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### Analysing performance of the MGNREGA scheme: A study of three Panchayats of Bijnor district (Uttar Pradesh)

**Aditi Singh and Dr. Ombir Singh**

#### Abstract

By providing 100 days of wage employment, the scheme provides an income supplement to rural poor households. The scheme provides work throughout the year, especially in the agriculture lean season. Various provisions of the MGNREGA scheme bring considerable changes in wage pattern in rural areas. The study investigates the MGNREGA scheme impact on rural employment and poverty alleviation in the Bijnor district, Uttar Pradesh state. This study is predominantly based on the primary source of data collection from the selected respondents by using the Random sampling method. The finding of the study draws in information from a field survey of 51 households that were actively working in the scheme in the district during 2018-19 and 2019-20. The research study covers aspects like awareness about the scheme, change in expenditure pattern after working under the scheme, the social condition of the respondents in a particular study region. The study also reveals that the annual expenditure of sample households is the same before working in the scheme and after working in the scheme. Only 31% of sample households have annual income above Rs. 40,000 (earn from both the primary source of income and MGNREGA) and annual expenditure were 33%, which is more than the annual income. From the total sample households, 82% of rural households have the government provide toilets (made under SBM).

**Keywords:** Rural employment, poverty alleviation, MGNREGA, public policies

#### 1. Introduction

According to census 2011, India is a home of 1 billion people out of which more than 50 per cent population lives in rural areas of a country and the total literacy rate of the country is 74.04%. According to the World Bank report, 23.6% of the Indian population or about 2.76 million people lived below the poverty line (based on 2005's Purchasing Power Parity International Comparison program). The rate of growth of employment is declining every year and the size of the labour force is increasing. The employment rate of men is higher than women in India. Unemployment and poverty are a national issue and this issue can be tackled by improving the quality and quantity of employment in rural areas. The public authority of India has consistently been effectively occupied to protect issues of rural unemployment by running programmes and schemes. Taking exercises from projects and plans executed before, the public authority of India launched the MGNREGA Act which aims to enhance the livelihood security of rural households in the country by providing at least 100 days of wage employment.

Mahatma Gandhi National Rural Employment Guarantee Act was first launched in the year 2006; it is the biggest social provincial rural employment programme of its kind anywhere on the planet. The central government provide a fund to the state government for the proper working of this scheme. The plan gives special emphasis on employing women and an arrangement is made for creating area and drinking sources on the private terrains of the rustic family of SC, ST, Below Poverty Line, Indira Awas Yojana lodging recipients and land change recipients. In 2008, this arrangement was stretched out to small farmers working with the job card in MGNREGA (D. Narasima Reddy, 2014) <sup>[1]</sup>. Wages concerned in an unorganised sector like agriculture labourer there is differential wage system for men and women. Such kind of wage differential is absent in the MGNREGA programme. Wages under the MGNREGA scheme are to be paid as per section 6 of the act. In the underlying phase of the execution of the act, labourers were paid according to section 6(2).

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In January 2009, the central government-initiated section 6(1) and delinked MGNREGA wages from the minimum wage act (Aggarwal, 2017)<sup>[2]</sup>.

The government had taken an initiative to provide skill training for specialised work. The Ministry of Rural Development would provide training to workers enrolled in MGNREGA for better employment opportunities. The MGNREGA scheme provides 100 days of work in a year to each grown-up individual who will accomplish easy-going work. This scheme provides work to both skilled and unskilled labour. In Financial Year 2018-2019 there are a total of 2,593,872 skilled.

Indian workers working under the MGNREGA scheme, out of this only 428,910 female skilled workers. And there is total 1,773,585 semi-skilled Indian workers working in MGNREGA scheme, only 554441 female workers working as semi-skilled workers. MGNREGA scheme is the only employment opportunity where rural women get unskilled

labour work.

