

Analytical Study of MNREGA's Impact on Rural Livelihood of Indian State of Assam

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ABSTRACT

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MNREGA is one of the flagship programmes initiated by the government of India to enhance the livelihood of the rural poor by providing extensive employment opportunities. The Indian State of Assam comprises 3.63 crores of the population, of which approximately 86 per cent of the population lives in rural areas. The majority of them reside in the Below Poverty Line (BPL) category. The unemployment rate is also at its peak. Hence there is a question mark about the safety and security of these people. This Scheme will give a new direction to live a secure social life. The overall labour budget has to be reduced this year, yet innovative and extensive use of these funds will ensure the rural life of the people. This programme will bring a holistic change to the economy by providing supportive initiatives toward self-reliance, women empowerment, and poverty elevation.

Keywords

MNREGA

Assam

Rural Impact

Public Management

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Introduction

MNREGA is one of the grand schemes initiated by the government of India to bring holistic change to the rural economy. Initially, it was NREGA, i.e., National Rural Employment Guarantee Act 2005, renamed Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). Indian labour law and social security measures guarantee the right to work. The Act was passed on 23 August 2005 under prime minister Dr Manmohan Singh to enhance

livelihood and security in rural areas. It provides at least 100 days of wage employment in a financial year to every household whose adult members are to do unskilled manual work. The country has more than 138 crores, out of which the State of Assam has a total population of 3.63 crores. More than 86 per cent of the population lives in rural areas out of it maximum fall under Below Poverty Line (BPL) category their earning source is daily wages, labour we can say they are the sufferer of economic crisis. For the last decades, the rural people, especially from Assam, were deprived of economic, political, and social facilities. Most of the time, they were used as a vote bank only. It may be because of illiteracy, unemployment, poverty, or political discrimination. In this situation, to recover them back and bring new hope to their faces, the govt of India initiated a revolutionary scheme to give them social security. It has many years to launch, but what is the present status?

MGNREGA is demand driven wage employment programme, and resource transfer from Centre to State is based on the market for employment in each state. MGNREGA is a bottom-up, people-centred, demand-driven, self-selecting and rights-based programme. It provides a legal guarantee for wage employment by providing allowances and compensation both in cases of failure to provide work on demand and delays in payment of wages for work undertaken. Plans and decisions regarding the nature and choice of employment can be conducted. It is all to be made in open assemblies of the Gram Sabha (GS) and ratified by the GP. Social audit is a new feature that creates performance accountability, especially towards immediate stakeholders. Thus, MGNREGA also marks a break from the relief programmes of the past towards an integrated natural resource management and livelihoods generation perspective.

Every Act has some goals and aims to be achieved. The Mahatma Gandhi National Rural Employment Guarantee Act was also enacted with some aims and objectives. These goals are to provide social protection for the most vulnerable people in rural India by providing employment opportunities to them. It also provides livelihood security for the poor through the creation of durable assets, improved water security, soil conservation, and higher land productivity. Besides, to have efficient Drought-proofing and flood management in rural India. It can be used to empower socially disadvantaged people, especially women, Scheduled Castes (SCs) and Schedules Tribes (STs), through the processes of rights-based legislation. In addition, it will strengthen decentralized, participatory planning through the convergence of various antipoverty and livelihood initiatives; and deepen democracy at the grassroots by strengthening Panchayati Raj Institutions. It will affect greater transparency and accountability in governance. The MGNREGA has given rise to the most significant employment programme in human history and is unlike any other wage employment programme in its scale,

architecture, and thrust. Its bottom-up, people-centred, demand-driven, self-selecting, rights-based design is distinct and unprecedented. The MGNREGA provides a legal guarantee for wage employment. It is a demand-driven programme where the demand for labour by wage-seekers triggers the provision of work.

There are legal provisions for allowances and compensation both in cases of failure to provide work on demand and delays in payment of wages for work undertaken. The MGNREGA overcomes problems of targeting through its self-targeting mechanism of beneficiary selection. Many of the poorest of the poor and marginalized seek employment under the Scheme. The Act incentivizes States to provide work, as 100 per cent of the unskilled labour cost and 75% of the material cost of the programme is borne by the Centre.

