



Impact Of MGNREG Scheme On Rural Development

(A Case Study on Ananthapuramu Districts, A.P)

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“If the Village perishes, India will perish too.
The Soul of India lives in its Villages” – Mahatma Gandhi.

Abstract

Direct participation of the people in the developmental activities' improves accountability and transparency in the process of identification of beneficiaries. Though the Indian economy is the 5th largest economy in the world in terms of GDP and the 3th by purchasing power parity till there is existing 18 percent of poverty, of these 67 percent are in the rural India. The Mahatma Gandhi National Rural Employment Guarantee Scheme stands as a vital pathway for reducing rural poverty and achieving human development in rural India. MNREG scheme is now seen as one of the most promising types of intervention to reduce poverty and empower rural folk by providing guaranteed employment. The present attempt is made to study the impact of NREGS on provision of employment and income generation of rural workforce in Ananthapuramu district, Andhra Pradesh. It is found that there is positively significant effect of the scheme on rural poverty alleviation by providing employment and income generation opportunities in the study area. It is also found that the impact MGNREG Scheme is higher on female than the male labour in the study area.

Introduction

Ever since the independence of the country, rural development and alleviation of poverty have been given utmost priority in plans for all round development of rural areas. Planning and developmental policies for eradication of poverty in rural areas have started since the inspection of the five years plans. Every plan document, right from the First Five year plan, has spelt out the philosophy, the scheme contents and the financial allocations for the different schemes including those meant for providing the basic minimum services for the rural community. In every five years plan new strategies were formulated to attain rural development, these efforts in these all Five year plans period yielded some positive results.

Empowerment provides legitimacy and social justice for human development. Empowerment of rural means “creating economic opportunities, self reliance, social and legal awareness, self confidence and positive attitude among rural people”. It enables rural people to face any situation and to participate in the development activities of the nation. Some steps were taken by the government towards upliftment of rural folk.

Transforming the face of rural India will begin as the historic bill (MGNREGS) to provide ‘guaranteed employment’ passed in the Parliament in the year 2005. After, the scheme was named as ‘Mahatma Gandhi National Rural Employment Guarantee Scheme’. Gram Panchayat is the primary implementing agency but horticulture and panchayat raj engineering departments are also other agencies to implementing the scheme.

The Scheme is being implemented from March 2006 in selected 200 districts, which were most backward where high levels of under employment and seasonal migration prevailed in the country. The major objective of the scheme is to provide additional wage employment, food security and to develop infrastructure in rural areas. The primary objectives of National Rural Employment Guarantee Scheme (NREGS) is to enhance the livelihood security of the poor households living in the rural areas by providing at least one

hundred days of guaranteed wage employment in unskilled manual work to their adult members. Adult members of the eligible household would be required to register themselves with the local Gram Panchayats and would be issued with job cards.

Importance of the MNREG Scheme

Provision of Guaranteed Employment

MNREG scheme provide a guaranteed employment for a minimum hundred days of per year to every rural household in India. This ensures that eligible workforce has access to a lowest level of employment, helping ease poverty and given that a safety measures during periods of economic distress.

Concentrate on Development of the Rural Area

The primary objective of MNREG scheme is to get better the livelihood protection of rural households by promoting sustainable rural development. The programs emphasize the creation of productive assets such as water conservation structures, rural roads, and other infrastructure projects that help to the overall development to the rural folk.

Demand-Driven in a Wide-range

MNREG is intended to be demand-driven, significance that utilize opportunities are created in retort to the articulated demand from the rural community. The beneficiaries have the right to order work, and the government is compelled to offer employment within fifteen days of such a demand.

Involvement of the Women

The act promotes the vigorous participation of women in the labor force. There is one-third of the women beneficiaries, and efforts are made to ensure that at least fifty percent of the workforce are women. This is not only helps to women's empowerment but also removes gender disparities in rural areas and also signify women participation in the rural development.

