



**IMPACT OF MAHATMA GANDHI NATIONAL RURAL
EMPLOYMENT GUARANTEE SCHEME ON THE SOCIO -
ECONOMIC WELL - BEING OF BENEFICIARIES WITH SPECIAL
REFERENCE TO ELAPPULLY GRAMA PANCHAYATH,
PALAKKAD DISTRICT**

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Abstract:

Rural unemployment is one of the major problems faced by our Indian economy. Employment generation programmes have become important in developing as well as under developed countries to reduce the poverty and unemployment. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is one of the significant employment generation programmes introduced by Indian Government in rural areas to curb the problem of unemployment. The study investigated the impact of Mahatma Gandhi National Rural Employment Guarantee Scheme on the socio-economic well-being of beneficiaries in Elappully Grama Panchayath of Palakkad district. It also examined the demographic characteristics and satisfaction level of the beneficiaries towards various factors associated with the scheme. A descriptive study was conducted and data were collected from a random sample of 210 workers who are working under the scheme. The participation of women is found to be higher than male workers. Majority of the beneficiaries choose the scheme as an additional source of income generation, not the main source. The beneficiaries are not satisfied with the wages, welfare measures and number of working days provided under the scheme. The study revealed that MGNREGS failed to bring a significant change in socio-economic well-being of the beneficiaries.

Key Words: Unemployment, MGNREGA, Employment Programme

Introduction:

In India, poverty and unemployment became two challenging problems which made our economy stagnant and problematic. These problems are highly reflected in rural community that made their situation pathetic. After independence, Government took initiatives to build up a strong economy through five-year plans. Since 1960, Indian Government was struggling to find suitable employment schemes which will eradicate poverty and unemployment. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is implemented as a job guarantee scheme which provides a legal guarantee for 100 days of employment in every fiscal year to adult members of rural household. The programme was enacted by legislation on August 25, 2005. The Act aims at eradication of extreme poverty by creating employment opportunities in rural areas and thereby improving the standard of living of rural households.

The MGNREGA scheme was implemented in Kerala as three phases. In the first phase of scheme implementation, Palakkad and Wayanad districts of Kerala were included. The scheme was successfully implemented in its first phase itself in Palakkad district. As per the current status, there are 2.49 lakh active workers in Palakkad who work under MGNREGA. Palakkad is the largest district in Kerala which consists of 88 Grama Panchayath. Elappully is one of the Grama Panchayath where more than 4000 active workers working under MGNREGS. The study is conducted in Elappully Grama Panchayath by collecting data from 210 beneficiaries. This study is trying to bring out the impact of the scheme on the socio-economic well-being of its beneficiaries in Elappully Panchayath of Palakkad district. The demographic characteristics of the beneficiaries are taken into consideration for the study. There are so many factors which cause satisfaction and dissatisfaction to the beneficiaries who are working under the scheme. The study attempts to know the satisfaction level of the beneficiaries on various factors such as wages, working environment, work location etc. It also studies the various attributes which contribute to the enhancement of quality of life after the implementation of the scheme.

Statement of the Problem:

The present study is intended to assess the impact of the scheme on socio-economic well-being of beneficiaries in Elappully Panchayath of Palakkad district. It is essential to assess the progression of the scheme from the grass root level of the economy. So that it enables us to understand the impact of the scheme on its beneficiaries who are working under it. The social and economic progress achieved by the beneficiaries through

the scheme is given prime focus. The changes that brought by the scheme in the income, expenditure and savings pattern are taken into consideration for the study. The study also focuses to know the satisfaction level of beneficiaries on various factors that is related with the scheme. The progression of the scheme in the panchayath and the changes in the standard of living of rural households are to be ascertained to know the effectiveness and success of the scheme. The study will help to suggest measures for the further improvement of the scheme and to make the scheme more effective.

Objectives of the Study:

- To study the demographic factor of the respondents.
- To study the impact of MGNREG scheme on the socio-economic well-being of beneficiaries.
- To know the satisfaction level of the beneficiaries towards MGNREGS.

Limitations of the Study:

- The data collection was mainly focused on wards of Elappully Grama Panchayath and data is obtained only from 210 workers.
- The findings of the study are based on the assumption that the respondents have given correct information and it cannot be generalized to the entire population across the country.
- Some of the respondents are reluctant to give responses.
- Biased responses and lack of positive response from the respondents were another limitation.

