



**Pratiidhwani the Echo**

*A Peer-Reviewed International Journal of Humanities & Social Science*

**ISSN: 2278-5264 (Online) 2321-9319 (Print)**

**Impact Factor: 6.28 (Index Copernicus International)**

**UGC Approved, Journal No: 48666**

*Volume-VII, Issue-IV, April 2019, Page No. 337-346*

*Published by Dept. of Bengali, Karimganj College, Karimganj, Assam, India*

*Website: <http://www.thecho.in>*

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## **“Impact of MGNREGA in Eradicating Poverty: An Evaluative Study of Assam, India.”**

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### **Abstract**

India is a rural based country facing several socio-economic challenges. However, the government of India is striving to mitigate such difficulties through different methods and techniques. In addition, it has been comprehended that unemployment is the major problem in India which critically affects economic growth of the country. The ‘Mahatma Gandhi National Rural Employment Guarantee Act’ (MGNREGA) which was formerly known as ‘National Rural Employment Guarantee Act’ (NREGA, 2005) is one of the technique or policy initiated by the Government of India under Ministry of Rural Development to eradicate poverty and unemployment. This policy is based on providing wage for hundred days in each financial year to every household engaging in unskilled manual work. In case, the adult unemployment member of the family failed to do such work, then the government will offer wage of 100 days. In Assam, 27 districts have been brought under MGNREGA Act in 3 phases during the period of 2<sup>nd</sup> February, 2006 to 1<sup>st</sup> April, 2008. It also mandates 33% participation of women in work programs. Furthermore, 7.94 Lakhs employment have been provided to families in Assam with 131.55 Lakhs Person days at present. In this article, an attempt is made to comprehend the impact of MGNREGA in mitigating the issue of poverty with special reference to Assam, India. Other than that, the assets created by the scheme have been also analyzed. The findings of the study reveal that the Act has developed the socio-economic conditions of the people in other states of India. On the contrary, the scheme has not been adequately implemented in Assam which depicts significant gap between the policy and its implementation of the Government.

**Keywords: MGNREGA, Poverty, Employment, Government, Assam.**

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**1. Introduction:** Over the last seven to eight decades, the economic development has gained significant importance and has undergone drastic changes. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is one of the welfare agenda of India which was initiated by the parliament in the year 2005 (August) and came into effect on 7<sup>th</sup> September 2005. India being one of the countries with large number populations specifically in rural areas, it has certainly become the backbone of the country. In the

business year 2011, Census of India Report published that 68.84% people of India resides in rural areas. However, Tamuli and Charingia (2018) identified that the major issues of this population are illiteracy and poverty which is significantly influenced by unemployment. Other than that, the researcher has also observed that unproductive expenses certainly results in weaker economy.

As stated by Singh *et al.* (2014), the actual spirit of India is based on rural economy and villages, although India has positioned itself in the top 10 leading industrialized countries in the world. In relation to such context, the government has taken several initiatives in order to eliminate poverty and contribute towards rural development since the business year 1952. Likewise, MGNREGA is one of such policy that has been initiated by the government throughout the entire country. The primary goal of this policy is to focus towards rural development by elimination of rural poverty and enhancement of the village livelihood conditions. This Act has become one of the essential tools to offer employment and income with sustainability as well as livelihood security.

**2. Objective of the Study:** The objective of the present study is to investigate the impact of MGNREGA in Assam based on reducing poverty and its related consequences. Following are the objectives of the study—

- To comprehend the impact of MGNREGA in Assam for reducing poverty and contributing towards rural development;
- To explore the assets created by the scheme for development of the rural economy;
- To identify the issues in relation to the successful implementation of MGNREGA at root level;
- To investigate and offer recommendation for successful deployment of MGNREGA Act in order to develop rural areas in Assam and other states in India.

