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## National Rural Employment Guarantee Act & Rural Employment Empowerment

(A case study of West Champaran)

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### Abstract

National Rural Employment Guarantee Act (NREGA) was launched in September - 2005. This scheme is initiated with an objective to attack on poverty through solving the problem of unemployment with the creation of social assets. The prime objective of this scheme is to create community assets through employment generation. At least one adult family members of poverty section of the society are empowered through providing 100 days employment for enhancing their income and making them able to buy their needs and necessity on their own efforts. Provisions for providing employment at door step are made. Such provisions, not only in fuels the process of social empowerment through creation of community assets but encourages the ability as well as efficiency of rural families As far as the achievement of NAREGA is concerned it has widely been accepted that it is the most active, efficient and effective scheme launched during planning era to fight against rural unemployment on the one hand and on the other hand produce community assets. The achievement of such scheme is not only satisfactory but efficiently safeguarding the interest of the rural communities by pulling up them above the poverty line. The creation of social assets is the special essence of this scheme.

To insure the easy understanding of the discussion made in the main body of this paper, whole discussion are classified in to following sections-

Section – 1<sup>st</sup> provides introductory note on the topic,

Section – 2<sup>nd</sup> analysis the basic needs and necessity of NAREGA,

Section – 3<sup>rd</sup> highlights the review of literature ,

Section – 4<sup>th</sup> gives information about the problem of unemployment and poverty and its remedy in NAREGA,

Section – 5<sup>th</sup> discusses the need and necessity of community assets,

Section – 6<sup>th</sup> narrates the methodology undertaken and

Section – 7<sup>th</sup> describing the primary data collected for testing the hypothesis undertaken and

Section – 8<sup>th</sup> prescribes suggestions with concluding remarks. It could be said that NAREGA is one of scheme of poverty alleviation through the creation of community assets.

**Keywords:-** Rural, Poverty, Unemployment, Infrastructure, Community assets

## INTRODUCTION

As per preamble of our constitution it is the prime objective of our government to provide safeguard to the down trodden and to undertake all those programmes and policy prescription through which economic development with social justice is insured. Taking this view in mind, no doubt, a lot of scheme and policy prescription are undertaken during planning era for the betterment of poverty section and disadvantaged group of the society. No doubts, satisfactory results have also been achieved. But still the majority of rural poor are waiting for their benefits. National Rural Employment Guarantee Act (NAREGA) is launched in 2005, a most effective, efficient and adequate scheme to attack on poverty from its front along with the creation of appropriate community assets for social empowerment through providing sufficient infrastructural facilities. Provisions made under it for the betterment of the poverty section of the society are quite satisfactory. In this paper an attempt is made to assess and evaluate the functional procedure of NAREGA and its impact on the poverty section of the society on the hand and availability of community assets on the other hand. As it is evident that NAREGA is a scheme in which poverty is attacked from the front with employment generation through the creation of community assets.

Section 1<sup>st</sup> Presents an Introductory Note on the Topic, Section – 2<sup>nd</sup> gives an information about the need and necessity of the scheme, Section – 3<sup>rd</sup> highlights the review of literature, Section – 4<sup>th</sup> gives information about the problem of unemployment and poverty and its remedy in NAREGA, Section – 5<sup>th</sup> throws sufficient light on the need and necessity of community assets, Section – 6<sup>th</sup> narrates the methodology undertaken, Section – 7<sup>th</sup> analysis the primary data collected so far for the testing of hypothesis and Section – 8<sup>th</sup> prescribes suggestions with concluding remarks. The findings of the study are quite satisfactory and encouraging. A lot of poverty section of the society are become able to come up above the poverty line along with sufficient community assets creation. Apart from community assets, adequate area of land is also taken in to the plantation for social forestry. i.e. the scheme of NAREGA, is quite competent for environmental upgradation also.

