

# MGNREGS: Socio-Economic Impact on the Rural Economy

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**Abstract-** It may be said that the MGNREGS in the Gram Panchayat Allukola has made a positive contribution in creating social assets. But the quality of life of rural people is not a significant social and economic change. Rural poverty can be overcome. It is the scheme provided only a temporary solution to the problem of poverty. To overcome the problem of poverty under the scheme other areas such as water conservation, flood control irrigation canal construction. Plant-planting etc., should be included.

**Key Words:** MGNREGS, Employment, Income, Poverty, Wage

## INTRODUCTION

Rural India is where three fourth of our population live. The country can, therefore, be strong and prosperous only when all villages are freed from backwardness and poverty. The Government of India has initiated a number of rural development programs to bring in rapid & sustainable development in rural areas. These programs mainly aim at eradication of poverty & speedy socio-economic progress in rural areas. For the development of the modern welfare state, it has become highly essential to achieve self-sufficiency, not only in matter of food but also in other aspects. Unemployment is a major problem in the present scenario of the country. Unless a great chunk has been given employment, a state like India will face a number of socio economic problems like unemployment, a state like India will face a number of socio economic problems like unemployment. Obviously development lies in rural development of rural areas. That is India's development lies in rural development. Programs, human beings are the causes & Consequences.

Until the late 1970s, decision makers in the government planning commission were of the view that, the trickledown effects of growth would remove unemployment in the country in the coming years. But it didn't benefit automatically. The disillusionment with trickledown thesis of

growth, led to emergence of alternative line of attack to tackle the twin problems of unemployment & poverty in addition overall development measures. These aimed at evolving direct measures of income support through provision of employment particularly in the rural areas. This was the origin of special programs for employment generation, particularly in rural area and which are initiated in the early seventies. The government has been implementing special schemes for the benefit of rural sector since the early 1970s. Worth mentioning are those for, wage employment generation (Sampoorn Grameen RojgarYojna –SGRY), other for asset distribution, leading to generation of self-employment (SwarnajayantiGram SwarojgarYojana-SGSY). These special programs did reduce the absolute poverty in the rural areas.

NREGA is designed as a safety net to reduce migration by rural poor households in the lean period through a hundred days of guaranteed unskilled manual labor provided when demanded at Minimum wage on works focused on water conservation, rural connectivity, land development & drought proofing. Notification of national rural employment guarantee Act (NREGA) came in September 2005. It was launched on February 2, 2006.

## GRAM PANCHAYAT ALLUKOLA

Land development is also given importance. The employed are given work such as land leveling, forestation, tree plantation in rural village allukola, District Srikakulam, Andhra Pradesh, India. Gram Panchayat Allukola has One Primary School, One Middle School, One Health Care facilities available and other facilities are not available. 80 percent of the villagers are literate.

Although there is little unemployment in Gram Panchayat Allukola, workers receive a tiny amount of pay for agricultural work or forestation. The

village is not around the Industry, to increase the Income of rural people. Poverty is steel a huge problem in the Gram Panchayat Allukola. It is in the poverty stricken rural village that the standard of living is the lowest.

**OBJECTIVE**

1. To identify the Impact of MGNREGS on the beneficiaries in the study area.
2. To assess the change in the generation of Employment and Income due to the implementation of MGNREGS in the study are.

**HYPOTHESIS**

1. To test the significant change in the generation of employment due to the implementation of MGNREGS.
2. To test the relationship between income of the Programme.

**METHODOLOGY**

The stratified random sampling method has been adopted to select the sample size for the present study. The study area covers One Village, Out of 814 beneficiaries; the researcher has chosen 500 samples from One Village. The Two Group Considered is Agricultural Laborers and Non-Agricultural Laborers. The researchers have adopted the personal Interview Schedule method for collecting Primary data. Period of Survey was Between April – 2023 to March – 2024. The Statistical tools Percentage method, Graphic method and  $\chi^2$  (Chi-Square) test applied for the hypothesis testing and data analysis.

Table: - 1 Distribution of the Beneficiaries by Gender

Category	Male	Female	Total
Agricultural Laborers	120 (60.0)	180 (60.0)	300(60.0)
Non – Agricultural Laborers	80(40.0)	120(40.0)	200 (40.0)
All – Beneficiaries	200 (40.0)	300(60.0)	500

Source: Field Survey

Table:-2 cast – wise Distribution of the Beneficiaries

Category	St	Sc	Obc	Total
Agricultural labourers	20 (4.0)	40(8.0)	250 (50.0)	320 (62)
Non – agricultural labourers	10 (2.0)	30 (6.0)	140 (28.0)	180(36.0)
All – beneficiaries	30(0.6)	70 (14.0)	400(80.0)	500

Source:- field survey

Table: - 3 Age – wise Classification of the Benficiaries

Category	20-30	30-40	40-50	50 – above	Total
Agricultural Labourers	12 (2.4)	60 (12.0)	180 (36.0)	60 (12.0)	312 (62.4)
Non – agricultural Labourers	08 (1.6)	30 (6.0)	120(24.0)	30 (6.0)	188(37.6)
All – Beneficiaries	20 (4.0)	90 (18.0)	300(60.0)	90 (18.0)	500

Source: - Field Survey

Chi-Square formula is following extract:

$$X^2 = \sum [(f_o - f_e)^2 \div f_e]$$

$X^2$  = chi – Square

$f_o$  = Observed Frequency

$f_e$  = Expected Frequency

**IMPACT OF MGNREGS ON THE BENEFICIARIES**

The main Objective of the MGNREGS has been to generate gainful employment opportunities for unemployment and under employment persons through the Creation of durable community assets and increases the level of the rural people. The first section of the study focuses on the socio-economic status of the beneficiaries of MGNREGS in Gram Panchayat Allukola for the community, family status and Income. They provide the base for studying the impact of this Program.

