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## RESEARCH ARTICLE

### PROBLEMS AND PROSPECTS OF MGNREG SCHEME IN PURULIA DISTRICT OF WEST BENGAL

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#### ABSTRACT

This study is done to inquire the change in livelihood situation of the people belonged to Hura block of Purulia district. The study revealed that successful implementation of the NREGS has increased the mean annual income by 51.52 to 112.97 percent over the previous situation of without NREGS. This enhanced the socio-economic status of the beneficiary households as well as boosted their self-esteem and self-confidence. The average wage earned by the NREGS worker varies from Rs.85 to Rs.120 per day depending upon the phase of work. The wage rate increases with the advancement of phase of work. Around, 85 percent of the respondents utilize the increased income in building new houses or in daughter's marriage. The biggest problem confronted by the beneficiaries is untimely payment of wages followed by the distance of work place from the residence. According to the implementing agencies the most severe problem is lack of adequate and devoted administrative and technical staff resulting in procedural lapses.

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#### INTRODUCTION

Rural poverty and unemployment in India have grown in an unprecedented manner during the last few decades. There is a growing incidence of illiteracy, blind faith, hungry people, mal-nourished children, anaemic pregnant women, farmer suicides, starvation deaths, migration resulting from inadequate employment, poverty, and the failure of subsistence production during droughts. In order to make solution of these problems and to provide livelihood security to rural unemployed, Government of India (GOI) enacted the National Rural Employment Guarantee Act (NREGA) in 2005. The National Rural Employment Guarantee Act 2005 is a law whereby any adult who is willing to do unskilled manual labour at the minimum wage is entitled to being employed on public works within fifteen days (Dey, Dreze and Khera, 2007). It is the biggest poverty alleviation programme in the world which is started with an initial outlay of Rs. 11,300 crore in year 2006-07 and now it is Rs. 40,000 crore (2010-11). This Act is now called as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Since its inception the programme has benefited over 10 crore rural households and it is being recognised that NREGA has potential to transform rural economic and social relation at many level. In particular, to serve as an effective "employer of last resort", the programme should be providing (1) proportionately more job-days during the agricultural lean season, and (2) wages should be paid in a timely manner (Dey and Bedi, 2010).

The Act provides a legal guarantee for 100 days of employment in every financial year to adult members of any rural household to do public work related unskilled manual work at the statutory minimum wage. Thus it is a universal programme. This minimum wage varies from state to state, in some states it is Rs. 80 whereas in other it is Rs. 125 or Rs. 120. According to the Act the minimum wage cannot be less than Rs. 60. The 100 days of work figure was estimated because the agricultural season is only supposed to last roughly around 250 days and unskilled workers have no alternative source of income in the remaining parts of the year. Dandekar *et al.* (2010) reported that the types of work to be implemented under the MGNREGA must conform to the list approved by the Programme guidelines which include Water Conservation, Land Development, Plantation and Afforestation and Road Connectivity.

The responsibility for the implementation of the scheme at the grass-root level lies with various implementing agencies. The basic unit of implementation of the scheme is a block. The programme officer acts as the co-ordinator of the scheme at block level. His job involves sanctioning projects in such a way that all those who have applied for a job are employed within 15 days. The panchayats send a proposal of work which is to be undertaken by the programme officer and the sanctioned projects are then implemented. The power to make amendments to the Act lies with the Central Government through the parliament (Singh, 2006).

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Keeping all these aspects in view, this scheme has the immense potential for increasing rural incomes by creating opportunities for employment at the local level.

### Objectives of the study

The present study, unveils valuable information regarding the impact of the National Rural employment Guarantee Scheme and the various problems facing the beneficiaries and the implementing agencies. Thus the objective of the study is to analyse the impact of the NREGS on the socio-economic status of the beneficiaries as well as studying the problems faced by the beneficiaries and the implementing agencies and measures suggested by them for overcoming those problems.

### MATERIALS AND METHODS

The Hura block of Purulia district of West Bengal was selected purposively for the study. Two villages each from the two gram-panchayats viz Rakhera and Poramahuda from Rakhera-Bishpuria gram panchayat and Motipur and Kendbona from Hura grampanchayat were purposively selected for the present study due to accessibility, conversance with the local dialect and the fact that NREGS has been implemented in these panchayats in the first phase as well as the second phase. 25 beneficiary households from each village were selected randomly. Therefore 50 households from each gram panchayat area resulted in the total number of respondents of 100. The data were collected by interviewing the respondents with the help of a structured schedule during the month of November 2011 to February 2012. The following statistical tools were used for the present investigation for precise and meaningful analysis as well as for the interpretation of the collected data.