**3. Methodology:** The present study is based on *secondary data* for accomplishing the overall objective of the study. The use of pre-published journals, books, articles, news, governmental and non-governmental reports along with relevant websites have been considered for successful completion of the study with in-depth understanding and significant evidence. In addition, the use of *inductive approach* has been integrated in this study for analyzing the impact of MGNREGA in Assam for eradicating poverty. It has assisted to narrow down the scope of the study through the use of research objectives developing qualitative aspect of the study, Tuckman and Harper (2012).

On the other hand, the *exploratory research design* has assisted to develop effective idea based on the quantitative set of data that has been gathered through secondary resources. Hence, the impractical concepts have been eliminated in this study through the use of exploratory research design, Tufford and Newman (2012). As the present study is based on secondary data, the use of *qualitative analysis* has been done. Hence, the data that are available in the official website of MGNREGA has been given special preference compared to the data published in reports and other publications of Assam. In order to develop the

qualitative framework of the study, the secondary sources covering 2005-2009 and 2014-2019 has been considered from MGNREGA website for analyzing the impact of MGNREGA for eradicating poverty in Assam.

**5. Study area:** The state Assam is one of the largest states in the North East in relation to economy and demography. It is well known as the gateway to the North-East comprising the Barak and Brahmaputra. The geographical area of Assam is about 78,438 square kilometers, Panda and Umdor (2011). The political boundary of the state is surrounded by other Union State including Meghalaya, Arunachal Pradesh, Tripura, Nagaland, Mizoram and Manipur along with independent countries such as Bangladesh and Bhutan. It is divided into 27 administrative districts out of which 50% were carved out from their original districts during the period of 80s and 90s.

Other than that, the state is divided into 219 development blocks and the state is rich in mineral resources including crude oil and its fauna and flora. In the year 2001, the total population of Assam was 26.66 million along with 4.91 million households. In relation to the 2011 census, the total population of Assam was 31,169, 272 which increased by 16.93% in the last 10 years. In the year 2001, the density of population was 340 and sex ratio was 932. On the other hand, in the year 2011, the literacy rate of Assam was 73.81%. The female literacy rate was 67.72% and male literacy rate was 78.81%. The urbanization rate was recorded at 12.9% in the year 2001.

**6. MGNREGA at a Glance:** In the business year 2006, dated 2<sup>nd</sup> February, MGNREGA ACT came into force by gathering 200 districts of the country under its purview. Although several years have passed away since the act was implemented in the entire country, the literature based on its impact and analysis is highly limited. As stated by Natesan and Marathe (2017), backward regions in India are suffering from low level equilibrium trap and in order to come out of this trap, the MGNREGA Act has provided added advantage. Furthermore, the Ministry of Rural Development (2013) highlights that the employment guaranteed based on MGNREGA is changing the geography of poverty. It is creating huge infrastructure facility which is assisting in development of rural areas through immediate income, employment generation and future initiatives for sustaining growth.

Other than that, Singh *et al.* (2012) also suggested that the role of MGNREGA has been substantial in empowering women economically which resulted in greater independence and self esteem leading to employment at fair wages. Furthermore, this Act is designed to offer 33% employment for women. Under this Act, it is mandatory for the central government to ensure up 100 days of guaranteed wage employment in each financial year to every household whose adult members volunteer to take part in unskilled manual work. In addition, Anand (2014) also stated that the choice of work offered in the Act addresses the causes of poverty including soil erosion, droughts and deforestation in rural areas so that the system of employment generating would be maintained on a sustainable basis.

**7. Features of MGNREGA:** As put forward by Kumar (2018), the popular employment scheme based on MGNREGA defines double goals of rural career and growth. The scheme states that adult members of a rural family can implement this scheme for career in order to perform unskilled manual jobs. However, it has to be signed up by the regional Gram Panchayat. Furthermore, Chopra (2015) stated that this scheme has rights-based framework which is demand driven. MGNREGA significantly guarantees employment for a minimum of 100 days to the unemployed adults in rural areas each year. This employment scheme can be asked by any individual to the Gram Panchayat irrespective of socio-economic status. In addition, the Act guaranteed that after eligibility verification and issue of job cards, if the work is not provided within 15 days, then the individual is eligible for unemployment allowance. It is the duty of the Gram Panchayat to issue job card after registration of the adult members with photographs of the registered households. It would be valid for 5 years.