Table :-1 show that Category and Gender wise Distribution of the Beneficiaries. It is clear that Out of 500 respondents, 450 are agricultural laboures and 150 are Non-agricultural laboures. Of respondents, 40.0 percents are male and 60.0 percents are female.

Table: - 2 show that cast wise Distribution of the Beneficiaries. It is clear that OBC are predominant among beneficiaries 85% percent followed by S.C, S.T, 15% percents.

Table:- shows that age wise classification of the Beneficiaries. It is clear that Age Group 31-40 (18% percents) followed by Age Group 41-50 (60% percents).

IMPACT OF MGNREGS ON EMPLOYMENT

Table- 4 shows that Average Additional Employment status of the Beneficiaries Before and After MGNREGS in Man – days. Agricultural labourers Employment Increase in 34.52 percentage

and 30.39 percentage Employment Increase in Non-agricultural labourers. It is clear that highest increase in employment Agricultural labourers than the Non-agricultural labourers. The percentage increase in the annual employment of the all beneficiaries as a whole was about 64.91.

Table- 4 Average additional employment status of the Benficiaries Before and After MGNREGS In Man-days

Category	Before MGNREGS	After MGNREGS	Employemtn in MGNREGS	Percentage Increase in Employment
Agricultural Labourers	168	226	58	34.52
Non-agricultural labourers	181	236	55	30.39
All Beneficiaries	349	462	113	64.91

Source: Field Survey

IMPACT OF MGNREGS OF INCOME

The Category wise Average Additional Income generated in the households of the Beneficiaries before and After MGNREGS is given in the Table- 5.

household. As the Category wise, it was Rs. 8866 for the agricultural labourers and Rs. 8797 fpr the mpm-agricultural labourers. The percentage increase in the annual income of the beneficiaries as a whole was about 62.5. the annual household average income of the agricultural labourers increase by 65.52 percentage and increase by 59.64 percentage for the non-agricultural labourers. It is clear that the contribution of MGNREGS for the people doing agricultural labourers was higher than the non-agricultural laborers.

From table- 5 shows that the average annual income of the all beneficiaries Rs 14141.5 and Rs 22973 per household before and after the implementation of the program. At the gross level the average annual income Rs 8831.5 per

Table – 5: Average additional income Generated in the household of the Beneficiaries Before and After MGNREGA

Category	Before MGNREGS	After MGNREGS	Income in MGNREGS	Percentage Increase in Income
Agricultural Labourers	13532	22398	8866	65.52
Non – agricultural labourers	14751	23548	8797	59.64
All- Benficiaries	14141.5	22973	8831.5	62.45

Source: Field Survey

Table-6

Source of Variation	Calculated Value of $\chi^2$	Table Value of $\chi^2$ at 5% Level
DEBB – DEAB	0.0514	3.841

DEAB – Day of Employment Before Benfit

DEBB – Day Employment after Benfit

Source: Calculated from primary data

Table- 7

Source of Variation	Calculated Value of $\chi^2$	Table Value of $\chi^2$ at 5% Level
AIBB – AIAB	5.74	3.841

AIBB – Annual Income before Benfit

AIAB – Annual Income after Benfit

Source: Calculated from primary data

RESULTS AND DECUSSION

Hypothesis 1. There is significant change in the generation of employment due to the implementation of MGNREGS. The results are shown:  $\chi^2$ test of average household employment of the beneficiaries between re and post benefit period.

From Table -6 it is understood that the calculated value of  $\chi^2 = 0.0514$  which is less than the Table Value of  $\chi^2 = 3.841$  at 5% level of significant and 1 degree of freedom. Hence the alternative hypothesis is accepted and rejects the Null hypothesis. It means that there is significant change in the level of employment of the beneficiary’s

household has increased after receiving benefits from the program and the impact of MGNREGS on the generation of employment is remarkable.

Hypothesis 2. There is no relationship between the Income and implementation of MGNREGS.  $\chi^2$  test to compare the annual family income of the beneficiaries between Pre and Post benefit periods.

From table -7 it is clear that the calculated value of  $\chi^2= 5.74$  which is greater than the Table value of  $\chi^2=5.74$  which is greater than the Table value of  $\chi^2=3.84$  at 5% level of significant and 1 degree of freedom. Hence the Null hypothesis is rejected and accepted the alternative hypothesis. The Impact of MGNREGS on Income is more significant.

#### SUGGESTION

1. MGNREGS program implementation, administrative and technical officer regularly to make effective, employees must be, and they must be trained. The program can be implemented effectively.
2. MGNREGS prevailing wage rate is lower in the program. Wage rate should be determined on the basis of current rate of the inflation.
3. Responsibility of work should be specified and honest officer should be rewarded and dishonest officer should be punished.
4. Weekly payment of wage and should be bank accounts. Employment is not available, must be provided unemployment allowance.
5. At the local level should be a core committee, must be a member to 3-5. All work should be in charge of the committee. Gram panchayat should be the monthly meeting of the committee. Work on all issues should be discussed among members.

#### CONCLUSION

It may be said that the MGNREGS in the gram panchayat allukola has made a positive contribution in creating social assets. But the quality of life of rural people is not a significant social and economic change. Rural poverty can be overcome. It is the scheme provided only a temporary solution to the problem of poverty can be overcome. It is the scheme provided only a temporary solution to the problem of poverty. To overcome the problem of

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