Unlike the earlier wage employment programmes that were allocation-based, MGNREGA is demand-driven, and resource transfer from Centre to state is based on the demand for employment in each state. It provides an additional incentive for States to leverage the Act to meet the employment needs of the poor. There is also a concomitant disincentive for failing to provide work on time, as the States then bear the cost of the unemployment allowance. Gram Panchayats (GPs) are to implement at least 50 per cent of the work in terms of cost. This order of devolution of financial resources to GPs is unprecedented. Plans and decisions regarding the nature and choice of employment to be undertaken. Each work is to be triggered, and site selections are all made in open assemblies of the Gram Sabha (GS) and ratified by the GP. Positions inserted at Intermediate Panchayat(IP) and District Panchayat(DP) levels must be approved and prioritized by the GS before administrative approval can be given. The GS may accept, amend or reject them.

These decisions cannot be overturned by higher authorities, except to the extent of ensuring conformity with the provisions of the Act and its Operational Guidelines. This bottom-up, people-centred, demand-driven architecture also means that a significant share of the responsibility for the success of the MGNREGA lies with wage-seekers, GSs and GPs. MGNREGA also marks a break from the relief programmes of the past towards an integrated natural resource management and livelihoods generation perspective. Social audit is a new feature that is an integral part of MGNREGA. Potentially, this creates unprecedented accountability of performance, especially towards immediate stakeholders. An Annual Report prepared by the Central Employment Guarantee Council (CEGC) on the outcomes of MGNREGA is required to be presented annually by the Central Government to Parliament. The study's objectives are to describe the present status of MNREGA in the Indian State of Assam and determine how effective the MNREGA is towards the rural livelihood of Assam.

Literature Review

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a flagship Programme of the Government of India. The Act was initially notified in 200 most backward districts of the country w.e.f. 2 February 2006 and extended all over India in two phases. It was opened to other 130 communities added in the financial year 2007-2008 (113 districts were notified with effect from 1 April 2007, and 17 districts in Uttar Pradesh (UP) were notified with effect from 15 May 2007. The remaining districts have been notified under MGNREGA, effective from 1 April 2008. Thus, the MGNREGA covers the entire country except for communities with a hundred per cent urban population. The programme aims at enhancing the livelihood security of the rural poor by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The Act seeks to create durable assets and strengthen the livelihood resource base of the rural poor. The choice of works suggested in the Act address causes of chronic poverty like drought, deforestation, and soil erosion so that the process of employment generation is on a sustainable basis.

Since 1960, 30 years have been spent struggling to find suitable employment schemes in India's vast rural hinterland. The experiences of these decades provided important lessons to the government. These included the 'Rural Manpower Programme'. It exposed the tribulations of financial management, the 'Crash Scheme for Rural Employment' on planning for outcomes, a 'Pilot Intensive Rural Employment Programme' of labour-intensive works, the 'Drought Prone Area Programme' of integrated rural development, 'Marginal Farmers and Agricultural Labourers Scheme' of rural economic growth, the 'Food for Work Programme (FWP) of holistic development and better coordination with the states, the 'National Rural Employment Programme (NREP) of community development, and the 'Rural Landless Employment Guarantee Programme' of focus on landless households. The Planning Commission later approved the Scheme, and it was adopted on a national scale.

On 1 April 1989, to converge employment generation, infrastructure development and food security in rural areas, the government integrated NREP and RLEGP into a new scheme Jawahar Rojgar Yojna (JRY). The most significant change was the decentralization of implementation by involving the local people through Performance Related Incentive (PRI) and hence a decreasing role of bureaucracy. On 2 October 1993, Prime Minister P.V. Narasimha Rao initiated the Employment Assurance Scheme (EAS) to employ agricultural hands during the lean agricultural season. P.V. Rao started discussions on this Act in the year 1991. The role of PRIs was reinforced with the local self-government at the district level called the 'Zilla

Parishad' as the leading implementing authority. Later, EAS was merged with Sampoorna Gramin Rozgar Yojana (SGRY) in 2001.

