is high.

**6.10. Do you think funds are actually spent on the actual reason or just being shown a cause just to get funds and the cause never really existed?**

Table 1.10

Yes	No	Total
84	16	100

Figure 1.10



**INTERPRETATION-** In this pie chart it is very much clear that 84% respondents feel that funds are actually spent on the cause being shown.

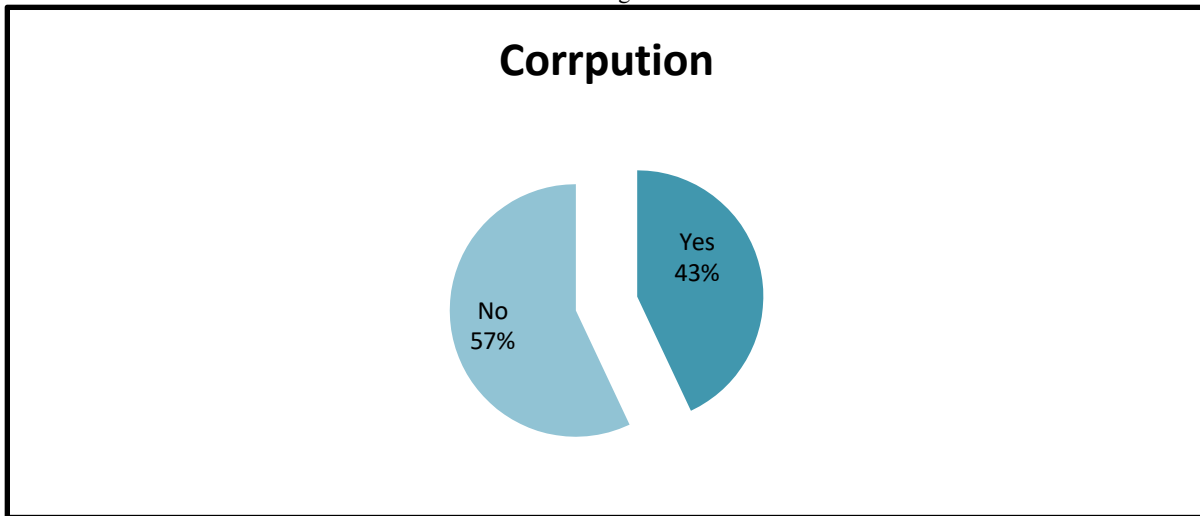
**6.11. Do you feel that there is corruption in MGNREGA?**

Table 1.11

Yes	No	Total
43	57	100



Figure 1.11



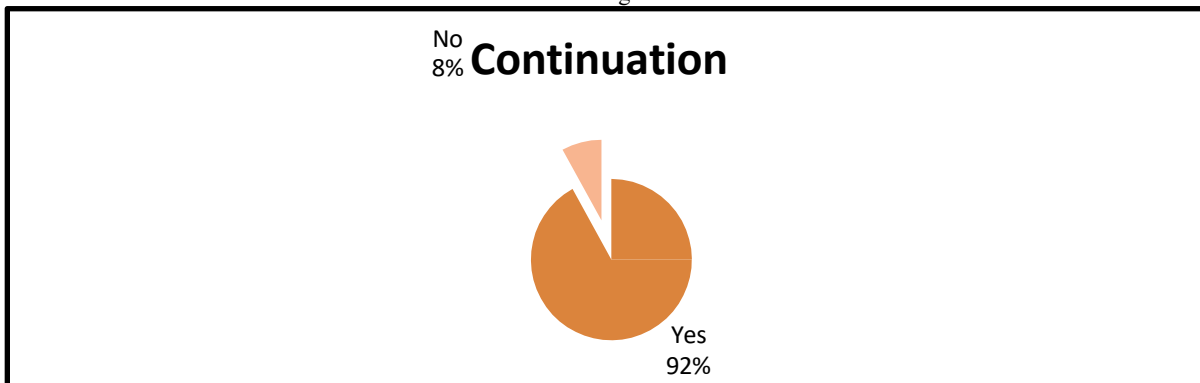
**INTERPRETATION-** In this pie chart it is very much clear that 43% respondents feel that there is corruption in MGNREGA.

**6.12. Do you think that MGNREGA scheme should be continued in the days to come?**

Table 1.12

Yes	No	Total
92	8	100

Figure 1.12



**INTERPRETATION-** In this pie chart it is very much clear that 92% respondents feel that MGNREGA should be continued in future.