Registered job-seekers can apply for work under the EGS. Then have to be offered work within fifteen days of receipt of such application. Wages for work done have to be paid preferably on a weekly basis, in any case not later than a fortnight, in presence of the community. The schemes is legalized in the sense that right to work has been for the first time recognized and if not provided legal remedy can be taken which makes the scheme a class by itself at least one member of every house hold in the village assured of livelihood in the form of useful employment for at least hundred days during the year with assured wage rate of Rs.80 per day, as for the possible work has to be provided within a radius of 5 kilometers of the applicant's village

If work is not offered to an eligible job seekers within the prescribed time limit of 15 days he/she will be entitled to unemployment allowance first 30 days 26 percent of wage rate for rest of the days 50 percent of wage rates for which legal guarantee is given. Works which create durable community assets in the villages are to be taken up machines and engagement of contractors has been completely prohibited in any works under this scheme. Gram Panchayats play a pivotal role in implementation of this scheme. Government of India has been allocated 74,524.29 crores in the 2023-24 budgetary year and it has been hiked 26,000 crores to the 2024-25 budget estimates and spending over 100 crores for the district in every year. Regarding financing the NREGS, the central and the respective state governments burdened the scheme in the ratio of 90:10 respectively. In the first instance under the NREGS, a person earns at least Rs.9000 during a year.

Under the NREGS the job seeker himself has to work and development of the village for the welfare of the people. Meeting the basic livelihood concerns, the person has to depend up on himself or herself, with of course the employment opportunity guaranteed now by the NREGS, in case of the other things like creation of infrastructure facilities, development of the villages and taking-up the well fare measures like prevision of infrastructure facilities, development of land for agricultural purpose, digging of ponds, roads and abolition of child labour etc., the government plays its role in the form of the scheme.

Rural indebtedness in India today is in such a situation that whatever that is earned under the NREGS is likely to be swindled or grabbed from the earners by the money lenders not-with standing the fact that it is disbursed through post offices and banks. Perhaps in anticipation of their likely earring capabilities under the NREGS, the prospective income earners might have all ready committed their future earnings for the present loans! Until and unless the transformation is coming from within to the ultimate results appears to be bleak under the said two schemes. Then there is another danger. The person may just get Rs.80 per day under the NREGS and may not involve much himself or herself in any usefully and meaning full work at on especially when he has all ready committed his future earnings for the money lender.

District Profile

Ananthapuramu district, being one of the 26 districts, is founded the place in the Rayalaseema region of Andhra Pradesh state. The district is formed in the year 1882 and derived its name after the head quarter town of Ananthapuramu. In the year 2022, as part of the re-organization of the districts Sri Sathya Sai district was carved out. Presently the district exists with 3 revenue divisions, named Ananthapuramu, Kalyandurg and Guntakal.

The total geographical area is 10,205 square kilometers. According to census figures, there are 52.86 lakh people in the district. The male population is 26.53 lakh and female population is 26.33 lakh in the district. The sex ratio in the district is 978. Around 70.75 percent of the total population of the district is living in rural areas. The literacy rate in the district is 67.53. The percentage of total main workers to total population is 40.41percent. It is reduced 13 percent by 1991 census figures. The population of agricultural workers to total work force is 45.5 percent. The rural work force in the district is 61.3 percent. The actual rain fall in the district is 938.3 mm in 2021-22 year.

The district is the driest of all the drought prone districts of Andhra Pradesh state and clearly estimated that the drought accure at least thrice in a decade. Due to converting the district into desert the people, especially agricultural labour and tiny-formers were founded that their lives are 'rigorous and not bearing' and they are migrating in searching gainful employment. Some central commissions has been identified the entire district as drought-prone.

A Collision of Drought

Ananthapuramu district, which is located in the Rayalaseema region, is the driest of all the drought prone districts of Andhra Pradesh. In the district it is clearly estimated that the drought visits at least thrice in a decade. The irrigation commission and central commissions has been identified the whole district as drought-prone. A single dry crop (groundnut) is raised under rain fed conditions in most part of the districts. Agriculture is the main stay of the economy of the district. The work force engaged in agriculture in more than three-fourth that of the total work force, the demand for labor in agriculture sector is highly uncertain and seasonal.