On 1 April 1999, the JRY was revamped and renamed Jawahar Gram Samridhi Yojana (JGSY) with a similar objective. The role of PRIs was further reinforced with the local self-government at the village level called the 'Village Panchayats' as the sole implementing authority. In 2001, it was merged with SGRY. In January 2001, the government introduced FWP (Food for Work Programme), similar to the one initiated in 1977. Once NREGA was enacted, the two were merged in 2006. On 25 September 2001, to converge employment generation, infrastructure development and food security in rural areas, the government integrated EAS and JGSY into a new scheme, SGRY. The role of PRIs was retained with the 'Village Panchayats' as the sole implementing authority. Yet again, due to implementation issues, it was merged with Mahatma Gandhi NREGA in 2006. The total government allocation to these precursors of Mahatma Gandhi NREGA had been about three-quarters of ₹1 trillion (US\$13 billion)

MGNREGA holds the powerful prospect of bringing significant changes in women's lives. MGNREGA plays a substantial role in empowering women economically and laying the basis for greater independence and self-esteem [1]. Ref. [2] examined the impact of MGNREGA on gender empowerment in the Morigaon and Bongaigaon districts of Assam. The study concluded that almost 70 to 80 per cent of sample workers had meaningful income other than unpaid family work during the pre-NREGA. The majority of the worker felt that they are now in a better position to fulfil their requirement without looking at others. Their sample survey in six Hindi-speaking states of North India focuses on the impact of NREGA in the lives of women workers. Their study reveals significant benefits reported by women, including increased food security and better ability to avoid hazardous work [3].

Ref. [4] examine the empowerment effects of the NREGA on rural women in Bihar, Jharkhand, Rajasthan and Himachal Pradesh. Their research paper analyzed that women have gained more opportunities because of cash payment in hand through the Scheme. As a result, they have benefitted through income consumption, intra-household effects, and the enhancement of choice and capability. Impact of MGNREGA on Reducing Rural Poverty and Improving Socio-economic Status of Rural Poor: A Study in Burdwan District of West Bengal, Agricultural Economics Research Review, The study has revealed that the socio-economic condition of the households regularly working under the MGNREGA scheme is considerably poor than of the other homes in the rural area [5].

Ref. [6], in their study, reviewed that NGOs and the Government must critically study the impact of this Act in rural areas. The officials ensure that the antipoverty Scheme is not mitigated from its initial or exact or actual path. An inconsistency regarding the socio-economic condition between people of urban and rural areas should be reduced.

The study results showed that MGNREGA had made the women beneficiaries economically independent. It was also concluded that the programme had laid a foundation for self-esteem and independence for women beneficiaries [7]. MGNREGA and its wages on Daily Waged Workers: A case study of Sonitpur District of Assam has discussed the impact of MGNREGA on women empowerment and identified the obstacles in the path of the implementation of the Scheme [8]. The paper discovered that female workers have significant benefits from MGNREGA and also identified some limitations in the performance of the act [9] in their research paper.

Ref. [10] emphasizes the impact of MGNREGA on the development of employment and social capital formation. It has been observed that there exists a positive impact on the two variables, and it has also been seen as a game changer in the country's economic and rural development. Ref. [11] reveals that proper implementation is the success of this Act. The main aim is to reduce and alleviate poverty and migration, limiting child labour. India is an agricultural country, and most of the country's population belongs to the rural population. The policymakers have implemented various schemes such as IRDP, NREP, and RLEGP, but the rural population still faces unemployment and acute poverty. To remove this problem government came up with the MGNREGA initiative. The study emphasizes the object and implications of the MGNREGA Act in rural areas and on natural resources. It also focuses on the women's participation in the Scheme and the role of MGNREGA in sustainable rural development. It has been suggested that the government adopt more steps for proper implementation [12].

It states that MGNREGA is the game-changing step in rural development, but in Assam, it is gradually gaining momentum. The paper also focuses on the faulty implementation strategy that has ruined the programme's spirit. Religion and street biases and favouritism in the distribution of job card distribution, the dominance of leading families, defective leadership and improper coordination among the stakeholders have become hurdles in the programme [13]. Proper implementation is the success of this Act. The main aim is to reduce and alleviate poverty and migration, limiting child labour [11].

Method

The research design is descriptive as the study aims to know the respondents' perception of MNREGA on rural livelihood and its effectiveness in the rural life of the Indian State of Assam. The population of the study comprises all the beneficiaries who are living in rural areas of Assam. A random sampling technique has been used in the proposed research. The collection of data is based on both primary and secondary. Main information is collected through the researcher by questionnaire and interview. Secondary data is collected through

references from books, newspapers, websites, journals, magazines, and bank officials. The sample size of the proposed study is 100.

Result and Discussion

Table 1 Shows the MNREGA in Assam.