### Need and Necessity of NAREGA

After independence in 1947 the mixed economic structure is accepted by the then policy makers. The prime objective of the state was to protect and safeguard the interest of the mass exploited, deprived as well as disadvantaged group of the society.

No doubt a lot of programmes and policy prescriptions are launched in different plans and success have also been achieved up to certain limit but a great job is still left before the government. Majority of our people are still compelled to live in starvation and

compelled to migrate for the fulfillment of their consumption requirement. They are rendering here and there for getting gainful employment but due to lack the job opportunities in their home state as well as home district they become fail to do so and decided to migrate. At the same time the people of rural as well as urban economy are facing acute dearth of community assets. In such scenario, on the one hand a majority of masses are bound to live in starvation and compelled to migrate on the other hand the people residing in rural area are crying for living in the condition of insufficient and inferior quality of community assets. In such scenario, government as well as society are in search of a scheme through which Hence, it would become the demand of the hour to have a programme through which the problems of unemployment could be solved on the one hand and sufficient quality community assets could also be provided through the creation of the same. Such dreams have correctly been achieved with the implementation of NAREGA. i.e. NAREGA is the most prominent and effective programme launched in 2005 with an objective to solve the problems of rural unemployment along with creation of community assets. As we know that unemployment constitutes a serious economic, social and political problems as it has been facing by the Indian economy. In its economic aspects the existence of large number of unemployed people means a tragic waste of human resources and as the resultant acute poverty and starvation are emerged in terms of deprivation and inability in society. i.e. the availability of goods and services are reduced due to mass unemployment society. The problem of unemployment become alienated against the social order owing to frustration and anger against the system that cannot provide them either work at the prevailing wage rate or job facilities for their permanent settlement. The problem of unemployment creates a lot of problems in terms of the emergence of unethical as well as unsocial activities and the potential source of human resources instead of engaging in creative works pose a lot of danger before the government. All these factors all-together create social unrest and resulted in terms of political instability. There is a very - very close relationship between high level of unemployment, wide spread poverty and uneven distribution of income and wealth. In such scenario, in the realm of globalization, it would become the prime objective of the government to launch a multidimensional scheme to solve the problem of unemployment which in turn reduces the intensity as well as efficacy of poverty. NAREGA is the scheme launched in 2005 with an objective to attack on poverty in a whole tic view. After, giving a synoptic view on the need and necessity of NAREGA, now we proceed to discuss in brief about the review of literature in this regard in section

- 3<sup>rd</sup>.

## Review of literature

Without going in detail it would become pertinent to state that during the course of time rural settlement have become the most important issue of our development plans. Rural development implies both the economic development (betterment) of people as well as

social transformation through the creation of community assets. In order to provide better prospects and greater opportunities to the rural people for empowering them through accelerating the process off employment and creation of community assets following steps are undertaken with pivotal importance –

- a. Decentralization of planning to increase people's participation in rural development schemes.
- b. Better enforcement of land reforms to reduce uneven distribution of land &
- c. Expansion of financial institutions for insuring greater access to credit for accelerating the process of resource mobilization.
  - Initially main thrust for social and agricultural development was given first priority in our planning.
  - Latter on wage employment scheme was gotten momentum. &
  - Lastly in 1977; self-employment scheme was received pivotal place in rural development planning.
  - And in 2005 NAREGA has launched with an objective to generate wage employment with the creation of community assets.
  - The preference lists of community assets to be created are prepared in Gram Sabha. I.e. community assets to be created must be of mass interest and utilities.

Prof. VM Dandekar has rightly commented that wage employment scheme is the scheme of "right step in the right direction".

However, wage employment scheme is not a scheme but an approach to development. Employment Guarantee Scheme (EGS) is the first scheme in which right to work was recognized and that concept has been considered in NAREGA (National Rural Employment Guarantee Act) also. Due to procedural lapses and mass illiteracy amongst the beneficiary households (BPL Families) the success of this act is through quite satisfactory but up to certain limit. The quality and quantity of community assets created are satisfactory up to certain limit. The result of employment generated during 2005 to 2015 is also fulfil the needs and necessity of the rural unemployed unorganized labourers families. A lot of researches have undertaken on this scheme but not on the same line. In this paper of us, an attempt is made to compare and contrast the findings with the findings of the previous works done so far.

