

# SOCIO-ECONOMIC IMPACT OF RURAL EMPLOYMENT GUARANTEE SCHEME IN REWA DISTRICT, MADHYA PRADESH: A BENEFICIARY PERSPECTIVE

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**ABSTRACT:** - Indian Government has created labour intensive rural work programme since the past several years however, they were not based on the right to work. They are just additional employment opportunities provided by the State to a few as and when required. Commitment of the Government towards promoting rural employment with equal opportunities for the rural poor have been felt with the implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) with an objective to provide 100 days of employment in a year to the rural people of the country. Never before in development history of India there has been an initiative of this nature and magnitude where the rural poor have a direct benefit from wage employment. And this gainful employment becomes the channel for fulfillment of basic necessity of life, the right to live, right to food and right to education. The study was conducted in Madhya Pradesh of Rewa District. Rural people of Madhya Pradesh rely largely on earning from unskilled wage labour to other farm or non-farm enterprise in which one is directly participating in productivity gains by producing more on their land or finding more employment opportunities either on someone else's land or in some non-farm enterprises. Agriculture which is the major occupation for the people of the State could not be rely upon due to bad monsoon condition and lack of irrigational facilities, modern farm equipment and fertilizers. In fact, more than half of the population is unemployed due to non-availability of employment in the State. Therefore, MGNREGS has a very significant role in a State like Madhya Pradesh as it provides the rural people with the right to work and enhance their livelihood. Random sampling method was used to study the beneficiaries. The study investigated the impact of MGNREGS on socio-economic condition and satisfaction level of beneficiaries regarding provisions of the programme. Beneficiaries who are working under MGNREGS for the last two years were selected for the study in view to understand and elicit in-depth information about the programme impact in the selected district. The study found that MGNREGS had a positive impact on the life of beneficiaries, by enabling them to have two square meals a day, reducing abject

poverty and search for other means of work. It also help them reduced their dependence on money lenders and took them out of perpetual debt. However, it also showed that most of the beneficiaries had not got their children enrolled in schools. With regard to satisfaction level, the beneficiaries were largely satisfied with the provisions and implementation of the programme. There were some reasons for dissatisfaction like- untimely payment of wages, unsatisfactory wages earned per day and lack of provisioning of worksite facilities. Suggestions for better provisioning an implementation have been the outcomes of the study.

**KEYWORDS:** Beneficiary, MGNREGS, Impact, Implementation, Provisions, Rewa.

## INTRODUCTION:

A large section of rural India lives on a brink of hunger and starvation and the major causes behind this is unemployment. It keeps on rising every year. Unemployment which was 7.2 percent in the year 2000, increased to 8.1 percent in 2010 in comparison to urban unemployment rate which increased from 7.7 to 7.9 percent during the same period (Gautam & Bhardwaj, 2013). In India, about 7 crore people are without employment as per National Sample Survey Report published in 2012. The Census 2011 estimates that 83 million people continue to live below the poverty line in rural India (Nath, 2013). Poverty indicates a condition in which a person fails to maintain a living standard adequate for his physical and mental efficiency. According to Adam Smith - Man is rich or poor according to the degree in which he can afford to enjoy the necessities, the conveniences and the amusements of human life. Though India boasts of its high economic growth it is shameful that there is still large scale poverty in India. And the major reason is the lack of employment opportunities. Poverty in rural areas is mainly caused due to high population growth, absence of employment opportunities in activities other than agriculture, seasonal employment and slow development of industries (Anonymous). The problem of poverty persists due to number of leakages in the system.

