

Original Research Article

Impact of MGNREGA on Poverty and Ameliorate Socio-economic Status: A Study in Pauri Garhwal District of Uttarakhand

Abstract

India is mostly an agricultural country in which the power of rural unskilled labour is very high and the most people of the rural poor depend mostly on the wages they earn through unskilled, informal, and manual labour. The main effect of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is to improve the livelihood conditions of the rural poor by providing employment. The Act provides an opportunity to work in the lean season, which helps rural poor to keep the consumption level and strengthen the livelihood resource base during this critical period. Only the growth of the economy cannot create social justice and balanced development unless, it is attached with poverty improvement and employment generating opportunity for a poor and marginalised section of the society. Thus, a study on MGNREGA, which aims to study the impact in generating employment to rural poor in selected blocks of Pauri Garhwal district of Uttarakhand, India.

Keywords: *Employment, Income, Poverty, livelihood*

Introduction

In countries where the economy is predominantly, rural with agriculture absorbing the major share of labour force, broad-based rural development programs holds the key to economic progress (Karalay, 2005). Programs to create direct employment opportunities for wage workers through public works have in the past focused on generation of supplementary employment opportunities, especially during lean periods (Singh & Singh, 2013). They have been considered as an important component of the anti-poverty strategy. These programs are expected to create durable assets for the community and thus enhance further economic activities (Sami and Khan, 2016). Wage employment program also push up demand for labour and thus exert an upward pressure on the market wage rates by attracting people to public works programs thereby reducing supply of cheap labour often at wages that would not even meet their bare basic needs (Kaur, and Randhawa, 2016 and Kumar & Bhattacharya, 2013).

To deal with the unemployment problem, Government of India has launched, from time to time, various employment programs. A constant monitoring of these programs is necessary to evaluate

31 their contribution to employment generation vis-à-vis expenditure incurred on them (De and
32 Dasgupta 2009).

33 The National Rural Employment Guarantee Act (NREGA) was enacted on August 23, 2005 and
34 got presidential assent on September 5, 2005, expressing the consensus of the state to use fiscal
35 and legal instruments to address the challenges of unemployment and poverty. It came into force
36 in 200 district of India on February 2, 2006. It was an Act to provide for the enhancement of
37 livelihood security of the households in rural areas of the country by providing at least one
38 hundred days of guaranteed wage employment in every financial year to every households whose
39 adult members volunteer to do unskilled manual work and for matters connected or incidental
40 thereto (De & Dasgupta 2009).The 100 days of work figure was estimated because the
41 agricultural season is only supposed to last roughly around 250 days and unskilled workers have
42 no alternative source of income in the remaining parts of the year (Kareemulla &
43 Ramasundaram, 2013).

44 Besides employment generation, the objective of the scheme is to create durable community
45 assets for strengthening the livelihood source on a sustainable basis. It serves, as s social safety
46 net by providing a source of guaranteed employment as such it is an employer of last resort. It
47 was initially called the National Rural Employment Guarantee Scheme (NREGA) but was
48 rechristened on October 2, 2009 as Mahatma Gandhi National Rural Employment Guarantee Act
49 (MGNREGA) (Tiwari and Upadhyay, 2012) The MGNREGA aims to achieve the twin objectives
50 of rural development and employment. These two objectives are a landmark and milestone and
51 would be help to enhance human resources for inclusive growth. When the act was passed, there
52 was a strong consensus that this was an initiative that would have the potential to transform rural
53 India. Table 1 shows a brief profile of MGNREGA.