### MGNREGA in Uttar Pradesh

According to census 2011, Uttar Pradesh is the most populated state of India with a population of 19.96 crores. The success of MGNREGA depends on the performance of an individual state. In the first phase of MGNREGA scheme was launched simultaneously in 22 districts of Uttar Pradesh. In 2007-08 as a part of phase II, the scheme was extended to 17 more districts and in 2008-09 it was extended to remaining districts of U.P. At present Uttar Pradesh state consist of 75 districts, 823 blocks and 58,906 Panchayats with an area of 243,286 sq km. It is the largest state in term of population. Many research studies have been placed in Uttar Pradesh on various aspects of the MGNREGA scheme. Table 1 shows the performance of the program at the state level from 2017-18 to 2019-20.

**Table 1:** Performance of MGNREGA in Uttar Pradesh

|   | 2017-2018   | 2018-2019   | 2019-2020   |
|---|-------------|-------------|-------------|
| No. Of household issued job card                  | 154,68,902  | 161,71,702  | 165,10,943  |
| Total number of the household demanded employment | 56,45,415   | 58,36,403   | 60,44,600   |
| Total number of the household provided employment | 48,59,995   | 50,45,063   | 51,16,471   |
| Total number of person days provided employment   | 181,515,492 | 212,132,765 | 223,734,715 |
| Number of families completed 100 days work        | 42,518      | 71,995      | 89,007      |
| Wage rate   | Rs. 175     | Rs. 175     | Rs. 182     |
| Percentage of work completion rate                | 94.53       | 74.53       | 14.92       |

Source: [www.nrega.nic.in](http://www.nrega.nic.in).

As we can see in table 1, the total number of the household issued with job card is increasing every year. But the total number of the household provided employment is less than the total number of the household demanded employment. In all three years (2017-18, 2018-19 and 2019-20) the household demand for employment is high but employment is not provided according to the demand. The average wage rate for the year 2017-18 and 2018-19 was same as Rs. 175, the wage rate in the year 2019-20 has been increased with Rs 7 which is Rs. 182. According to the programme, it must provide 100 days of wage employment to rural households but it is not fulfilled particularly. In U.P, a number of families completed 100 days wage employment is very less, in the year 2017-18 only 42,518 families completed 100 days work out of 48,59,995 and in the year 2019-20, total 89,007 families completed 100 days work out of 51,16,471. The total number of person-days provided the employment is 181,515,492 in the year 2017-18, 212,131,764 in the year 2018-19 and 223,734,715 in the year 2019-20. The total number of person-days provided employment has increased with 11,601,950 from 2018-19 to 2019-20. Percentage of work completion rate is decline every year from 2017 to 2020. The percentage of work completion is a decline from 94.53 (2017-18) to 74.53 (2018-19) and again it is declined from 74.53 (2018-19) to 14.92 (2019-20).

### Background

There is a positive connection between the MGNREGA programme execution of a state and its destitution positions and proficiency level. This correlation says that a greater literacy level has greater awareness about the scheme and are positively correlated with the MGNREGA performance of the state (Farooquee, 2013)<sup>[3]</sup>. The success of the MGNREGA scheme depends on how effectively local state

agencies implementing the scheme. Implementing authorities need to be trained properly so that cost-benefit analyses are done when the project is undertaken.

Agriculture wages for both male and female have increased across all over the country. The rate in female farming compensation has been a lot higher than male wages. The MGNREGA avoids work during agriculture peak season and provides work during the lean season. MGNREGA impacts the labour market in all parts of the country. By providing 100 days work at a minimum wage rate the average duration of migration declined (D Narasimha Reddy, 2014)<sup>[1]</sup>.