During drought, migration of labor is very common. Unceasing drought conditions are creating an ecological imbalance and convert the district into a desert. Drought prone areas are more vulnerable to denude the forests and exhausting the natural resources like water, soil, minerals etc. By result the Rivers and other streams dry up. Consequently the underground water tables vanish and the area under irrigation declined. The instant result is the decrease in agricultural production. The decrease in agricultural production and the increase in population create the food problem. Additionally the people especially agricultural labor and formers, in the drought-prone area founded that their lives are 'rigorous and not bearing' and they are becoming deprived class in the district.

Need of the Study

In spite of the many schemes undertaken for the betterment of rural development, it is only the MNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) that has mobilized the rural folk involvement and gained widespread support both in rural areas. The present study is a humble attempt evaluating impact of scheme on provision of employment in Ananthapuramu district, which is one of the backward districts in India. Ananthapuramu district has been purposefully selected on the ground that it is in Andhra Pradesh and attracted the attention of educationalists, policy makers, developmental agencies and voluntary organizations for its successful implementation of the Scheme. The study has tried to discuss the concept of rural empowerment and contemplated the essence of rural poverty through the scheme and its principles. The full benefit of development can only be realized with the participation of rural person. Therefore, the present study, in this context is relevant and appropriate. Besides, no study of this kind was made on Ananthapuramu district.

Objectives

The following are main objectives of the present study.

- i. To study the employment trends in the implementation of MNREGS, and
- ii. To study the impact of MNREGS on employment and income generation in rural areas of Ananthapuramu district, Andhra Pradesh.
- iii. To suggest certain measures for strengthening of the NREGS in general and specific in Ananthapuramu district for increasing the provision of employment at rural India.

Methodology

To fulfill the first objective, the trends in generation of employment after implementation of NREGS it was drawn line graphs.

It was fulfill the above objective by using the paired t-test statistic also.

There are some situations, which we have dependent samples. Two samples are said to be dependent when the elements in one sample are related to those in the other in any significant or some meaningful manner.

For example:- efficiency of drugs before and after its use (or) effect on sales of a product before and after advertisement.

In analyzing the effects, we often use paired t-test statistic. The test statistic is

$$|t| = \frac{\bar{d}}{S.D/\sqrt{n-1}} \sim t_{[n-k]}$$

Where,

d = the difference between paired samples

\bar{d} = the mean differences

σ = the standard deviation of difference.

To examination the effect of MNREG Scheme on employment and income generation at rural folk 'Before and After' approach was used with the help of paired T-test to test the increment in employment and income generation is 'either significant or insignificant'.

Data and Limitations

The present study is depended on both primary and secondary data. The required primary data has been collected randomly with help of stratified random sample technique. Since, the research area consists of three revenue divisions, three mandals (blocks) form each division and three villages from each mandal has been selected for eliciting the opinion, performance and their attitude towards employment and income generation of rural folk with special reference to the MNREG Scheme. From each village 10 members were interviewed for data collection towards the effect of the scheme and taken division-wise average for convenient analysis.

Since, the most of beneficiaries do not maintain proper accounts and most of them are illiterates and they are possibilities of statistical and hence data collected would only be in approximation to actual facts. The secondary data was collected from office of the Project Director, MGNREG scheme, Ananthapuramu for the year 2023-24.