Literature Review:

Tumpa Chowdhury (2019) studied the role of MGNREGA in poverty alleviation in the district of Assam state. It was found that there is a significant increase in total asset creation through MGNREGA in the year when the study is conducted. The study concluded that the scheme played a significant role in reducing rural poverty by way of employment generation and asset creation.

Saleem Akhtar Farooqi and Dr. Imran Saleem (2014) studied the role of MGNREGA in women empowerment in Aligarh district of Uttar Pradesh state. The main objective of the study was to find out participation rate of women in MGNREGS and also to find whether working in MGNREGS has supported empowerment of women socially as well as economically. The study came to a conclusion that MGNREGA created an impact in women empowerment but it was not as high as envisaged in the scheme.

Malangmeih, Kalyan Bhattacharyya and Arabinda Mitra (2013) analyzed the impact of MGNREGA on livelihood security of rural households in Bankura district of West Bengal state. It was found that the scheme was implemented without any discrimination of caste or gender. There was an increase in the average man-days of employment per year and average number of labour forces per family after joining MGNREGA. The average annual income and consumption expenditure was also increased after the implementation of the scheme. There was no that much change in savings due to the scheme.

Research Methodology:

The current study is both descriptive and analytical in nature. In Palakkad district, there are 88 Grama Panchayaths. From this Elappully Grama Panchayath is selected as the area of study. There are 4348 active workers in this Panchayath under MGNREGS. Among these workers, 210 respondents are selected using simple random sampling technique. Both primary and secondary data are used for the study. The primary data is collected from the respondents using an Interview schedule. The secondary data was collected from published materials available from alternative sources such as official websites, books and journals. The data obtained from the study are analysed using various statistical tools and the inferences were drawn.

Results and Discussions:

I. Percentage Analysis:

- From the analysis, it has been found that majority (82%) of the beneficiaries are female.
- Out of 210 respondents, about 54 percent beneficiaries belong to the category of 50-60 years age group and 21 percent are of above 60 years age group.
- Majority (68%) of the respondents belongs to OBC community.
- It was found that 49 percent of the respondents are illiterate and 51 percent of them have school level education.
- Majority (89%) of the respondents are married.
- Majority (95%) of the respondents have their own house and only 5 percent do not have own house.
- Majority (91%) of the respondent's family are men headed.
- It was found that 42 percent of the respondents belongs to below poverty line and 30 percent are above poverty line.
- The data revealed that at least one member from a family is working under the scheme on a majority basis.
- It was found that only few beneficiaries are receiving social security pension from the Government.
- Majority of the respondents do not have any additional land for cultivation or any other purposes and those who hold land have a size of land holding less than 10 cents.

- It was found that majority (53%) of the respondents have income between Rs.10000-15000 and 44 percent have income less than Rs.10000.
- The monthly savings of the respondents are found to be too low. About 65 percent of them have savings less than Rs.1000 and only 35 percent of them have savings above Rs.1000.
- It was found that only 6 percent of the respondents chosen MGNREGS as main occupation and majority of them depends other sources also for earning income.
- Majority of the respondent's annual income has increased above Rs.20000 after joining the scheme.
- The data revealed that majority (64%) of the respondents joined the scheme due to unemployment.

II. Chi-Square Test Results:

Variables	Chi-square Value	Degree of Freedom	Table Value	Result
Educational qualification of the respondents and income level	74.9094	20	31.41	Rejected
Educational qualification of the respondents and respondent's reason for joining MGNREGS	55.3414	20	31.41	Rejected
Age of the respondents and respondent's reason for joining MGNREGS	91.8487	16	26.296	Rejected
MGNREGS as main occupation & unemployment as the reason for joining MGNREGS	2.58962	1	3.841	Accepted
MGNREGS as main occupation & work guarantee as the reason for joining MGNREGS	0.28346	1	3.841	Accepted

Level of Significance: 5 percent

- There is an association between educational qualification and income. It is found that the income of beneficiaries who has educational qualification are higher than illiterates. So, the educated beneficiaries are earning higher income than illiterate beneficiaries.
- There is an association between educational qualification and reason for joining MGNREGS. The reasons for joining MGNREGS are higher among the illiterates and it is lower among those who have educational qualification.
- There is an association between age and reason for joining MGNREGS. The number of beneficiaries who have age above 40 years are high. That means, when age increases, the reason for joining MGNREGS increases due to various factors.
- There is no association between MGNREGS as main occupation and unemployment as the reason for joining MGNREGS.
- There is no association between MGNREGS as main occupation and work guarantee as the reason for joining MGNREGS.

