



A STUDY ON IMPACT OF MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME IN GUNTUR DISTRICT, ANDHRA PRADESH

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ABSTRACT

The present study evaluated the impact of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme on employment and income generation in Guntur district of Andhra Pradesh. Since the performance of the district in implementation of MNREGS has been lauded, therefore, it was felt imperative to examine the impact of scheme on employment, income and consumption pattern of beneficiaries and to see whether it has been able to uplift the living standards of the people or not. The primary data were collected from 120 beneficiaries selected randomly in Prathipadu Manadal of Guntur district, Andhra Pradesh. The results indicated that all the mandatory guidelines of the scheme were found to be followed properly except for the provision of 100 days of employment and payment of wages on weekly basis to the workers.

Key Words : MGNREGA, Impact on Employment, Savings, Family Income

INTRODUCTION

MGNREGA stands for Mahatma Gandhi National Rural Employment Guarantee Act, established to employ the rural population to maintain their livelihood. MGNREGA Scheme was enacted to provide an employment guarantee of 100 days of work to rural unskilled labour within fifteen days of registration. If employment is not given, the unemployment allowance must be paid. MGNREGA Scheme, in the local dialect, is also known as Mahatma Gandhi NREGA or MANREGA/MNREGA.

Mahatma Gandhi National Rural Employment Guarantee Act was launched in August 2005. However, the MGNREGA Scheme was launched in February 2006. Initially, it was named the National Rural Employment Guarantee Act or NREGA.

Objectives of MGNREGA

MGNREGA aims to provide employment to rural people for a better living. It aims to address the causes of chronic poverty through the works undertaken and ensure sustainable development. The MGNREGA Act was introduced to improve the purchasing power of rural people, primarily semi or unskilled workers, to people living below the poverty line in rural India. The following are the objectives of MGNREGA:

- The first and most important objective of MGNREGA is to provide a guaranteed 100 days of employment to the rural population, especially unskilled labour.
- This is because MGNREGA aims to provide a better source of living to the economically backward section of society.
- MGNREGA took the initiative to reduce the number of migrants moving from rural to urban areas and provide job opportunities for them at their residences.
- Along with helping the economically weaker sections of society, it also helps to strengthen the Panchayati Raj system of India.
- The Govt of India backs this social security scheme. It provides employment and livelihood to rural labourers in India. The person seeking work under the MGNREGA must be registered under the gram panchayats. Therefore, a person must enroll in this scheme to obtain the work.

Importance of Mahatma Gandhi National Rural Employment Guarantee Act

MGNREGA is responsible for ensuring operational guidelines and compliance and providing transparency in working styles at all levels.

- The programs initiated under the MGNREGA scheme are mostly based on demand and have legal provisions which can be appealed in court a case if work is not provided or in case of delayed payment.
- There is always a constant check on the working progress of the scheme. For this, the central and state governments are directly responsible for auditing the work undertaken.
- There are two bodies named EGC and SEGC, which stand for Central Employment Guarantee Council and State Employment Guarantee Council, respectively, which prepare the annual reports to be audited by central and state governments.
- Under the MGNREGA working ambience, all work sites facilities such as creches, drinking water, and first aid are provided.
- MGNREGA plays a crucial role in poverty reduction by providing guaranteed employment to rural households. It ensures that individuals have access to at least 100 days of wage employment in a financial year, which contributes to their economic well-being and livelihood security.
- The scheme focuses on the creation of durable rural infrastructure assets, such as water conservation structures, rural connectivity, and land development. By undertaking such works, MGNREGA contributes to the overall development and improvement of rural areas, enhancing their quality of life.

REVIEW OF LITERATURE

Shaikh Tabrez, et al (2019) in their article demonstrated how MGNREGS aids in stabilising the beneficiary household's monthly income level. However, the key factor influencing this stability is the number of days and times at which the MGNREGS activities are scheduled. In general, MGNREGA will assist in stabilising their means of subsistence or food security during the slow season of agricultural activity. There was a noticeable rise in the cost of practically all food and non-food items. This might be the result of an increase

in income following MGNREGS participation. Following MGNREGA, the recipients' purchasing power for items like farm equipment, TVs, cell phones, bicycles, and animals had also increased.

Sheela kharkwal and Anil Kumar (2015) in their article suggested that implementing agencies should make conscious efforts to increase the person days employment in the area to meet the minimum specified target of employment under MGNREGA and also the scheme should be continued in future and expanded to other regions of the country involving more families under its ambit.

Mohammad Taufique and Md Areful Hoque (2017) in their article revealed that MGNREGA has some pioneer role in reducing therural poverty in Malda district. MGNREGA is not the only welfare initiative scheme but equallyan important development effort that could play a bigger role in changing the current phase ofrural poverty into a new prosperity.

Swapna M (2018) in her paper studies the effect of MGNREGA on the generation of employment, type of work done under this statute and up to what extent this programme is successful in poverty alleviation in rural India. Many researchers have found that this programme has a huge impact on the employment structure of rural India. The present paper studied and outlines the Contribution of MGNREGS on the empowerment of the rural people through poverty alleviation and rural development in India.

Dr. Appu. Rathod et al, (2020), in their article examined the impact of MGNREGA on overall economic and social development of beneficiaries in Kalburgi district of Karnataka. The study was carried out in the disaster affected areas of Kalburgi with beneficiaries as respondents. The results found the MGNREGA has significantly improved their social and economic well-being.