MGNREGA has essentially cut down the migration level in rustic regions of the district, holding the provincial workforce for use in the neighbourhoods. During top agrarian seasons, there will be a befuddle between the work market interest. The presentation of NREGS has unquestionably broadened this hole. Clearly, because of work shortage and higher wages, the ranchers have been constrained to either delay or amaze the horticultural activities (K. Kareemulla, 2013)<sup>[4]</sup>. People who belong to SC, ST are more-keen to do MGNREGA work because MGNREGA scheme helps them to fulfil their basic needs of consumption, children's education and small savings by providing work in agriculture lean season (R. Kurinjimalar, 2017)<sup>[5]</sup>. People of backward class are regularly participating in the scheme as compare to general cast people. The financial state of family consistently working under the scheme is impressively poor than of the other family of rustic region. Giving just untalented difficult work through the plan doesn't appear to be a solid thought over the long run. Arrangement for the semi-skilled and skilled laborers ought to be fused into the Scheme (Prattoy Sarkar, 2011)<sup>[6]</sup>. The NREGA gives a social floor to pay and

utilization and presents solidness in yearly family pay. By expanding the disposable income of poor households, the NREGA makes the conditions for a utilization-based development way. It additionally advances the cooperation of the neighbourhood individuals and the poor in the selection of resources to be made. The NREGA is a government program where wages are relied upon to be the least wages as opposed to the not exactly least wages paid by private agrarian land masters will push up ladies' wages in farming (Sukti Dasgupta, 2010) [7].

## Methodology

### Data source

The current investigation depends on both primary and secondary data. The effect of the MGNREGA scheme on rural employment and poverty alleviation has been analysed based on data collected from 51 households that were working actively in the year 2019-20 and 2018-19. The information was gathered by the specialist through an structured questionnaire from November 2019 to December 2019. The secondary data used in this paper have been collected from MGNREGA website ([www.nrega.nic.in](http://www.nrega.nic.in)).

### Sampling design

A total of 51 households (November 2019- December 2019) working actively in the year 2019-20 and 2018-19 in Nehtaur block of Bijnor district (U.P). There are 12 blocks in the Bijnor district; Nehtaur is the block where participation of workers in MGNREGA is very low. The household getting 100 days employment is very low during (2018-19 and 2019-20). The sample of 51 respondents is taken from three panchayats of Nehtaur block (Mahmoodpur Milak, Salempur, Shahkrampur Giladi).

**Table 2: Panchayats**

|    | <b>Panchayats (Block-Nehtaur)</b> |    |
|----|-----------------------------------|----|
| 1. | Mahamoodpur milak                 | 17 |
| 2. | Shahkrampurgiladi                 | 17 |
| 3. | Salempur                          | 17 |
|    | Total                             | 51 |

Source: Field survey

### Methods and Tools

The study makes estimates of the economic impact of the MGNREGA scheme on socio-economic background, awareness level among the respondents and change in income and expenditure pattern of rural household after working in the scheme by calculating percentage and frequencies, median and mode. Percentage and frequency are calculated for categorical data (nominal scale data), median and mode are calculated for ordinal scale data which is the income and expenditure of the sample household.

### Discussion

The socio-economic background of the sample household has a great significance on the working of any employment generation scheme. These characters were indicated through the social group, gender, age, marital status, housing condition, sanitation, electricity connection, sources of drinking water, the primary occupation of sample household and family size. The mean value of total family size is 5.37. Out of a total of 51 respondents, 41% are male and 59% are females. As respects, the age gatherings of the members, the most elevated support is from the age gathering of over 45

years establishing 47% followed by 41-45 years and afterwards by 31-35 age gathering. Again, married respondents comprise 94% of the complete MGNREGA labourers, trailed by widow which is 6% of the all-out cooperation. With regard to occupation, 43% of the respondents are agricultural labour, 16% of the respondents are non-agricultural labour, 22% are having own farms so they are working in their own farms and 12% of the respondents are house-makers and remaining 6% are working as both agricultural and non-agricultural (on the basis of availability).