III. Weighted Average Ranking Results:

S.No	Variables	Weighted Mean	Rank
1	Working Environment	4.25	I
2	Work Location	4.21	II
3	Job Security	4.2	III
4	Work Supervision	4.14	IV
5	Nature of Work	4.06	V
6	Working Hours	3.91	VI
7	Rest Intervals	3.84	VII
8	Working Days	3.75	VIII
9	Wage Payment through Bank account	2.76	IX
10	Safety measures in working environment	2.05	X
11	Wages	1.93	XI
12	Welfare Benefits	1.44	XII

It was found that majority of the respondents are satisfied on the working environment of the scheme with a mean score of 4.25 and it is ranked first. Similarly, they are satisfied on the work location and it is ranked second with a mean score 4.21. Job security is ranked three with a mean score of 4.2 and it is followed by satisfaction on work supervision with a mean score 4.14, nature of work with a mean score 4.06, working hours with a mean score 3.91 and rest intervals with a mean score 3.84. The satisfaction on working days is ranked ninth with a mean score of 3.75 followed by wage payment through bank with a mean score 2.76, safety measures with a mean score 2.05, satisfaction on wages with a mean score of 1.93 and welfare benefits with a mean score of 1.44. Hence it has been clearly stated that majority of the beneficiaries are satisfied with the working environment provided by the scheme.

Suggestions:

- The participation of women is found to be higher in the scheme. If male workers participation is ensured, more projects can be undertaken.
- The number of working days offered by the scheme is not adequate for majority of the beneficiaries. If the number of working days is increased, it will enable the beneficiaries to raise the income and their living standards.
- The beneficiaries are facing difficulties on wage payment through bank. As majority of them are illiterates, they are not aware of operating bank account. The distribution of wages as liquid cash at least to the illiterates may resolve this issue.
- The welfare measures offered by the scheme is not satisfactory. If additional benefits like Provident fund, ESI and pension are offered, it may attract more people to join the scheme.
- Majority of the beneficiaries are not satisfied with the wages offered under the scheme. The wage structure of the scheme shall be improved.
- The safety measures provided to the beneficiaries in work site is not adequate. The beneficiaries are dissatisfied with the safety measures. There is a need of additional safety measures.
- The savings habit of the beneficiaries is found to be dissatisfactory. The organization of financial awareness and guidance programmes could improve their savings habit.
- The scheme focuses only in unskilled labour. The incorporation of skilled labour under the scheme will increase the participation of more workers.

Conclusion:

The Mahatma Gandhi National Rural Employment Guarantee Scheme was one of the Government initiatives to eradicate extreme poverty by creating employment opportunities in rural areas. The present study is carried out to assess the impact of MGNREGS on the socio-economic well-being of beneficiaries in Elappully Panchayath of Palakkad district. The study revealed that MGNREGS failed to bring a significant change in socio-economic well-being of the beneficiaries. The scheme has brought only a nominal change in their socio-economic status. It is evident from the study that beneficiaries are not satisfied with the wages, welfare measures and number of working days provided by the scheme. Though the intention was to eradicate poverty by creating employment opportunities, MGNREGS could not become a long-term solution for the unemployment problem in India. The creation of assets in rural backward areas can be considered as a positive outcome of the programme. In order to fulfill the objectives of the scheme, a comprehensive and more sustainable solution is needed. From the study, it is clear that majority of the beneficiaries choose the scheme as an additional source of income generation, not the main source. If the Government is able to increase the number of working days by providing adequate wages, it may attract more male and female workers and the scheme may become their main occupation. It is only through increasing wages and number of working days; the scheme can bring significant changes in socio-economic well-being of the beneficiaries. The income earned through this programme is not sufficient for meeting their daily expenditure and beneficiaries find it difficult to opt for the option of savings using the income from the scheme. Therefore, it is evidently proved that the MGNREGS has only less impact on the socio-economic well-being of the beneficiaries.

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