Now we proceed to assess and evaluate the information about the problems of

unemployment and poverty and the expectation of possibilities made under NAREGA for amicable solution.

### Problems of Unemployment and Poverty & the Case of NAREGA

Bihar after the bifurcation of Jharkhand on November 15, 2000, has become the third most populous state in Indian union. It has become the home of 8.29% of India's population. As per census 2011, the total population of Bihar is 104,099,452 out of which 54,278,157 males and 49, 82,295 females The population of West Champaran as par 2011 is 3,935,042 while the total number of male and female are 2061110 and 1873932 respectively. To have a detailed statistics of population can be visualized with the data of Table—01. As it has widely been clear from the data of Table-01, the population of West Champaran in comparison to that of Bihar is 2.92 per cent. While the rate of growth of population of West Champaran is 29. 29 percent in comparison to 25.40 percent of Bihar.in 2011. As per the census of 2001, the growth rate of Bihar is

28.43 percent in comparison to 30.40 in West Champaran in 2001. While we see the sex ratio of Bihar and West Champaran, the sex ratio of West Champaran though showing increasing trend 901 in 2001 to 909 in 2011, while the sex ratio of Bihar has been decreased during this period from 919 in 2001 to 2018 in 2011. The decreasing trend of sex ratio of Bihar though meager but the declining trend of Demographic Details of Bihar and West Champaran as per Census of 2001 and 2011. Other Demographic indications of West Champaran and Bihar are presented in Table-01

Table-01

Description	2011		2001	
	Bihar	W.Champaran	Bihar	W.Champaran
Approximate Population	10.41 Cr.	3,935 lakh	8.30 Cr.	3,043 lakh
Actual Population	104,099,452	3,935,042	82,998,509	3,043,466
Male	54,278,157	2061110	43,243,795	16,00830
Female	49,821,291	1873932	39,754,714	14,42,627
Population Growth	25.4%	29.29%	28.43%	30.40%
% to total Population	8.60%	3.78%	8.07%	3.6%
Sex ratio	918	909	919	901
Density / km <sup>2</sup>	1106		881	
	753		582	
Density / m <sup>2</sup>	2863	NA	2283	NA

Area / m2	36357	NA	36357
			NA
Area /Km2	94103	NA	94163
			NA
Total Child Popu.(0-6years)	19,133,964		16,806,063
	7,76,031		6,48,358
Male	9,887,239		8,652,705
	3,97,418		3,31,977
Female	9,246,725		8,153,358
	3,78,613		3,16,381
Literacy rate	61.80%		47.00%
	55.70%		38.93%
Male	71.20		59.68
	65.69		57.08
Female	51.50		33.12
	44.69		25.23
Total Literate	52,504,553		31,109,577
	17,59,481		93,2347
Male	31,608,023		20,644,376
	10,91,226		6,48,173
Female	20,896,530	6,68,255	10,465,201
			2,84,174

Source: Census of India, census table of Bihar and PASCHIM CHAMPARAN, 2011.

Rural and Urban breakup of population of Bihar and West Champaran as per Census of 2001 and 2011 :--To have an exact idea about the rural and urban breakup of the population of Bihar and West Champaran, we must have to go through the data of Table -02.

Table-02.

Rural Urban Breakup of Population of Bihar and West Champaran as per Census of 2001 and 2011.

Out of total population 11.29 % reside in urban areas while 88.71 % in rural area.