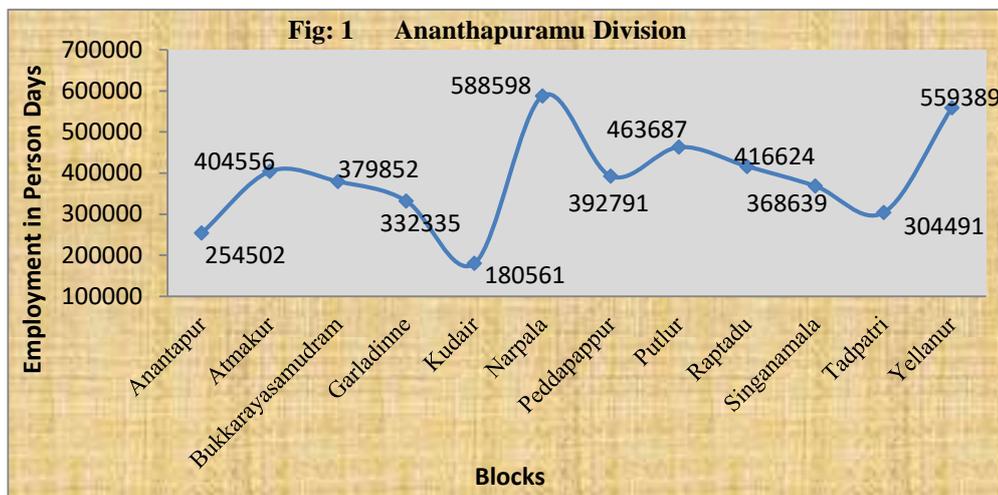
Analysis

In spite of the many schemes undertaken for the betterment of rural development, it is only the NREGS (National Rural Employment Guarantee Scheme) that has mobilized the rural folk involvement and gained widespread support in rural areas. To analyze the effect of NREG Scheme on employment and income generation at rural 'Before and After' approach was used with the help of paired t-test to test the increment in employment and income generation is 'either significant or insignificant'. For the convenient study revenue division-wise study was conducted.

Division-wise the Trends in Employment Generation of MNREG Scheme

The main strategy of the MNREG Scheme is to provide employment and improve the earning ability. The impact of Scheme on employment generation of rural folk is very high. The divisional variation in terms of employment generation is significant in the study area.

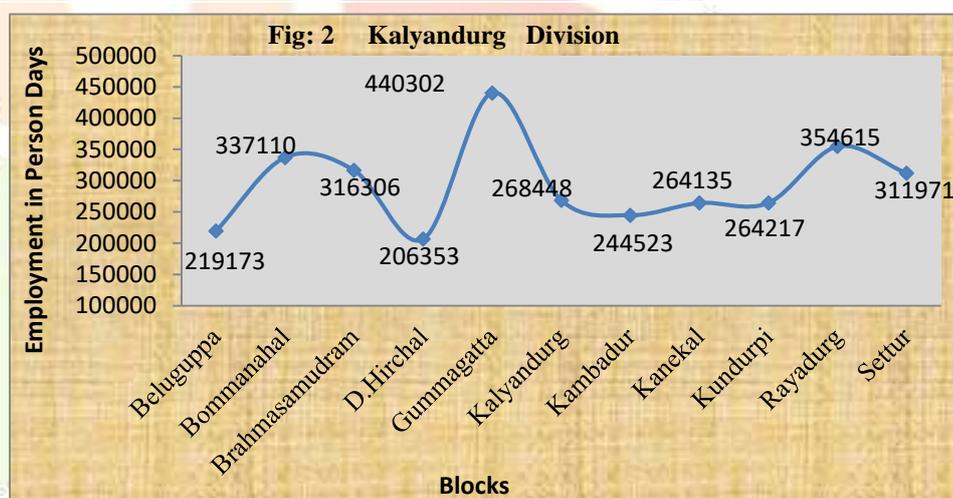
Ananthapuramu Division: The block/mandal level average employment generation of NREG Scheme in Ananthapuramu division (12 blocks) is shown in the below figure-1.