It has been well identified by Shah *et al.* (2018) that other than the Gram Panchayat, no other contractor are allowed to provide employment to the people. The incentive structure of the Act provides employment as 90% costs of employment are generated through the centre of the states. In addition, the public delivery system is accountable through annual delivery report based on the outcomes of MGNREGA which is presented by the state governments to the legislature and the central government to the parliament. As opined by Kakati and Behera (2014), at village level MGNREGA is implemented by Panchayat and program officer and at district level, it is implemented by commissioners and Central Employment Guarantee Council. The focus of the program is on water conservation, rural connectivity, drought proofing, flood control, minor irrigation, land development and any other work that are conducted with the consent of the central government in consultation with the state government.

**8. Assets creation under MGNREGA:** As suggested by Deka and Panda (2015), MGNREGA is the largest ecological regeneration program in the world for building assets, afforestation and water conservation structures for economic change. In the period 2006-2007, MGNREGA has created more than half million water and soil conservation structures as well as productive assets which have assisted to create employment as well as eradicate poverty. The districts under MGNREGA scheme in the country are generating 2000 to 4000 village assets each year. In addition, Yadav and Parmar (2017) also stated that this growth has been evident and is double of what has been created under the SGSY and EAS scheme earlier.

It has been further comprehended that MGNREGA offers the rural people the opportunity to create useful and effective economic assets. Furthermore, creation of durable community assets including tanks, rural roads, and market sheds for unemployed youths and water bodies have transformed the livelihood of rural people and generate a light of hope for growth among the common people.

In relation to Table 1, it has been identified that in the FY 2017-18, the total work taken was 3637 where the ongoing work is around 15 and completed work is around 3622. On the

other hand, in the FY 2018-19, total work taken was 3045 in which 588 works is in progress and 2457 has been completed. The rural connectivity of Assam has gained significant attention in the FY 2018-19, followed by land development, flood control and protection, water conservation and harvesting, irrigations works, renovation work droughts proofing and other works.

**Table 1: Assets created under MGNREGA in Assam 2017-18 and 2018-19**

Sl. No.	Name of the work	2017-18		2018-19	
		Complete	Ongoing	Complete	Ongoing
1	Micro Irrigation	221	0	198	21
2	Rural Connectivity	580	0	875	234
3	Land Development	1157	3	567	61
4	Water conservation and water harvesting	356	0	287	189
5	Flood Control and Protection	876	7	356	112
6	Renovation of Traditional water bodies	145	0	65	23
7	Drought proofing	275	5	102	45
8	Other works	12	0	7	3
	Total	3622	15	2457	588

Source: Official website of MGNREGA <https://mgnrega.nic.in>

**9. MGNREGA in Indian scenario:** In relation to Table 2, the functioning of MGNREGA from 2005-1009 has been depicted. The act ensures 100 days employment to the rural people per annum those willing to work under the scheme based on unskilled manual work. They need to apply 15 days before commencing the work. As identified by Saikia (2017), 2420.61 core person days have been generated in whole India through this scheme.

**Table 2: Stages of MGNREGA from 2005-2009**

August (2005)	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Last Stage
Commencement of NREGA (25 <sup>th</sup> August, 2005)	From 2 <sup>nd</sup> February, 2006, functioning initiated in 200 most backward districts	130 more districts were brought under the scheme in April, 2007	On 1 <sup>st</sup> April, 2008, the scheme was implemented to the entire country	From October, 2008, initiation for paying wages through post office and banks begun	On February, 2009, MOU with postal department has been signed	With effect from 2 <sup>nd</sup> October, 2009, NREGA has been renamed as MGNREGA

In relation to Table 3, it highlights the overall impact of MGNREGA during the year 2014-2019. The table depicts the impact has been significant in quantitative terms. In India, around 542.67 people demanded for employment and 534.82 has been provide in the FY 2018-2019.