Table 1. MNREGA in Assam

Assam (as on 06/04/2021)	
Total No. of Districts	33
Total No. of Blocks	239
Total No. of GPs	2,660
I Job Card	
Total No. of Job Cards issued [In Lakhs]	63.8
Total No. of Workers [In Lakhs]	111.22
Total No. of Active Job Cards [In Lakhs]	37.46
Total No. of Active Workers[In Lakhs]	56.52
i. SC worker against active workers[%]	4.79
ii. ST worker against active workers[%]	16.06

Table 2 shows the progress of MNREGA in Assam as on 06.04.2022

Table 2. The progress of MNREGA

Progress	2021-2022	2020-2021	2019-2020	2018-2019
Approved Labour Budget [In Lakhs]	730	900	615	500
Persondays Generated so far [In Lakhs]	918.44	911.55	623.06	532.47
% of Total LB	125.81	101.28	101.31	106.49
% as per Proportionate LB	0	0	0	0
SC persondays % as of total persondays	4.25	4.42	4.94	5.14
ST persondays % as of total persondays	16.14	14.5	17.75	20.06
Women Persondays out of Total (%)	47.55	44.08	41.77	41.08
Average days of employment provided per Household	33.55	36.31	32.31	30.58
Average Wage rate per day per person (Rs.)	223.94	212.91	192.97	188.96
Total No of HHs completed 100 Days of Wage Employment	52,632	71,283	29,979	18,359
Total Households Worked [In Lakhs]	27.38	25.1	19.28	17.41
Total Individuals Worked [In Lakhs]	39.93	35.73	27.71	24.59
Differently abled persons worked	6850	6616	5478	5572
Number of GPs with NIL exp	0	1	1	9
Total No. of Works Taken up (New+Spill Over)[In Lakhs]	4.78	4.38	2.97	2.74
Number of Ongoing Works [In Lakhs]	3.55	3.06	2.19	1.31
Number of Completed Works	1,23,686	1,31,387	77,344	1,42,597
Total center Release	227664.19	251454.95	147624.25	105037.23
Total Availability	252423.23	287737.57	147624.25	142700.79
Percentage Utilization	95.12	87.76	100	93.79

Source: MNREGA Report Assam

From the study result, the labour budget has been reduced compared to the last three years, and many projects have been launched, but the rate of progress is not expected. And most shocking figure comes from the report that the highest number of GPs with nil experience comes. Almost 65 per cent of the respondents are happy with the working pattern and wages they are getting. Nearly 90 per cent of the respondents responded that this is a flagship programme which has employed many poor rural people, and more than 75 per cent of the respondents replied that this programme is helpful for the economic and social security of the rural poor. More than 83 per cent of the respondents responded as this programme is a game changer for the rural economy. They have highlighted the current unemployment issues in the State of Assam. Almost 70 per cent of the respondents responded that this programme would empower the rural poor directly or indirectly reduce a society's insurgency or financial instability.

Almost 45 per cent of the respondents responded that they are not getting good work, as mentioned before, and they are deprived of adequate information about the job. More than 85 per cent of the respondents responded that they are getting the remuneration for daily wages timely without any delay. The study also found that more than 75 per cent of the respondents answered that these funds or remuneration benefit them. They also reveal that they have used these for productive and constructive activities such as education, health and savings. It is also found there are only 37 lakhs job cards active out of 63 lakhs. There is a need of the hour to increase the number of active job cards in the rural areas through the rural people will get more benefits on a large scale.

Conclusion

The MGNREGA is one of the important scheme for overall development of India's economy. If The MGNREGS is implemented in a proper way as in Assam, it can reduce poverty at the bottom level and it can empower the poor in the short run. The Government has taken various programmes in order to create employment opportunities and to eradicate poverty. Many of these are partially successful in achieving their goals. The MGNREGA programme, being implemented everywhere in Assam, has not achieved its goal fully. In Kamrup, Hojai, Barpata, Nalbari districts also the programme has not succeeded much. The scheme could not ensure the 100 days job guarantee to the majority of the job card holders. We have observed that the scheme fails in respect of providing employment avenues to the unemployed to a large scale. In fact, the tune and essence of the Act could not shine in the State of Assam because of worksite facility, faulty wage payment, illegal presence of contractors etc. Apart from these, the potential beneficiaries are not yet well-informed about the objectives and process of this programme.

Conflict of Interest

The author declares that there is no conflict of interest.

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