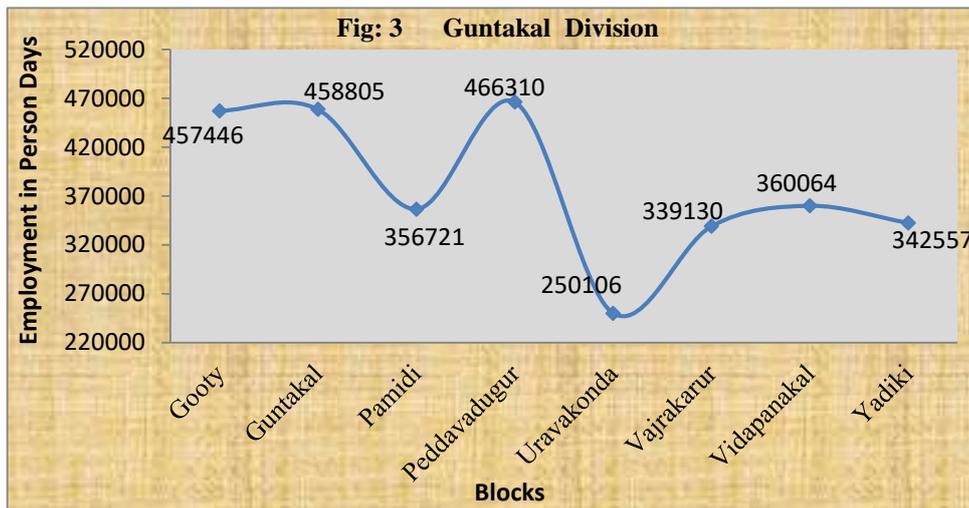
There is highest provision of employment is in Narpala block (588598 person days) as followed by Yellanur (559389 days), Putlur (463687) and lowest provision of employment in person-days are occurred in Kudair block (180561 days). The amount paid as wages is also in Narpala block (Rs. 160098656), as followed by Yellanur (Rs.152153808), Putlur (Rs.126122864) and the lowest paid through the NREG Scheme (Rs.49112592) is also in Kudair block. The rural labors are getting above Rs.272 as an average wage per day in the division.

Kalyandurg Division: The block level average employment generation of NREG Scheme in Kalyandurg division (11 blocks) shown in the below figure-2.

In Kalyandurg division Gummagatta block is the total amount paid as wages for rural labour is highest (Rs. 119762144) as followed by Rayadurg (Rs.96455280), Bommanahal (Rs.91693920), and D.Hirehal block (Rs.56128016) is received lowest amount as wages under the NREG Scheme. All blocks also get above Rs.272 as average wage per day. Whereas, the total employment provided under the scheme is highest (440302 days) in Gummagatta block as follows Rayadurg (354615 days), Bommanahal (337110 days) and the least provision of employment is in D.Hirehal block. (206353days).



Guntakal Division: The block level average employment generation of NREG Scheme in Guntakal division (08 blocks) is shown in the below figure-3.



There is highest provision of person-days are in Peddavadugur block (466310 days) as followed by Guntakal (458805 days), Gooty (457446) and lowest provision of person-days are occurred in Uravakonda[R] block (250106 days). The amount paid as wages is also in Peddavadugur block (Rs. 126836320), as followed by Guntakal (Rs. 124794960), Gooty (Rs. 124425312) and the lowest paid through the NREG Scheme (Rs. 3533425) is also in Uravakonda [R] block. The rural labors are getting above Rs.272 as average wage per day in this division also.

Division-wise Yearly Employment Generation of NREG Scheme

Since, the research area consists of three revenue divisions, three mandals (blocks) form each division and three villages from each mandal has been selected for eliciting the opinion, performance and their attitude towards employment and income generation of rural folk with special reference to the MNREG Scheme. From each village 10 members were interviewed towards the effect of the scheme and taken division-wise average for convenient analysis. The impact of the Scheme on employment generation for rural folk is very high.

The divisional variation in terms of employment generation is not significant in the study area. The average employment generation of the Scheme in the study area is shown in the below table-1.

