

Study on Socioeconomic Impact of MGNREGA on Beneficiaries in Chikkaballapura District of Karnataka-India

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Abstract

The Mahatma Gandhi National Rural Employment Guarantee act or (MGNREGA) was reported in India in September 2005 with a mandate to supply at least a hundred days of guaranteed wage employment in a financial year to each rural home whose members above the age of eighteen years' volunteer to do unskilled labour-intensive work. The main focus of the act is to assist the social protection for the people living in rural India by providing employment possibilities and therefore contributing towards the overall growth of the local people. The present study was attempted to figure out the effect of MGNREGA on the overall economic and social development of beneficiaries in the Chikkaballapura district of Karnataka. The study was carried out in the Chintamani blocks of the Mindigal panchayat area of the Chikkaballapura with beneficiaries as respondents. The results found the MGNREGA has extensively enhanced their social and economic safety.

Keywords: MGNREGA, Poverty, Employment, Rural.

Introduction

MGNREGA - is being implemented in Karnataka since 2006. Now it covers all the 30 districts of the state. The goal is to ensure employment and food security by providing unskilled work to people through the establishment of sustainable assets. We struggle to implement the scheme in the most transparent and valuable way. The Rural Development Commission rate is responsible for implementing and overseeing the National Rural Employment Guarantee Scheme [MGNREGS], which employs rural areas. The MGNREGS was started with the aim of "enhancing livelihood security in rural areas by providing at least 100 days of assured wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work" Another aim of MGNREGS is to create durable assets (such as roads, canals, ponds and wells). Employment is provided within 5km of an applicant's house, and minimum wages are to be paid.

Most people in India live in villages and about 50 per cent of the villages have very poor socio-economic conditions. Since the dawn of independence, concerted efforts have been made to uplift the living standards of rural masses. So, rural development as an integrated concept of growth and poverty elimination has been of paramount concern in all the consequent five-year plans.

The Ministry of Rural Development, Government of India, runs several schemes and programmes with the principal objective of enabling rural people to improve the quality of their lives. It was realised that a sustainable strategy of poverty alleviation has to be based on increasing the productive employment opportunities in the process of growth itself. In the Sixth Five Year Plan, stress was laid on employment generation and poverty alleviation. To generate additional gainful employment in rural areas, the Ministry of Rural Development, Government of India launched National Rural Employment Programme (NREP) in October 1980. Under this programme, an outlay of 1620 crores was provided to be shared equally between the Centre and the States. The creation of durable assets was an important objective

of this programme. ₹

The total employment generated and expenditure incurred under the NREP is depicted in Table 1. However, this programme was not targeted and therefore, it is not known how much was directed towards those who were landless and the poorest among the poor. To this extent, the programme lacked a direct focus on the target-group population for whom it was meant. The programme, however, had a substantial impact in terms of stabilisation of wages in the rural areas, containing prices of foodgrains and creation of a wide variety of community assets which could be expected to help to raise the levels of living of the rural population.

Table 1: Performance of NREP in the Sixth and Seventh Five Year Plan

Year	Resource availability (₹ crores)	Expenditure (₹ crores)	Employments generation (in million man days)	Man- day cost (₹)	Wage: Material ratio
1980-81	346.32	219.03	413.58	5.25	-
1981-82	460.37	317.63	354.52	9.04	62:38
1982-83	540.15	394.76	351.20	11.24	69:31
1983-84	535.59	392.22	302.76	13.08	62:38
1984-85	590.68	519.14	352.31	14.74	60:40
1985-86	593.08	531.95	316.41	16.81	60:40
1986-87	765.13	717.77	395.39	18.15	60:40
1987-88	888.21	788.31	370.77	21.26	59:41
1988-89	845.68	901.84	394.96	22.83	57:43

Source: Planning commission, GOI (1990)

The factors like unemployment, poverty and discrimination are related phenomena. Any achievement in fixing one of these problems would advocate some success in solving the other. ‘Poverty and unemployment are two sides of the identical coin when we are going to clear up one problem in the society. The scarcity of money and joblessness in the current situation is the most intense problems of the Indian economy. The hassle of unemployment has been haunting the minds of planners, economists, political leaders, and social reformers of India because along. Harish (2020). According to Jawaharlal Nehru - “The prosperity of a kingdom is judged via members of people who are in a job; unemployment is the problem of the nation.” Rural unemployment

has been crueller than city unemployment in India; for rural unemployment, employment programs have been burdened in a labour surplus economy like India. The poverty and unemployment in rural India cannot be alleviated entirely through government policies. The trouble goes a long way deeper than basically rectifying the monetary stipulations of the negative humans (GOI, 1973-74).

The beginning of wage programs like MGNREGA in the area have helped to offer a thrust to the development process and can therefore be titled as a boon for the rural people due to its demand-oriented approach which makes the authorities answerable and as well as accountable for providing jobs to individuals. The socioeconomic impact of

MGNREGA on beneficiaries was carried out in the Chintamani blocks of the Mindigal panchayat area of the Chikkaballapura with beneficiaries as respondents.