Description	Rural		Urban	
Population	88.71%	(90.01)	11.29%	(9.99)
Growth rate	24.25% Bihar,	W.Cham.	35.43% Bihar,	W.Cham.
Sex ratio	921	911	895	897
Child sex ratio	938	955	912	924
% of child(0-6 yrs)	18.83%	19.64	14.89%	16.05
Literacy rate	59.78%	53.90	76.86%	71.10
Male	69.67%	64.20	82.56%	77.47
Female	44.30%	42.46	61.95%	63.98

Source: Census Report-2011. W. Cham=West Champaran

As per literature available, youth of a nation is the most active, effective and efficient human resource full of youth energy and productive potential. But the problem of youth unemployment not only spells out the acute starvation and dearth of employment opportunities but it fuels the process of social distraction presents in terms of increase in criminal activities and acceleration in formation of terrorist groups also. As a result, the case of unemployment of youth is reflected in terms of mass poverty. As per data available in ISO report there are 64 percent youth (15 years to 35 years) in Indian population. But after the separation of Jharkhand remaining Bihar is becoming popular for Aaloo, Laloo and Baloo. I.e. the economy of Bihar has predominantly characterized as undeveloped, flood prone and majority un-irrigated agricultural economy in which through there is unlimited scope of employment. It's all human resources; but due to acute dearth of basic infrastructural facilities, work force of Bihar is compelled to migrate for getting their livelihood. As it has widely been seen more or less in all cities of India the position of Bihari workers has become more painful than that of CORONA VIRUS.

DURING THE PHASE OF LOCKDOWN for 21 days, Bihari workers are compelled to leave the city, because all works are stopped during this period and hence there is no need of these workers. Their pain of gain can be understood by the decision of those workers who decided to start their journey for their home state on foot.

To reduce the rate of migration, Government of Bihar has launched NAREGA in 2005. Since then a lot of employment opportunities along with the creation of community assets have generated under NAREGA. NAREGA have succeeded to reduce the out migration of Bihari workers and enabled them to raise their real income.

Though migration is the permanent feature for economic advancement but NAREGA has reduced it up to satisfactory level.

### Need and Necessity of Community Assets

A community asset (or community resource is a very similar term) is anything that can be used to improve the quality of community life. i.e. it means :-

- It can be a person – Residents can be empowered to realize and use of their abilities to build and transform the community. The firefighter who risks his life to keep the community safe is considered as community assets.
- It can be physical structure or place: a school, hospital, church, library, recreation Centre, Social Club, a park, a wetland etc. all other things which can enable a person or the whole community to develop the social accessibilities for acquiring quality life,
- It can be a community service that makes life better off for all community members.
- It can be a business that provides jobs and supports the local community members,
- Everyone has some skills and talents and everyone can provide knowledge about the community.

Community Assets are Needed Due to Following Count :-

- a. They can be used as a foundation for community improvement.
- b. The resources needed for change must be supplied from the community's assets itself

- c. Community assets are the collective resources which individuals and community have at their disposal.
- d. Community assets empower people to get easy access of goods and services.
- e. Any type of inadequacy of community assets reduces the pace of socio-economic development thought reducing real income of the masses.

In the light of above said count it would become the prime objective of our development plans to enrich the availability of community assets for insuring smooth and satisfactory movement of socio-economic resources to in fuel the attainment of real income.

Taking this view in mind, NAREGA has planned to design in such a way to accelerate the process of employment generation through the creation of community assets.

After giving a brief account of need and necessity of community assets and its acquisition through NAREGA, now we proceed to discuss about the methodology undertaken for presenting the whole discussion in an attractive manner for insuring easy and clear-cut under-standing.

## Methodology

Methodology used in this work is quite simple and analytical. As far as the method of data collection is concerned, it was collected through quantitative research methods. The quantitative method enables us to assess the type and quantum of benefits received under programme from the view point of beneficiaries; whereas the quantitative method enables us to elicit in depth information from various functionaries involve as well as the community members. The qualitative method at the same time enables us to assess the way in which various process creating are working besides providing insights into the perception of target groups and community regarding the NAREGA or MGNAREGA.