OBJECTIVE OF THE STUDY

The main focus of the study is on analyzing the socio economic impact of Mahatma Gandhi National Rural Employment Guarantee Scheme. More specifically, the study seeks to: . Critically analyze the impact of Mahatma Gandhi National Rural Employment Guarantee Scheme on Employment, Income and Expenditure

RESEARCH METHODOLOGY

The research methodology has been used to find out the impact of MGNREGS on poverty, income and employment. This research focuses on impact of MGNREGS on socio-economic conditions of workers in Prathipadu Manadal of Guntur district, Andhra Pradesh. The sample size for the study is 120 on simple random sample method.

DATA ANALYSIS

The findings regarding the impact of MGNREGS on income, savings and expenditures have been depicted in the table 1, and described as follows

Table 1 : Impact of MGNREGS on Income ,Savings and Expenditure

Sl No	Particulars	Significantly Increased		Increased Moderately		No Change	
		No. of Respondents	%	No. of Respondents	%	No. of Respondents	%
1	Impact on Family Income	37	30.83	77	64.17	06	7.50
2	Impact on Savings	28	23.33	77	64.17	15	12.50
3	Impact on Expenditure	32	26.67	46	38.33	42	35.00

Impact on Income: After the implementation of the scheme, average family income of the sample respondents is found to have increased, as about 30.83 per cent of the people reported to have seen significant increase and 64.17 per cent reported a moderate increase in their family income. Very few (5 per cent) experienced no change in family income.

Impact on Savings: Workers' household savings are also expected to increase with the additional flow of income to these households. Table 1 show that 23.33 per cent workers strongly accepted that savings has increased considerably and 64.17 per cent respondents agreed as moderate increase in savings. Very insignificant number of respondents (12.5 per cent) considered no change in savings.

Impact on Expenditure: It seems to be a positive impact on household expenditures as 26.67 percent beneficiaries reported significant increase in expenditure, while 38.33 per cent felt moderate increase in expenditure. However 35 percent perceived no change. But overall impact can be taken as encouraging.

Table 2 : Impact of MGNREGS on Expenditure Pattern

Sl No	Particulars	Significantly Increased		Increased Moderately		No Change	
		No. of Respondents	%	No. of Respondents	%	No. of Respondents	%
1	Debt Repayment	08	6.67	101	84.17	11	9.16
2	Food	29	24.17	71	59.17	20	16.66
3	Education	20	16.67	32	26.67	68	56.66
4	Electricity	18	15.00	08	6.67	94	78.33
5	Health Expenditure	32	26.67	45	37.50	43	35.83
6	Clothing	28	23.33	30	25.00	62	51.67

Impact on Expenditure Pattern: It was mostly observed that with the increase in income and expenditure pattern i.e. the distribution of expenditure on various items, also changes. This is evident from the study also. As the increase in MNREGS income is not so high to change the expenditure pattern of the households, so no effect in case of some items were observed.

Impact on the Repayment of Debt: 6.67 percent workers perceived that the income received through the scheme has significantly increased repayment of loan, 84.17 per cent agreed that it has reduces their liability moderately. Very few workers (9.16 per cent) felt that income received through the scheme has not helped at all in reducing their household indebtedness. In fact most of the respondents replied that with extra earnings from MNREGS, their main priority is to repay the loan and this income has helped in fulfilling this priority.

Expenditure on Food Items: 24.17 percent household responded that their expenditure on food items has increased significantly, while 59.17 per cent indicated that it has increased to some extent, but 16.66 percent felt no change in expenditure on food items. However the findings revealed maximum increase of expenditures in case of food items.

Impact on Educational Expenditure: Increase in Enrolment of children in schools was observed significantly by 16.67 percent and moderate increase by 26.67 percent of respondents. 56.66 percent respondents replied with no change in enrolment of children. It can't be supposed as negative, because to Andhra Pradesh government's scheme like mid-day meal programme had already increased enrolment in schools.

Impact on Electricity: Most of the respondents didn't felt a major change in electricity as 15 per cent and 6.67 per cent graded it as significant and moderate increase, while 78.33 percent feels no change.

Impact on Health Expenditure: The employment generation has increased their income and now the workers have more money in hand. Hence, they are able to spend somewhat on the health of their family members by going to the town for better treatment. The additional income, especially payments in cash for the daily wages, immensely helps poor families to spend it on health issues. The findings reveal the significant increase by 26.67 percent households, moderate increase by 37.50 percent respondents on health expenditure, while 35.83 per cent experienced no change in expenditure on health.

Impact on Clothing: No change in expenditure on clothing was experienced by majority (51.67 per cent) of the workers. However less than 50 percent respondents observed significant change (23.33 per cent) or moderate change (25 per cent) in expenditure on clothing.

CONCLUSION

MGNREGA is seen by the villagers as having great potential to improve rural livelihood. The workers saw their MGNREGA income as a significant source of support that went hand in hand with other irregular sources of income. The availability of jobs in the community is tremendously motivating for the residents. Gender equality was also guaranteed in rural Andhra Pradesh through MGNREGA.

A sizable percentage of scheduled caste and backward caste workers were engaged by the programme. Financial safety, hassle-free wage disbursements, easy money withdrawal, and multiplier effects of savings have been the outcomes of financial inclusion methods such as developing bank accounts for MGNREGS beneficiaries.

The programme was somewhat successful in increasing rural households' employment and income, which increased their purchasing power. They are now much more creditworthy as a result. Because the local food stores are aware of the guaranteed income from MGNREGA, workers are able to purchase goods on credit from them. The money received from MGNREGA was used for everything from food purchases to debt repayment. Additionally, some of their properties' upkeep and repairs were funded. The poor households' social and financial position has improved as a result of MGNREGA.

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