**7. FINDINGS OF THE STUDY-**

- Most of the People were employed from 2009 under MGNREGA Scheme.
- Most of the people think that MGNREGA is helpful in the development of the village.
- Majority of people feel that there is no corruption in MGNREGA Scheme.
- Most of the people are not aware about the process and practices of MGNREGA Scheme.
- Most of the people are not aware of how much money coming from the block and how much is spent.
- Most of the people think that wage from MGNREGA is added sufficiently to their family.
- Most of the people think that MGNREGA scheme should be continued in the days to come.

**8. CONCLUSION -** This study on MGNREGA Scheme is done to know the process and practice used in MGNREGA Scheme.

- During study it is found that basic required facilities are not available at the work site.
- Most of the people feel that corruption prevails in MGNREGA scheme.
- If proper measures are taken this scheme will do more in future.

**9. RECOMENDATIONS AND SUGGESTIONS-** For the proper functioning of the scheme following Recommendations and Suggestions are there:

- Arrangements should be made to make proper check on working of the scheme
- Suitable Basic facilities should be provided to the workers.
- To create awareness among the people connected with scheme.
- Provisions are made for the transparency of the scheme.
- Vocational trainings should be provided to needed persons.

**10. REFERENCES/SITES-**

- [1] Adhikari, Anindita and Kartika Bhatia (2010), '\_NREGA Wage Payments: Can We Bank on the Banks?' Economic & Political Weekly, 45(01):30-37.
- [2] Dattar, Chhaya (1987) Maharashtra Employment Guarantee Scheme, Mumbai: Tata Institute of Social Sciences.
- [3] Ghuman, Ranjit Singh & Perminder Kaur Dua (2008) – '\_MGNREGA and Rural Employment in Punjab: An Evaluation Study of Hoshiarpur District', Paper presented at the conference on Employment Opportunities and Public Employment Policy in Globalising India' organised by CDS during April, 3-5.
- [4] GOI, Ministry of Rural Development (2008) – '\_Performance Audit of Implementation of National Rural Employment Guarantee Act MGNREGA', Performance Audit Report No. 11 of 2008, Pp.1-57.
- [5] Hirway, Indira, et al. (2006) – '\_Concurrent Monitoring of National Rural Employment Guarantee Act - Feedback from the Field', Centre for Devt. Alternatives, Ahmedabad (October), Pp: 5-6.
- [6] Joshi, Varsha et al. (2008) – '\_Evaluation of MGNREGA in Rajasthan', Institute of Development Studies, Jaipur, September
- [7] RTBI (2009) - '\_Evaluation of National Rural Employment Guarantee Act (MGNREGA) in Tamil Nadu', IITM's, Rural Technology & Business Incubator (RTBI), Indian Institute of Technology, Madras, Pp-1-115.
- [8] Siddhartha and Anish Vanaik (2008), '\_CAG Report on NREGA: Fact and Fiction', Economic & Political Weekly.
- [9] Vanaik, Anish and Siddharth (2008), '\_Bank Payments: End of Corruption in NREGA?', Economic & Political Weekly.
- [10] <http://nrega.nic.in/netnrega/WriteReadData/Circulars/DeogarhCensusRpt.pdf>
- [11] [http://en.wikipedia.org/wiki/Mahatma\\_Gandhi\\_National\\_Rural\\_Employment\\_Guarantee\\_Act](http://en.wikipedia.org/wiki/Mahatma_Gandhi_National_Rural_Employment_Guarantee_Act)
- [12] [http://nrega.nic.in/netnrega/homestcity.aspx?state\\_code=13&state\\_name=HIMACHAL+PRADESH&Digest=hB5OLre0BMATGiifG8ViXA](http://nrega.nic.in/netnrega/homestcity.aspx?state_code=13&state_name=HIMACHAL+PRADESH&Digest=hB5OLre0BMATGiifG8ViXA)
- [13] [http://nrega.nic.in/netnrega/citizen\\_html/wrk\\_spill.aspx?page=B&lflag=local&state\\_name=HIMACHAL+PRADESH&state\\_code=13&district\\_name=KANGRA&district\\_code=1304&Block\\_code=1304012&block\\_name=Panchrukhi&fin\\_year=2012-2013&Digest=8XP+3Jda3z7fB+Zzq8iKMw](http://nrega.nic.in/netnrega/citizen_html/wrk_spill.aspx?page=B&lflag=local&state_name=HIMACHAL+PRADESH&state_code=13&district_name=KANGRA&district_code=1304&Block_code=1304012&block_name=Panchrukhi&fin_year=2012-2013&Digest=8XP+3Jda3z7fB+Zzq8iKMw)
- [14] [http://nrega.nic.in/netnrega/writereadData/Circulars/MGNREGA\\_SAMEEKSHA.pdf](http://nrega.nic.in/netnrega/writereadData/Circulars/MGNREGA_SAMEEKSHA.pdf)

\*\*\*\*\*