**Table 3: Status of MGNREGA in India for the FY 2014-15 to 2018-19**

Progress	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Number of HHs demanded Employment (in lakh)	534.67	540.78	589.34	514.56	542.67
Number of HHs provided Employment (in lakh)	390.67	480.49	498.76	510.03	534.82
Total person days generated (in lakh)	207.50	234.68	193.67	209.43	210.87
Average person days generated (in lakh)	481.89	507.45	512.90	537.12	552.04
SC participation rate (SC PDs% of total PDs)	20.8	21	20	23	28.4
ST participation rate (ST PDs% of total PDs)	16.78	17	18.3	20	26
Women participation rate (Women PDs% of Total PDs)	51.65	53	55.7	58	59.3
HHs provided at least 100 days of employment (in lakh)	35.87	47.76	49.34	52	53
% of HHs provided at least 100 days of employment	9.7	10.3	11.6	13.2	13.9
Average wage per person day (in Rs.)	151	163	186.45	196.67	198.56

Source: (Official website of MGNREGA <https://mgnrega.nic.in>)

**10. MGNREGA in Assam Scenario:** In relation to Table 4, MGNREGA was covering 7 districts in the year 2006-2007 at the first phase and every household have to register them with the Gram Panchayat and seek employments. In the second phase, 6 more districts were brought under the scheme followed by the third phase which brought 27 districts by the year 2008.

**Table 4: Phase wise implementation of MGNREGA in Assam**

<b>Phase 1 (with effect from 2<sup>nd</sup> February, 2006)</b>	N. C. Hills, Bongaigaon, Lakhimpur, Kokrajhar, Dhemaji, Anglong, Goalpara and Karbi
<b>Phase 2 (with effect from 1<sup>st</sup> April, 2007)</b>	Nalbari, Barpeta, Morigaon, Darrang, Hailakandi and Cachar
<b>Phase 3 (with effect from 1<sup>st</sup> April, 2008)</b>	Udalguri, Baksa, Tinsukia, Chirang, Sonitpur, Dhubri, Sivasagar, Dibrugarh, Nagaon, Golaghat, Karimganj, Jorhat, Kamrup (Metro) and Kamrup (Rural)

Source: (Official website of MGNREGA <https://mgnrega.nic.in>)

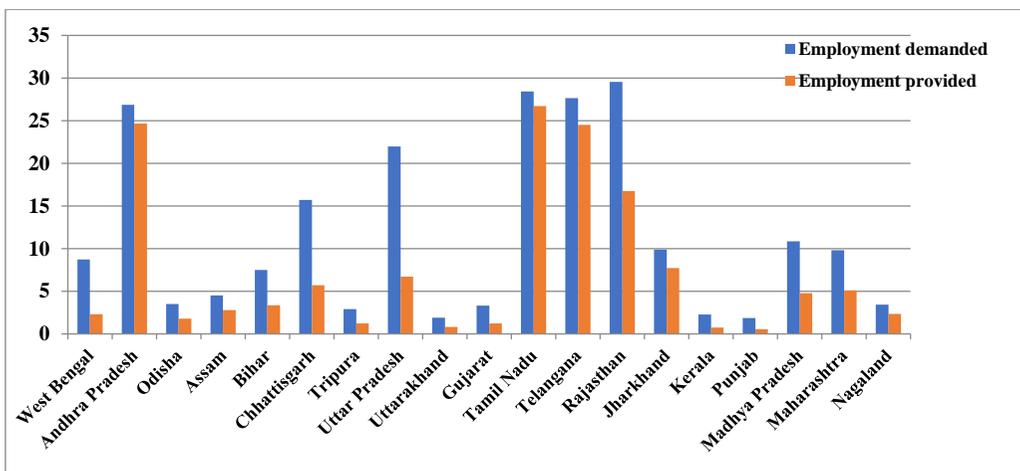
**In relation to Table: 5,** it has been analyzed that the number of household’s employment provided has been consistent over each financial year. In the year 2018-19, 15.7 lakhs employment has been provided to the rural people of Assam. Around 86% of the population lives in rural areas. Hence, the integration of the Act has been significant in this state in order to *prevent poverty* through generating employment.