In order to tackle all these issues there have been a number of programmes implemented by the Government of India to reduce rural poverty but they are not inclusive in nature. However, the latest initiative on Mahatma Gandhi National Rural Employment Guarantee Programme is by far the most ambitious attempt to tackle the unemployment problem in our country. The programme which was notified on 7<sup>th</sup> September, 2005 and aims at enhancing livelihood security of households in rural areas of the country (Singh, 2008). The programme also envisaged economic betterment of people as well as greater social transformation. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was expanded to 330 districts in the second phase during 2007-2008. Rewa district of Madhya Pradesh has been covered during this year. The remaining 266 districts were notified on September 28, 2008 and the scheme has now been extended to all the districts of the country (Prasad, 2009). Madhya Pradesh is one of the eight central States of India. Agriculture being the main occupation of the people of Madhya Pradesh, it has an important place in the economy of the State. However productions are poor due to dependence on monsoon and non-availability of irrigational facilities. More than half of the population is unemployed. Out of 21.7 lakh population, about 8 lakh educated unemployed youth are registered at Employment Exchange Department in Manipur. Population below poverty line is 28.54% in Madhya Pradesh against the officially recorded all India average of 26.10% (Oinam, 2013). Therefore, MGNREGS became one of the most important programmes for the rural people of this State as it provides direct wage payment to the wage labor and helps them increase their purchasing power. On the other hand the scheme also has a very significant role for the people as it is an alternative form of employment offered under local agriculture practices.

#### **MATERIALS AND METHOD**

The study was carried out in Rewa district of Madhya Pradesh. This selected district has the highest literacy rate among the hill districts of the State at the same time has high level of unemployment rate. The District has 5 sub-divisions and out of the five sub-divisions two sub-divisions namely Rewa were selected for the study. The study was conducted in 2 blocks namely Sirmour block from Rewa subdivision and Teothar block from sub-division. Random sampling method was used to draw district, blocks, villages and beneficiaries. Beneficiaries who are working under MGNREGS for the last two years were selected for the study in view to elicit the impact in their socio-economic condition. Within these 2 blocks, 4 villages from each block were selected and 10 households were studied from each of the selected villages, thus making a sample size of 80 households in

both the blocks. From Teothar block. A semi-structure interview schedule was used for the beneficiaries comprising of close-ended and open-ended questions to gather information. The objectives of the study include impact on socio-economic condition and satisfaction level of beneficiaries with regard to provisions and implementation of the scheme.

The study analysed whether the scheme has helped the beneficiaries in enrolling their children in school, enabling two square meals a day, reducing -bject poverty; dependence on money lenders; and search for other means of work. The study also investigated whether the beneficiaries were having proper housing for their families and if they could afford to pay rent. Satisfaction level of beneficiary's was studied with respect to receiving employment, equal wages to both men and women and wages earned per day. Work site facilities, timely payment of wages and transparency in accounts and records were some other parameters studied.

#### **RESULTS AND DISCUSSION**

Impact on socio-economic condition As revealed by the study, 86% of the beneficiaries felt that MGNREGS help them enable two squares meal a day to their families and about 66% of the beneficiaries opined that MGNREGS helped them come out of abject poverty and search for other means of work. However 34% responded that delay in wage payment caused hardship to them and they have no option but to look for other means of labor. About dependence on money lenders, the study found that MGNREGS was a guaranteed source of income and thus their dependence on money lenders reduced considerably and this view is shared by 71% of the beneficiaries (from Sirmour block 55% shared this view as compared to 88% in Teothar block). Thus, the finding revealed that poverty was more prevalent in Sirmour block and the reason for the same is mainly due to delay in payment of wages causing large number of households to depend on money lenders. Money lenders charged high rate of interest from poor households and since poor households continue to borrow for their lives they felt into perpetual debt. With the implementation of MGNREGS 78% of the respondents agreed that the scheme had helped them to get out from perpetual debt. With regard to enrolling children in school it was found that in both the blocks MGNREGS income did not ensure enrolment of children in school, so beneficiaries searched for other means of income to educate their children as wages were not available to them when needed. About rent payment a few, 5% from Teothar block were found living in rented houses and they revealed that the scheme had helped them pay their rent and provide them proper settlement. This was in view of

majority of the beneficiaries already had their owned houses.