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Table1: Profile of MGNREGA

Year	Particulars
August 2005	Parliament passed an act called as NREGA
February 2006	Came into force in 200 districts
April 2007	130 more districts included
April 2008	Universalization of the scheme
October 2008	Wage transaction through banks/post offices
February 2009	MOU with the postal department
2nd October 2009	Name changed to MGNREGA

63 Source: <http://www.nrega.net>

64 Uttarakhand, the MGNREGA was initially launched in 3 districts i.e., Chamoli, Champawat and
 65 Tehri in 2006-07 (Phase 1). Two additional districts, i.e., Haridwar and Udham Singh Nagar
 66 were adopted in phase II (2007-08). In the last phase, all the remaining districts have been
 67 notified under the NREGA. (Singh and Nauriyal 2009 and Negi *et al.* 2015). MGNREGA was
 68 applied to district Pauri Garhwal in the third phase and the implementation of MGNREGA
 69 scheme in the district commenced on April 1, 2008. (Singh *et al.* 2015)

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71 **Objectives of the Study**

- 72 1. To assess the socio-economic status of the respondent in selected block.
- 73 2. To examine the impact of MGNREGA in generating employment in selected block.
- 74 3. To examine the impact of MGNREGA on income of the respondent in selected block.

75 **Methods and Materials**

76 ***Data Collection***

77 The study is undertaken in rural areas of 9 villages of 3 block namely Kaljikhil, Dugadda and
 78 Pokhra. Both primary and secondary data are used. However, major emphasis is laid on Primary
 79 data, which is collected from a field survey in the study area. Secondary data is collected from
 80 websites, journals, reports and other documents. The period of data collection is May, 2014 to
 81 March, 2016.

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Sampling Method

Convenient sampling is followed. The villages, which are easily accessible, have been chosen for the study. In this way, 9 villages have been selected from Kaljikhah, Dugadda and Pokhra blocks. Table 2 shows the selected block, villages and respondents. The sample size of the study is 150 respondents.

Statistical Tool

Frequency, Percentage and Linear regression and Pearson correlation coefficient has been used to test the hypotheses. Excel and SPSS software package was used for data analysis.

Table 2: Shows the selected block, villages and respondents

Selected Block	Village Selected	Total Beneficiaries
Kaljikhah	3	52
Pokhra	3	48
Dugadda	3	50

Result Discussion

Socio-economic Profile of the Respondents

Table 3 shows a brief demographic profile of the selected respondents. Majority of the respondent were belonging to the age group of 41-50. 43.3 percent respondent were male while 56.7 percent female. These results are in same with the findings of (Das 2012). As far as education of the respondents is concerned, majority were found to be Primary. However, 57 were living in kucca house whereas 14.0 percent were in kacca-pacca houses. These results are in conformity with the findings of (De, & Jana 2009 & 2013 and Bhat, and Mariyappan, 2015).

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Table 3: Demographic Profile of the Respondents

Demographic Profile of the Respondents	Attributes	Frequency	Percentage
Age of the Respondents	18-30	4	2.7
	31-40	23	15.3
	41-50	53	35.3
	51-60	48	32.0
	Above 60	22	14.7
Gender	Male	65	43.3
	Female	85	56.7
Education status	Illiterate	80	53.3
	Primary	53	35.3
	Secondary	11	7.4
	Intermediate	6	4.0
Condition of the House	Pacca	72	48.0
	Kacca	57	38.0
	Kacca/Pacca	21	14.0
Toilet Facility	Yes	83	55.3
	No	67	44.7

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113 The impact of MGNREGA in generating employment in selected blocks of Pauri Garhwal
 114 District has been measured by applying linear regression. The independent variable is
 115 MGNREGA and dependent variable is employment status of the respondents. The null
 116 hypothesis is that there is no significant impact of MGNREGA in generating employment and
 117 the alternate hypothesis states that there is a significant impact of MGNREGA in generating
 118 employment in selected blocks.

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Table 4: Shows the Correlation between MGNREGA and Employment Status

Pearson Correlation	Model-1	Employment Status	MGNREGA
	Employment Status	1.000	0.773
	MGNREGA	0.773	1.000

Table 4 shows the coefficient of correlation between the two variables. The coefficient of correlation between MGNREGA and employment status is 0.773, which indicates a very high and positive relationship between the two variables.