Review of Literature

Researchers across the world have sought to study the aspects related to rural development. In India, the idea of rural improvement has been detailed by researchers by using MGNREGA as a subject. Bhupal (2012) regarded MGNREGA as helped recover the income level of the beneficiaries, their food security and all by effectively utilising insufficient resources. The targeted groups are the main beneficiaries of MGNREGA. The increase in the percentage of school-going children should be the foremost gain of MGNREGA. The MNREGA has played an important role in providing measures of inclusive growth by ensuring people’s economic and democratic rights and entitlements, design labour-intensive infrastructure and assets. Salim Lakha and Pradeep Taneja (2009) examine that whilst globalisation has contributed to improving social and economic polarization in India, it has not controlled the independence of the state to accept counter-measures like the NREGA deal with abject poverty and increasing income dissimilarity. Under the country democratic system of governance, pressures from various sources, including those left without the benefits of economic freedom and globalisation, ensured that the government responded with plans to openly address rural poverty and unemployment. Manisha Nair (2013) concluded that Participation in MGNREGA was associated with reduced infant malnutrition, possibly mediated indirectly via better birth weight than by improved infant feeding. Addressing factors such as lack of mother’s knowledge and inappropriate feeding practices, over and above the social and economic policies, is key in hard work to reduce infant malnutrition. Cars well, Grace and De Neve, Geert (2014) stated that MGNREGA has helped to create significant transformative outcomes for rural labourers, such as pushing up rural income levels, enhancing low-caste workers’ bargaining power in the labour market and reducing their enslavement on high-caste employers. These benefits are not only substantial but also transformative in that they

affect rural relations of production and contribute to the empowerment of the rural labouring poor. Das (2016) reviewed the role of MGNREGA in rural employment and found that its role in the inclusive escalation of rural areas is important. Ganjee (2014), in his study, exposed that there is a necessity to carry out an in-depth review of rural development programs. Negi (2015) accomplished that works undertaken under MGNREGA are focused on land and water resources.

MGNREGA & Economic Development

Economic improvement can be defined as improvement in the standard of living of a country’s population and is also associated with the overall growth of the population. Economic development is all about the alteration of an economy from a simple, low-profits to a modern, high-income economy. Its development has vigorously taken the works and provided employment of 100 days to the beneficiaries. The employment status and organisation structure under the program for the state is listed in Table 2 and Figure 1 below.

Table 2: Employment Generation under MGNREGA in Karnataka (the Year 2019-20)

Total No. of Districts	30
Total No. of Blocks	226
Total No. of GPs	6,013
Total No. of JobCards issued [In Lakhs]	73.95
Total No. of Workers [In Lakhs]	173.49
Total No. of Active Job Cards [In Lakhs]	41.81
Total No. of Active Workers [In Lakhs]	81.34
(i)SC worker against active workers [%]	17.93

Source: www.nrega.nic.in

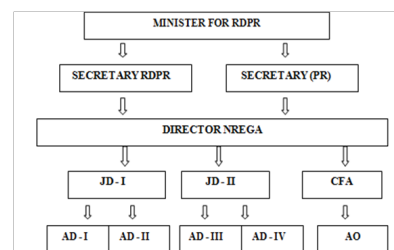


Figure 1: The Organisation Structure of Directorate of MGNREGA

NREGA Impact on Village Economy

The issues discussed in the group discussion especially focused on the infrastructure available within the selected villages, the implementation issues of NREGA; how NREGA has affected the village economy; NREGA's effect on agricultural wages and cost of production etc.

Infrastructure Available within the Village

Among the villages surveyed, 10 villages were connected with the city or nearby town by a pucca/metal road (Table 3). About the railway connectivity, only one out of the ten villages had railway connectivity and on average, villagers had to travel more than 13 kilometres to have access to the railway services. All the villages had telephone access and also almost all of them had access to post offices within the village or in the nearby village. Regarding access to institutional credit, around 60 per cent had a cooperative credit society within the village and

another 20 to 30 per cent had commercial or regional rural bank (RRB) within the village. Others who did not have bank access within the village had to travel 5 to 15 kilometres. APMC or agricultural produce market was available within an average distance of 14 kilometres. All the villages had some self-help group (SHG) within the village.

Similarly, almost all the villages had primary or secondary schools within the village or in the nearby periphery. The primary health centre was accessible either within the village or within the range of 5 kilometres while a proper hospital was available within 15 kilometres. Gram Panchayat Office (GPO) and Fair Price Shop (FPS) were mostly available within the village or nearby.

Thus surveyed villages had a mixed picture with some villages having perfect infrastructure like road, post office, bank, SHG, school, primary health centre, FPS etc.. In contrast, others had to travel some distance to approach the same.