**Table 3: Socio-Economic background of sample households**

| <b>Particulars</b>                            | <b>Percentage</b> |
|---|-------------------|
| <b>Gender</b>                                 |                   |
| Male  | 41%               |
| Female  | 59%               |
| <b>Social group</b>                           |                   |
| SC  | 88%               |
| OBC   | 12%               |
| <b>Age of the respondents</b>                 |                   |
| 18-25   | 2%                |
| 26-30   | 10%               |
| 31-35   | 14%               |
| 36-40   | 10%               |
| 41-45   | 18%               |
| Above 45                                      | 47%               |
| <b>Marital status</b>                         |                   |
| Married                                       | 94%               |
| Widow   | 6%                |
| <b>Housing condition</b>                      |                   |
| Kaccha  | 18%               |
| Semi-Pucca                                    | 43%               |
| Pucca   | 39%               |
| <b>Sanitation</b>                             |                   |
| Open defecation                               | 14%               |
| Toilet provided by govt. (SBMT)               | 82%               |
| Individual toilet                             | 4%                |
| <b>Electricity connection</b>                 |                   |
| No electricity                                | 8%                |
| Electrified (own electricity connection)      | 92%               |
| <b>Source of drinking water</b>               |                   |
| Government hand pump                          | 82%               |
| Own hand pump                                 | 18%               |
| <b>Primary occupation</b>                     |                   |
| Agricultural labour                           | 43%               |
| Non-agricultural labour                       | 16%               |
| own farming                                   | 22%               |
| Small shop                                    | 2%                |
| House-maker                                   | 12%               |
| Both agricultural and non-agricultural labour | 6%                |

Source: Survey data

For a majority of families, everyday environments are at exceptionally low levels. In numerous reviews, lodging is arranged regarding pucca semi-pucca and kaccha houses relying on the lodging structure. From the total sample household, only 39% of sample respondents have pucca house followed by 43% semi-pucca and then 18% have kaccha housing condition. Based on the drinking water facility, 82% of sample households using a government hand pump for drinking water and only 18% of households have their hand pumps. 92% of household are having their electricity connection and only 8% of the sample household is not having an electricity connection.

**Sanitation**

The absence of toilet and restroom office is troubling for ladies who can't utilize open spaces as unreservedly as men can in the day time and need to stand by till after nightfall. This is likewise loaded down with wellbeing danger to ladies in need of restroom and washroom offices in both country and metropolitan territories. As indicated by 'The National Annual Rural Sanitation Survey (NARSS), 2018-19' 93% of families in country India approach latrines. Since the dispatch of the Swachh Bharat Mission, the conduct of countless individuals for latrine access and use has been changed. Table 3 shows that from total sample households 82% of rural households have the government provide toilets (made under SBM), only 4% have their individual toilet, and 14% households did not have toilets.

**Awareness**

Awareness is one of the serious issues with the MGNREGA scheme. Rural individuals are extremely less aware of the

provisions and guidelines of the scheme. During our survey, we have asked some questions on awareness about the MGNREGA scheme. The awareness level of the beneficiaries about different facilities and entitlements under the provisions of the Act as can be inferred from the information presented in Table 4 cannot be termed as satisfactory. Table 4 represents the awareness level of the beneficiary household towards MGNREGA scheme provisions. 78% of sample household says that there is no difference between the wages paid to men and 90% household said that they did not get 100 days to work in a year and 94% households said that work under the scheme is not available throughout the year. This shows that the MGNREGA conspire is someplace neglect to give 100 days of work to country rural families. From the table, it is noted that 100% of the respondent says they did not get the freedom to the choice of time duration and did not get any treatment in case of an injury at the worksite and 37% household did not get a job within 15 days of registration.

**Table 4:** Awareness level of beneficiary respondents

|   | Frequency/Percentage |           |
|---|----------------------|-----------|
|   | Yes                  | No        |
| Do you get job within 15 days of registration                   | 14(28%)              | 37 (72%)  |
| Did you got 100 days of work                                    | 5 (10%)              | 46 (90%)  |
| Is there any difference between the wages paid to men and women | 11 (22%)             | 40 (78%)  |
| Do you get freedom to make choice of time duration              | 0                    | 51 (100%) |
| Do you get Medical treatment in case of any injury at worksite  | 0                    | 51 (100%) |
| Discrimination on the work site                                 | 0                    | 51 (100%) |
| Work under MGNREGA scheme is available throughout the year      | 3 (6%)               | 48 (94%)  |
| Do you participate in gram sabha meeting                        | 31 (61%)             | 20 (39%)  |