The target group / units of this study are follows:-

1. Beneficiaries of the NAREGA
2. Non-beneficiaries of the NAREGA ie those who are eligible to get benefits under the scheme but did not get benefits.
3. Community members i.e. the beneficiaries who have gotten benefits from the community assets created under MGNREGA.

Before highlighting the hypothesis, it would be pertinent to throw a flash of light on the objective of the study :-

Objective of the study

- To study whether rural poor are benefited from the MGNREGA or not.
- To analyze the change taken place in income pattern of MGNREGA beneficiaries.
- To assess and evaluate the improvement in livelihood of rural poor people due to implementation of MGNREGA.
- To evaluate the fruitfulness of community assets created through MGNREGA.

## Hypothesis

- Ho: There is no significant difference among rural poor through MGNREGA
- Ho: There is no significant difference in overall satisfaction of laborers working under MGNREGA.
- Ho: There is no significant difference in income pattern of rural poor people due to MGN
- Ho: There is no conflict among family members for working in MGNREGA.

## Research Problem

To study whether rural poor people are empowered through the NAREGA by getting employment on the one hand and enrichment of community assets created on the other hand. The variables taken for analysis are change in income pattern through MGNREGA.

## Research Design

This work is quite descriptive and analytical in nature. The study comprises of both primary and secondary data. The primary data are collected through house-holds survey in selected sample area and secondary data are gathered through journals, Books, Magazines, Periodicals and all other printed study materials available in hard and soft copies on the topic to be studied.

## Sampling

Total fifty households are taken into consideration through the method of random sampling process but the locality of sample households are selected by adopting purposive sampling method.

## Research Technique

To narrate the findings of the study gathered for the fulfilment of the objectives of the study. To quantify the findings for the testing of hypothesis, chi-square test is being used.

## Analysis of Major Findings

Percentage analysis:-

- 50% beneficiaries are from SC/ST and OBC communities.
- 80% are married, 10% are unmarried and 10% are widows.
- Most of the beneficiaries are illiterate only 15% are literate with matriculation or lower qualification.
- Only 05% of the sample families depend on services as main source of livelihood, 60% as farm labourers and remaining 35% as agricultural labour.
- 21% beneficiaries are aware about MGNREGA.
- 76% get information from punchayat.
- Only 06% have idea about rules and regulation of MGNREGA.
- Period of employment are of 5 to 6 months.
- Nearby 70% beneficiaries are unaware about the unemployment benefits as well as accidental benefits.
- All beneficiaries have a bank account most of them are not aware about deposit and withdrawal of money in Account.

· As far as creation of community assets are conserved 20% activities undertaken in locality are three plantation 15% are road development; 30% are cleaning of drainage, canal, repair of school, punchayat bhawan and other social institutions, repair as well as reconstruction of un-built road in rural area to increase the connectivity as well as mobility of rural poor masses.

As it has widely been accepted that due to lack of approach road in rural localities, a lot of problems have emerged and rural people are compelled to face the such problems not only in their movement but in acquiring their daily life necessities also.

Provisions made in MGNREGA are quite appropriate and important for empowering women, children and all others residing in such undeveloped and isolated localities.

- Working hours is of 6 to 8 hours daily for all workers.
- NREGA is the most preferable work for all workers irrespective of male and female.

The hypothesis of the study are tested with the help of Chi-square Test. The statistical data collected so far through the house-holds survey are used in statistical analysis for getting the value of chi-square presented in various Tables-01, 02, 03, 04 and 05. All the calculated values of chi-square are compared and contrast with the tabulated value of chi-square and appropriate conclusions are drawn. As it is known that the null hypothesis is rejected if the calculated value of chi-square is greater than the tabulated value of chi-square. For detail please go through the findings of the various Tables.

## Chi-square test

Table - 1

	Rural poor empowerd	Benefits available in the places under MGNREGA
Chi-square	5.120	18.000
Df	1	1
Significance	0.024	0.000

There is goodness of fit between NREGA and rural poor empowered because the calculated value of chi-square (5.120) is greater than the tabulated value (3.841).