Table-1
Division-wise Yearly Employment Generation before and after Implementation of NREG Scheme in the Study Area

Sl.	Division	Employment Status (in person-days)				Employment Increment (in person-days)		t-test	
		Before Implementation		After Implementation		Male	Female	Male	Female
		Male	Female	Male	Female				
1.	Ananthapuramu	174	154	283	252	109	98	Both are significant at 0.10 % probability level.	
2.	Kalyandurg	172	156	294	258	122	102		
3.	Guntakal	169	153	286	254	117	101		

The above table shows that the average male employment generation after implementation of NREG Scheme is higher in Kalyandurg division (294 days) as followed by Guntakal division (286 days) and Ananthapuramu division (283 days). There is a significant increase in employment generation through the Scheme in the study area. So, the above analysis shows that the impact MNREG Scheme on male employment generation is positively significant in the study area. On the other hand, female employment generation after implementation of the Scheme there is 98, 102 and 101 days of employment increased in Ananthapuramu, Kalyandurg and Guntakal divisions respectively. So, this increment is also positively significant at 0.10 percent probability level in the study area.

Income of the Rural Labour before and after Implementation of NREG Scheme

Monthly income of the rural male and female labour was analyzed to ascertain, whether there is any improvement in the income of the labour at rural folk after implementation of the NREG Scheme.

Table-2
Monthly Income of Rural Male and Female Labour
before and after Implementation of NREG Scheme in the Study Area

Sl	Division	Income Status (in Rs.)				Increment in Income (in Rs.)		t-test	
		Before Implementation		After Implementation		Male	Female	Male	Female
		Male	Female	Male	Female				
1.	Ananthapuramu	730	440	3660	3450	2930	3010	Both are significant at 0.5% probability level.	
2.	Kalyandurg	750	450	3680	3470	2930	3020		
3.	Guntakal	710	420	3700	3500	2990	2570		

The above table shows that before implementation of the NREG scheme, there male labours were getting income Rs.730, Rs.750 and Rs.710 per month in Ananthapuramu, Kalyandurg and Guntakal divisions respectively. But after implementation of the scheme same are monthly getting Rs.3660, Rs.3680 and Rs.3700 in the respective divisions. On the other hand female labours were getting Rs.440, Rs.460 and Rs.420 as monthly income Ananthapuramu, Kalyandurg and Guntakal division respectively before implementing the scheme.

After implementation of the scheme, the income of the same is increased to Rs.3450, Rs.3470 and Rs.3500 in the respective divisions. The increment in monthly income of the male after implementation of the scheme is Rs.2930, Rs.2930 and Rs.2990. The increment in female monthly income is Rs.3010, Rs.3020 and Rs.2570 in the respective above divisions. These increments were tested by t-test statistics and found that both male and female income increments are significant at 0.5 percent probability level. Hence, it may draw that the effectiveness of the MNREG scheme is positively significant and poverty is reducing at rural areas due to implementation of this greater scheme. It is also clear that the impact MGNREG Scheme is higher on female than the male labour in the study area.

Summary and Conclusion

A number of schemes have been introduced in the country right from community development scheme till to National Rural Employment Guarantee Scheme for alleviating poverty in rural areas. There must be a monitoring cell appointed by the central government with its wings at all district headquarters to look into the affairs of NREGS. Without interfering much, it should help the scheme in call of any trouble.

Development has to encompass all aspects of improvement in the quality of the life economic betterment of people and social transformation. Development can be attained when people participate effectively. Peoples participation should be encouraged owing to the fact that people in villages know their needs better then governments officials. People participations should be in decision making, planning, formulating strategy, implementation, follow up for sharing the benefits of development.

To disburse wages within fifteen days as mandated in MGNREG act, most of authorities failed and also worker is not remunerated for a wait in wage payment. It is also found that there is very little independence to Panchayat Raj Institutions which are not able to implement this act in an effectual and well-organized way. There has been a delay in the completion of works in MGNREGA and examination of works irregular. Also, there is a question of quality of work and asset making under MGNREGA.

Direct participation of the people in the development activities improves accountability and transparency in process of identification of beneficiaries. Development schemes should be designed taking in to consideration of the local needs and aspirations. One of the important obstacles in achieving desired results in rural development is most of the people are lack of awareness of developmental schemes initiated by the government. Therefore, steps should be initiated to sensitize the people about development schemes which help them to avail rural development. Hence, there is extreme need to take all these measures to foster rural development.

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