Table 5: Regression Model of MGNREGA & Employment Status

R^2	0.598
Adjusted R^2	0.595
Standard Deviation	1.060
Standard Error	0.873
Durbin Watson	0.886
Unstandardized Coefficients	0.979
Significant Value	0.000

Table 5 exhibits the regression model of MGNREGA and employment status. R square shows the amount of variation in one variable (employment status) that is accounted by independent variable MGNREGA. The above table shows the value of R square is 0.598. It means 59.8 percent variation in employment status is explained by MGNREGA and rest of the variation percent in employment status is an unexplained variation. Besides, this impact is strong and statistically significant as the value significant value is 0.000, which is less than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can be said that there is a significant impact of MGNREGA in generating employment in selected blocks.

144 Table 6: Correlation between MGNREGA and Income

Pearson Correlation	Model-1	Income	MGNREGA
	Income	0.901	1.00
	MGNREGA	1.000	0.901

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146 Table 6 shows the coefficient of correlation between the two variables. The coefficient of
147 correlation 0.769 is which indicates a positive relationship between the two variables which
148 indicates a very high and positive relationship between the two variables

149 **Table 7: Regression Model of MGNREGA & Income**

R^2	0.811
Adjusted R^2	0.810
Standard Deviation	1.032
Standard Error	0.500
Durbin Watson	1.412
Unstandardized Coefficients	0.952
Significant Value	0.000

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151 Table 7 exhibits the regression model of MGNREGA and Income. R square shows the amount of
152 variation in one variable (Income) that is accounted by independent variable MGNREGA. The
153 above table shows the value of R square is 0.811. It means 81.1 percent variation in income is
154 explained by MGNREGA and rest of the variation is an unexplained variation. Besides, this
155 impact is strong and statistically significant as the value significant value is 0.000, which is less
156 than 0.05 at 95 percent confidence interval. Therefore, the null hypothesis is rejected and it can
157 be said that there is a significant impact of MGNREGA on income in selected blocks. 0.952

158 **Table 8: Summary of Hypothesis Tested**

S.N.	Hypotheses	R^2	Beta Sig.	Value	Results
1	MGNREGA has no significant impact in generating employment in selected blocks.	0.598	0.79	0.000	Rejected
2	MGNREGA has no significant impact on income in selected blocks.	0.811	0.952	0.000	Rejected

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Table 8 shows the summary of hypothesis tested. All the three hypothesis of the study have been rejected. It means there is a significant impact of MGNREGA in generating employment, and increase in income of the selected respondents in selected blocks of the district Pauri Garhwal, Uttarakhand.

Major Findings

1. The study reveals that work under MGNREGA requires hard labour for which the individual has to be physically strong. Overall women outnumber men as beneficiaries and 82.0 of the beneficiaries are in the age group of 40 to above 60. Young age population is not attracted by this scheme.
2. The impact of MGNREGA in generating employment in selected blocks of district Paruri Garhwal has been measured by applying linear regression. The regression model of MGNREGA and employment status shows the value of R square is 0.598, which means 59.8 percent variation in employment status is explained by MGNREGA and rest of the variation percent in employment status is an unexplained variation. Further, the value of unstandardized beta coefficients is 0.979 which shows that if MGNREGA increases by one unit, then employment status will increase by 0.979 times.
3. The regression model of MGNREGA and income shows the value of R square is 0.811, which means 81.1 percent variation in income is explained by MGNREGA and rest of the variation is an unexplained variation. Moreover, the results show that the value of unstandardized beta coefficients is 0.952, which shows that if MGNREGA increases by one unit, then income will increase by times 0.952 times. The significant value is 0.000, which is less than 0.05 at 95 percent confidence interval.

Conclusion

The Programme is exterminated rural poverty and unemployment by way of generating insists for creative labour force in villages. In this backdrop, an effort has been made by the researcher to observe the impact of MGNREGA in generating employment and increase in income of the selected respondents in selected blocks of the district Pauri Garhwal and linear regression has been used as the statistical tool to measure such impact. The results revealed that there is a significant impact of MGNREGA in generating employment and increase in income of the respondents in selected village of the district.

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