**Table 5: MGNREGA outcomes in Assam (Physical achievement) for the FY 2014-15 to 2018-19**

Progress	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Number of HHs demanded Employment (in lakh)	15.56	16.61	17	17.2	17.5
Number of HHs provided Employment (in lakh)	14.76	15.21	15.3	15.6	15.7
Total person days generated (in lakh)	478.89	494.09	495.72	498.24	491.67
Average person days generated per HH (in %)	29	31	31.6	32	33
SC participation rate (SC PDs% of total PDs)	4.5	4.89	5	5.8	6
ST participation rate (ST PDs% of total PDs)	18	18.76	18.3	19	19.7
Women participation rate (Women PDs% of Total PDs)	33	33.78	33.91	34	35
HHs provided at least 100 days of employment	43278	45179	46980	47076	47187
% of HHs provided at least 100 days of employment	2.8	3	3.5	3.8	4
Average wage per person day (in Rs.)	167.7	177.9	189.6	199.6	202.7

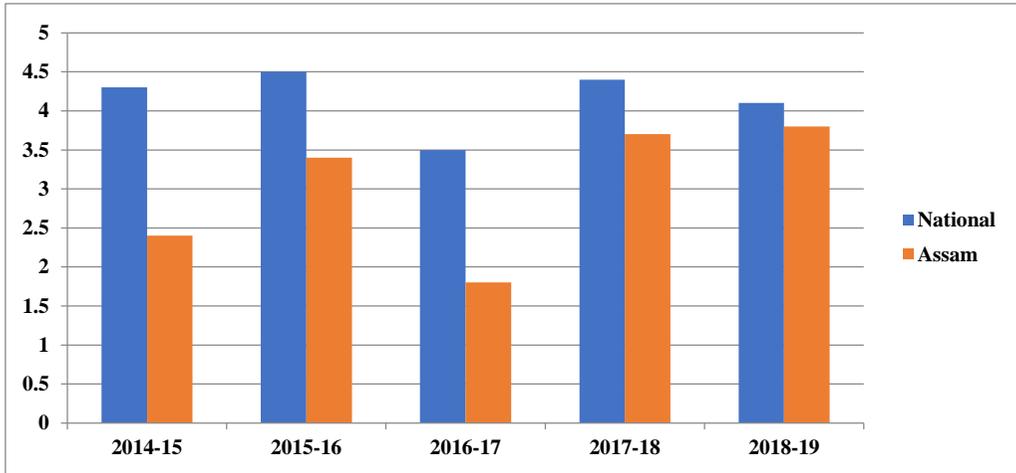
Source: (Official website of MGNREGA <https://mgnrega.nic.in>)

**11. Results and discussion:** In relation to Fig: 1, the overall comparison between households provided with employment and demanded employment in different states of India has been depicted. It has been identified that Andhra Pradesh (24.65 Lakh), Tamil Nadu (26.72 Lakh), Telangana (24.52 Lakh) and Rajasthan (16.75 Lakh) have been up to the mark for providing employment and development of rural areas through the scheme. However, Assam, Gujarat, Kerala and Uttarakhand are lagging behind due to issues such as low literacy rate, lack of awareness, negligence of Panchayat and implementation problem. Hence, *loopholes and issues* need to be mitigated.