Thus, the null hypothesis is rejected and hence alternative hypothesis is accepted i.e.

NREGA is proved one of the most success and beneficial programme for rural poor people.

Similarly, there is goodness of fit between NREGA and benefits received in place as calculated value (18) is greater than that of the table value (7.815). The null hypothesis is rejected and hence alternative hypothesis is accepted

Table – 2

	Labour Empowered	Solving Problems under NREGA
Chi-square	5.120	2
Df	1	1
Significance	0.024	0.157

As it is evident from the table, the calculated value of chi-square is (5.120) that is greater than tabulated value of chi-square (3.841). Thus, null hypothesis is rejected and hence alternative hypothesis is accepted i.e. majority of rural poor households are will satisfied with NREGA.

Table - 3

	Problem under NREGA	Solving Problems under NAREGA
Chi-square	3	17
Df	4	1
Significance	0.158	0.000

As per data presented in table - 3. Null hypothesis is accepted because tabulated value of chi-square (3) is less than that of tabulated value of chi-square (9.488). I.e. alternative hypothesis is rejected and we conclude that there are problems in NREGA.

Similarly, there is no goodness of fit between NREGA and problems under the scheme as because the calculated value (18) is greater than the table value (3.481).

The null hypothesis is rejected and alternative hypothesis is accepted.

Table – 4

	Change in income after working under NREGA	Satisfaction with NREGA
Chi-square	09	02
Df	01	01
Significance	0.005	0.157

There is goodness of fit between NREGA and change in income after working under NREGA as because the calculated value (8) is greater than that of tabulated value (3.484).

At the same time satisfaction with NREGA is accepted as alternative hypothesis because calculated value (2) is less than that of tabulated value (3.841).

Table – 5

	Benefits occurred with the community assets created under NREGA	Satisfaction with NREGA
Chi-square	18	2
Df	3	1
Significance	0.000	0.157

There is goodness of fit between NREGA and benefits from community assets created Under NREGA. Calculated value of  $X^2$  is  $18 > 7.815$ . I.e. null hypothesis is rejected and Alternative hypothesis is accepted.

### Conclusion

On the basis of above said study it can be summarized that the benefits occurred in various works undertaken in MGNREGA is quite satisfactory and significant. Thus, the workers are empowered. Though, a few proportions of workers are not satisfied with the wage rate provided under MGNREGA but majority of them are quite confident and satisfied with working and wage rate of the act. In their conception MGNREGA, enables them to stay at home with their family and work for the creation of community assets for their own community. As far as work site is concerned, they (workers) are satisfied.

There is a change in income of after workings under MGNREGA as a resultant, the living standard of workers have improved.

Though changes in living standard of workers are not up to the mark but it indicates a rising trend.

To insure an accelerated improvement in living condition of MGNREGA Workers, Government must have to solve the problems arise at workplace as mentioned below :-

1. Problems with authorities regarding work.
2. Caste Discrimination.
3. Wage problems.
4. The gender discrimination problems.
5. Working time decision problems.

No doubt said problems are redressed time to time for the greater interest of the workers, but still it has to do a lot in this regard.

Bonus level is quite very low after demonetization; wage rate of MGNREGA

workers must be rationalized because, they are paid improperly.

As for as the numbers of 100day employment to be provided to each and every MGNREGA workers, only a certain kind of works are allotted and not any effective arrangements are made to insure 100 day employment.

If 100day employment will be guaranteed for these workers, it will not only benefit them a lot but it will in fuels the process of the creation of community assets also which in turn enrich the overall benefits of the society. At last but not the least, MGNREGA workers must be trained in an effective manner to become aware and sincere workers for proper development of their district and state. This scheme should not be treated as a scheme for snatching money but for the employment of the society as a whole through enriching the availability of community assets.

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