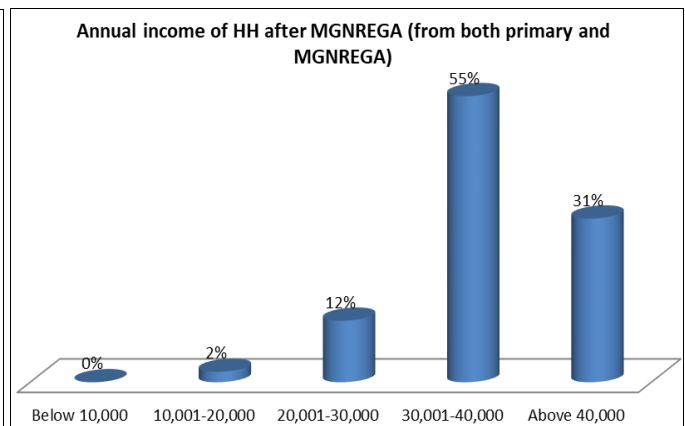
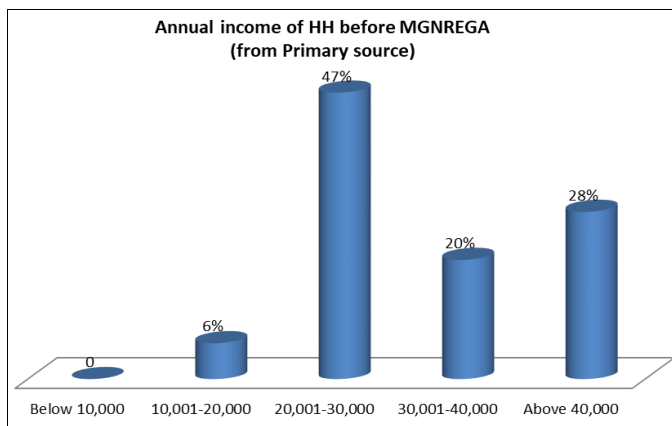
Source: Survey data

**Annual income and expenditure of sample HH before and after MGNREGA**

**Change in income level**

MGNREGA enables the rural households to enhance their income levels with the provisions like 100 days wage in agriculture lean season, equal and minimum wage rate to men and women, worksite facility and timely wage. Figure 1 and 2 represent the annual income of the sample households before and after participation of MGNREGA. It is evident from the figures 1 and 2 that, the households below Rs. 10,000 and Rs. 10,001 to 20,000 annual incomes before MGNREGA were zero percent and 6% respectively

where the household for same income level after participation of MGNREGA were zero percent and 2% respectively. The households between Rs. 20,001-30,000 and Rs. 30,001-40,000 annual incomes before MGNREGA were 47% and 20% respectively whereas the households for the same income level after participation of MGNREGA were 12% and 55% respectively. The households belong to above Rs. 40,000 annual incomes before MGNREGA were 28% and after participation of MGNREGA were 31%. It is concluded from the survey data, that the income level of sample households has been increased significantly after their participation in MGNREGA.