**Beneficiaries’ satisfaction level**

The study finds that the beneficiaries were largely satisfied with the provisions and implementation of MGNREGS. As a result, 55% of the respondents in the sample said that they were satisfied in receiving employment whereas 45% reported high level of satisfaction in receiving employment. For them MGNREGS provided a guaranteed source of income and work without loss of dignity. Regarding equal wages, both men and women received equal amount for their work which resulted in satisfaction of all the beneficiaries. Around 63% of the respondents were satisfied with the wage rate (i.e. Rs 80.40 as existing at the time of the study) as the rate exceeded open labor market wage rate of Rs 60. However, 36% of the beneficiaries in the sample were not satisfied with the wage rate due to constant increase in the price of essential commodities. With regard to access to records beneficiaries in both the blocks did not face any

hindrances in checking their muster rolls and they all expressed their satisfaction with the same. However, all the beneficiaries were unsatisfied due to untimely payment of wages. And moreover, 100 days of guarantee wage employment was not provided in both the blocks. With regards to worksite facilities 81% of the respondents were satisfied with provision of facilities at worksite while, 19% of the respondents were not satisfied with the same as crèche provisioning was not practiced in most part of the villages.

Though some relaxation was given to those women working with children they still wanted crèches to be provided at the worksite. The above responses were further analysed using a rating scale of 1-4, like for highly unsatisfied a rating of 1 was given and likewise for highly satisfied a rating of 4 was given. The scores thus obtained were classified into three levels-low, medium and high satisfactions. The following table shows satisfaction level of the beneficiaries in both the selected blocks.

**Table 1: Satisfaction level of beneficiaries regarding provision and implementation**

Satisfaction level	Block				Total	
	Sirmour		Teonthar		No. of respondents (n=80)	%
	No. of respondents (n=40)	%	No. of respondents (n=40)	%		
<b>Low satisfaction</b>						
17-33	0.0	0.0	0.0	0	0	0.0
<b>Medium level of satisfaction</b>						
34-51	14	35	27	67.5	41	51.3
<b>High level of satisfaction</b>						
52-68	26	65	13	32.5	39	48.7

The above given table shows that none of the beneficiaries fell in low satisfaction category. Rather it revealed that all the beneficiaries were satisfied regarding provision and implementation of the scheme and almost half the sample had a medium level of satisfaction. And the reasons for this were untimely payment of wages, less wages and lack in worksite facilities.

**CONCLUSION**

Employment generation in rural areas has emerged as the most crucial socio-economic issues in our country however, the recent initiatives of MGNREGS programme has found its way in impacting socio-economic condition in the lives of the people in the study district in one way or the other though there are some lacunae in its implementation. The programme enabled

the beneficiaries to have two square meals a day, reduced abject poverty and search for other means of labour. It also reduced their dependence on money lenders and took them out of perpetual debt. However, it also revealed that most of the beneficiaries had not got their children enrolled in schools as their wages were not provided to them on time and were often delayed. Rural people of the district work under MGNREGS mainly to earn their daily living however delay in payment of wages adversely affected their lives as most of them depend on daily earning for their livelihood.

Therefore, State government has a very important role to provide better socio-economic condition of the people by ensuring timely payment of wages and providing 100 days of guaranteed wage employment to the rural poor. These are the two most important things that can have a direct impact on the lives of the people under

MGNREGS. To ensure timely payment of wages direct benefit transfer should be incorporated for the beneficiaries. Beneficiaries experienced medium to high level of satisfaction regarding the provision and implementation of the scheme. They can have a better experience and satisfaction in future if concerted efforts are being taken up by State, district, block level officers and Gram Panchayat can immensely improve the programme deliverables. Through this improvement MGNREGS can go a long way to achieving sustained social and economic development of the district and also in enhancing the quality of life of the people.

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