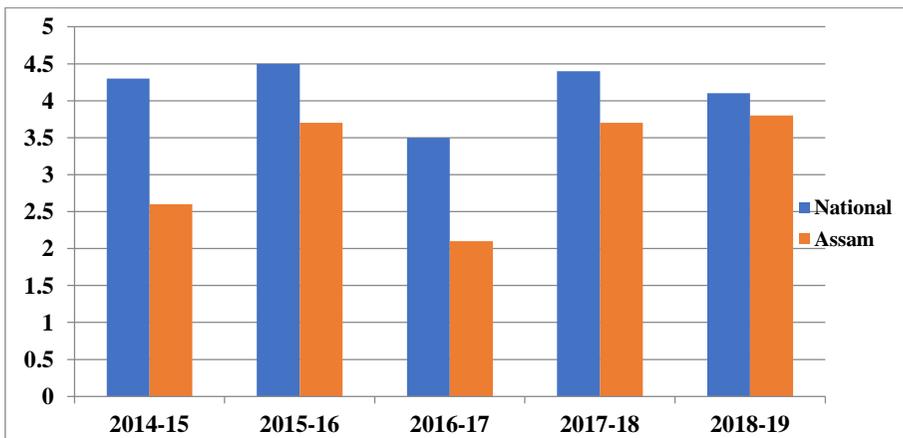
**Fig: 1 HHs or households based on employment in different states for the FY 2018-19 (in Lakh)**

In relation to Fig: 2, it has been observed that the rate of employment offered to the people in rural areas is relatively low compared to the nation. It has been observed that in 2014-15, 2016-17 and 2017-18 the rate of employment provided is relatively low compared to the other states. However, in the last year the rate has been close to the nations of Assam. Hence, it is significant to offer employment as demanded y focusing on creating assets.



**Fig: 2 Household demanded for employment and provided with employment in Assam**

In relation to Fig: 3, it has been identified that the differences in average working days in the last five Financial Years in Assam and nation has huge gap. It has been observed that in the FY 2014-15, 2016-17 and 2017-18 the difference is significant between Assam and other states based on average working days per households which highly impacts employment of Assam. However, in 2018-19, the rate has been increased 38.55 compared to the last year 37.45.



**Fig: 3 Average working days per households**

In relation to Table 5, it has been identified that in the FY 2017-18, the total work taken was 3637 where the ongoing work is around 15 and completed work is around 3622. On the

other hand, in the FY 2018-19, total work taken was 3045 in which 588 works is in progress and 2457 has been completed. The rural connectivity of Assam has gained significant attention in the FY 2018-19, followed by land development, flood control and protection, water conservation and harvesting, irrigations works, renovation work droughts proofing and other works.

**12. Suggestions:** The major cause that has been identified behind the lower growth in the region of Assam is poor implementation and execution strategies due to mismanagement between central government and state government. The differences in employment and growth in rural areas of Assam and other states is huge and needs to be mitigated for eradicating poverty in Assam and other states as well. Following are the suggestions—

- Need of successful implementation of MGNREGA through coordination between the state and central government with continuous monitoring and evaluation for creating large number of assets;
- Quality of work and better employment opportunities need to be created by the government for developing the economy;
- Effective planning and execution is highly required for maintaining the stability of assets in rural areas;
- Regular awareness campaign must be done with the integration of Panchayat and block authorities for successful implementation of the scheme.

**13. Conclusion:** In relation to the study, it has been comprehended that, the development of rural areas is highly limited. The major problem observed is the implementation of the Act. In addition, it has been also identified that there is a gap between planning, implementing, monitoring and evaluation of different MGNREGA activities. In relation the state Assam, it has been observed that the employment provided by the government based on demands is low in Assam. Other than that, the scheme would continue to supplement the income for rural people through the creation of durable assets. In addition, the assets under the scheme would certainly provide employment opportunity enhancing the livelihood and food security of rural peoples of Assam. Hence, it can be stated that although the growth in livelihood and employment of Assam through this scheme is comparatively low from other states in the country but the assets that are being created for the state would certainly influence the economy positively offering employment opportunities and growth. This in turn results in eradication of poverty in Assam.

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