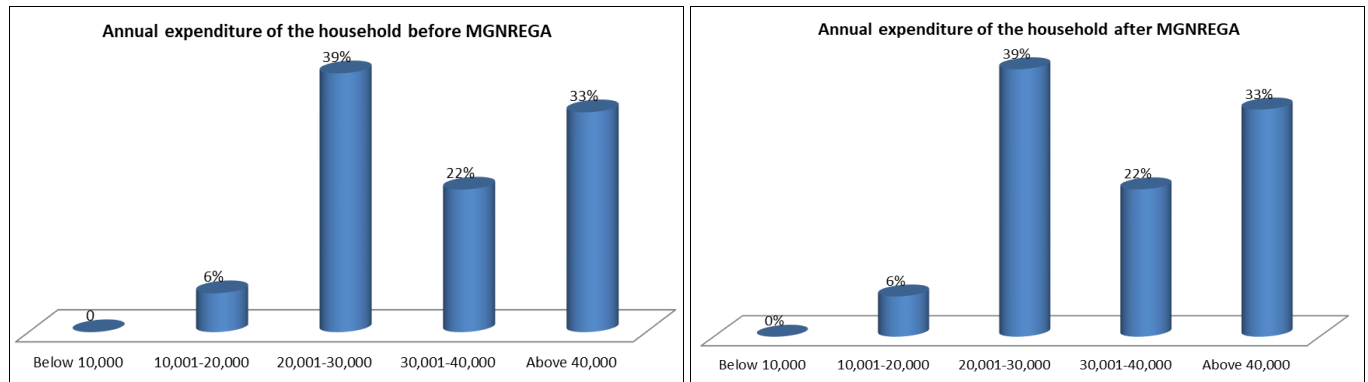
Source: Survey data

**Fig 1-2:** Annual income of HH before MGNREG and Annual income of HH before MGNREGA

**Change in expenditure pattern**

Figure 3 and 4 represent the annual expenditure of the sample households before and after the participation of MGNREGA. The households below Rs. 10,000 and Rs. 10,001-20,000 annual expenditures before MGNREGA were zero per cent and 6% respectively where the household for the same expenditure level after the participation of MGNREGA was zero per cent and 6% respectively. The households between Rs. 20,001-30,000 and Rs. 30,001-40,000 annual expenditures before MGNREGA were 39%

and 22% respectively whereas the households for the same expenditure level after the participation of MGNREGA were 39% and 22% respectively. The households belong to above Rs. 40,000 annual expenditures before MGNREGA were 33% and after the participation of MGNREGA were 33%. The results show that the level of expenditure in terms of money did not change before and after participating in The MGNREGA scheme. The annual expenditure of the sample household is more than the annual income of the sample households.



Source: Survey data

**Fig 3-4:** Annual Expenditure of HH before MGNREG and Annual Expenditure of HH before MGNREGA

**Expenditure of family after working under MGNREGA**

As financial conditions improve, an expanding number of families relate themselves with different families regarding ownership of specific products and resources. There is a significantly positive change in the expenditure of sample

household after working under MGNREGA. Households have started using their increased income (basically earn from MGNREGA employment) towards the purchase of durable goods, agriculture and health care and medicine.

**Table 5:** Change in expenditure of your family after working under MGNREGA (in the last 12 months)

|  | Frequency/ Percentage |          |
|--|-----------------------|----------|
|  | Yes                   | No       |
| Expenditure on health care/medicines after working under MGNREGA | 32 (63%)              | 19 (37%) |
| Expenditure on Agricultural after working under MGNREGA          | 32 (63%)              | 19 (37%) |
| Expenditure on heath durable goods after working under MGNREGA   | 32 (63%)              | 19 (37%) |

Source: Survey data

**Conclusion**

The impact of MGNREGA on the employment and expenditure pattern of the household is not satisfactory. The field data suggested that there is significant scope for improvement with regards to the implementation of the provisions of the act especially concerning the provision of getting a job within 15 days of registration and getting 100 days of work in a year. The examination shows that the MGNREGA plot is someplace neglect to give 100 days of work to country families because 90% of the sample households didn't get 100 days of compensation work in a year. From the primary data, it is concluded that the primary income of the household after working under the scheme has been an increase. From the total sample household, 82 per cent of rural household use government-provided toilets for defecation (Swatch Bharat Mission Toilet). There is a significantly positive change in the expenditure of the sample household after working under MGNREGA. The majority of the sample household with 78% says that there is no difference between wages paid to men and women. It is concluded from the survey data, that the income level of sample households has been increased significantly after they participated in MGNREGA.

**Acknowledgement**

The research paper is unique and self-driven from the primary as well as secondary data from available literature. Any similarity with other research is may because of the reviewing the literature for which credit was given through citation.

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