Table 3: Infrastructure available within the Village (percentage of villages)

	Within village	Nearest village	If nearest village, average distance (kms)
Road connectivity	100	-	-
Railway connectivity	10	90	13.5
Landline or mobile connectivity	100	-	-
Post Office	56	20	4.0
Co-operative credit society	60	40	12.8
Regional Rural Bank	20	80	13.1
Commercial Bank	29	60	5.0
Agricultural Produce Market	-	120	13.7
Self Help Group Centre	100	-	-
School Primary	100	-	-
School Secondary	90	10	2.0
School Higher Secondary	70	30	3.3
Primary Health Centre	50	40	5.4
Hospital/Dispensary	10	90	23.2
Gram Panchayat Office	70	30	8.7
Fair Price Shop	60	10	18.0
Any other	-	-	-

Research Methodology

The respondents selected for the study were beneficiaries of MGNREGA from the Chikkaballapura district of Karnataka. The sum number of responses collected from beneficiaries

was 270. In total, 432 respondents participated in data collection from 1 block of Chikkaballapura (Mindigal). Out of these 432 respondents, 327 accomplished the questionnaire with a response rate of 79.13%. Out of these 432 responses, 105

responses were found most suitable and therefore chosen for inclusion into the data. The sampling technique adopted was non-probabilistic, that is, the convenience sampling technique.

Data Collection and Analysis

The primary data were collected through questionnaires & face to face interviews. A structured questionnaire was planned to find out responses to the impact of MGNREGA. The sources of secondary data included the Internet, magazines, journals and books from different concerning libraries and the official website of MGNREGA Karnataka. The categorisation of the data was done according to the attributes of the beneficiaries. Suitable Statistical tools were used with the help of SPSS 21.

Objectives of the Study

The broad objectives of the study are as follows:

1. To observe the impact of MGNREGA on the socio-economic development of beneficiaries in the Chikkaballapura district of Karnataka.

2. To find out the execution of MGNREGA.
3. To recommend strategies for effective execution of MGNREGA in Karnataka.

Reliability of the Data

The consistency of the measurement instruments was evaluated using Cronbach’s alpha (Table 4). Reliability analysis shows the value of Cronbach’s alpha as .732, which lies between the accepted ranges of .04 to .08. The build reliability tests reported scores above .05 which suggests that the constructs of the study are reliable enough to proceed for analysis.

Table 4: Reliability of Constructs

Construct	Cronbach α	No. of items
Beneficiaries Perception	.732	36

Hypothesis Statements and Data Analysis

There is no major relationship between the overall well being of beneficiaries and employment opportunities.

Table 5: Hypothesis Testing

Hypothesis	Value	df	Sig	Status
There is no significant relation between overall well being of beneficiaries and employed opportunities	146.002	18	.001	Rejected

Table 5 depicts the investigation of data by using chi-square tests. The elimination of the hypothesis proved a relationship between the overall well being of a beneficiary and employment opportunities provided by MGNREGA. Hence, it can be said that employment opportunities provided by MGNREGA are contributing to the overall well being of beneficiaries.

a dynamic role in developing rural areas by uplifting their socioeconomic status.

Discussion

The second hypothesis states that the relationship between the capacity building of beneficiaries and their well being was also abandoned (Table 4). Rejection of hypothesis proves that capacity building by MGNREGA is contributing towards the overall well being of beneficiaries. As overall wellbeing is an indicator of socio-economic progress, it is clear from the hypothesis that MGNREGA is a main factor in the economic development of beneficiaries. Thus the refusal of hypothesis reflects that MGNREGA plays

Implementation of MGNREGA

From the survey, it was found that there exist quite a few gaps, which are creating hurdles in the proper achievement of the program. These gaps act as barriers to the proper implementation of the scheme and thus restrict the outreach of the program. The main bottlenecks are listed as:

- Lack of awareness amongst rural masses
- The improper coverage area of the program
- Lack of coordinate amongst various agencies and insufficiency of funds
- Formulation and design of the program.
- Observation of beneficiaries regarding transparency and judicious use of funds
- Incapability to identify the right people as beneficiaries
- No performance assessment of employees

working in MGNREGA

- Lack of employment professionalism amongst MGNREGA employees

Conclusion

It was established from the study results that MGNREGA had clear-cut objectives to offer job opportunities for rural masses. The objectives of the act are to retain equality among the different groups of the society and to support the standard of living thereby contributing to the economic progress of the people of the rural areas. It was discovered from hypothesis testing that the program had done a great job in improving the economies of rural areas by raising their socio-economic status. The study also discovered that there is a need to modify the structure of the program by introducing a more transparent and answerable system and to make it objective definite and goal-oriented.

Suggestions

To make the program more productive, the following suggestions based on study are obligatory to be implemented.

- The quality of the training program to the personnel employed in the MGNREGA should be improved so that the overall process, content and delivery of the schemes should be optimally delivered to the beneficiaries.
- The workforce should be more professional in their orientation. They should have a proper information about the profile of their work to accomplish the objective of development in the region.
- The participation of local people should be considered in framing the development policies.
- There is a greater need for transparency in all the aspects of MGNREGA and it should be evident to all the stakeholders of the rural development organisations.
- Rural masses should be made more aware of the latest schemes and programs.

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