**Frequency distribution:** It is used to denote how frequently a response appears in a class or category.

**Percentage:** It is used to make comparisons. It can be calculated by dividing the frequency in a particular cell by the total number of respondents and multiplying the result by 100.

**Mean:** Mean is the arithmetic average. It is the simplest and relatively stable measure of central tendency.

**Range:** It is the difference between the maximum and minimum value of a given set of observations.

**Paired 't' test:** It is computed when there is any kind of correspondence between the individual values in two samples. They should be paired and the differences are analysed directly as per the following formula:

$$t = \frac{\bar{d}}{s(\bar{d})}$$

$$= \frac{\sqrt{s^2}}{n} = s^2 = \frac{1}{n-1} [\sum d^2 - \frac{\sum d^2}{n}]$$

Where,  $\bar{d}$  = mean of differences in each pair

n= pairs of observations,

$s(\bar{d})$  = standard error of  $\bar{d}$ .

### Hypothesis

$H_0$  (Null hypothesis): The mean annual income of the beneficiary households did not increase significantly after obtaining wage employment through the NREGS.

$H_a$  (Alternative hypothesis): The mean annual income of the beneficiary households increased significantly after obtaining wage employment through the NREGS.

Level of significance = 5%, Degrees of freedom= 3

### RESULTS AND DISCUSSION

The present study was conducted in the selected areas of Purulia district of West Bengal with a view of obtaining an overall picture of the workings of the scheme, to analyse the impact of the programme and to ascertain the problems and prospects of the scheme. It can be inferred from Table 1 that most of the beneficiary family are headed by women (53%) and belonged to Scheduled tribes (43%). With reference to occupation, the beneficiary households were mostly marginal farmers as 38% of the total households belonged to this category while only 2% of the respondents had their own business.

**Table 1. Socio-economic profile of the beneficiary households(N=100)**

Items	Categories	Frequency	Percentage
Sex	Male	47	47.00
	Female	53	53.00
Caste	Scheduled caste	33	33.00
	Scheduled tribe	43	43.00
	General	03	3.00
	Others	21	21.00
Occupation	Marginal farmers	38	38.00
	Small farmers	27	27.00
	Othr farmers	23	23.00
	Agril. Labourers	10	10.00
	Business	02	2.00
Education	Illiterate	36	36.00
	V pass	08	8.00
	VII pass	23	23.00
	VIII pass	20	20.00
	10 <sup>th</sup> pass	13	13.00
No. of family members	0-5	17	17.00
	5-10	53	53.00
	>10	30	30.00
Annual income before getting job card	0-10000	52	52.00
	10000-20000	20	20.00
	20000-30000	16	16.00
Annual income after getting job	30000-40000	12	12.00
	0-15000	38	38.00
	15000-25000	24	24.00
	25000-35000	31	31.00
	35000-45000	07	07.00

Large percentages (36%) of the beneficiaries are illiterate and having a small family is certainly not the norm among them as 53% of the households have more than 5 family members. The annual income before getting job card refers to the annual income of the beneficiaries from their primary economic activity excluding their work under the NREGS. From Table 1 it can be observed that the vast majority i.e. 52 percent of the beneficiary families had annual income less than Rs.10000. Out of total 100 households, 10 households worked for less than 50 days.

The households were paid wages of Rs.85 per day where the work was undertaken in the first phase and Rs.100 per day where the work was undertaken in the second phase. Most of the households have received wages of Rs.100-120 per day. So, the major reason to apply for job under NREGS was to be able to contribute to family income. Construction of rural road was the major work performed under the scheme but pond digging took the maximum number of days to be completed. After the implementation of the NREGS, there is a significant increase in the annual income of the beneficiary households. The percentage increase in the mean annual incomes of the beneficiary households in the 4 villages under study has been depicted in Table 2.

**Table 2. Percentage increase in the Mean Annual Income of the beneficiary households in the 4 villages under study (N=100)**

Panchayat	Village	Percentage increase in the Mean Annual Income
Rakhera-Bishpuria gram panchayat	Rakhera	112.97
Hura gram panchayat	Poramahuda	72.61
	Motipur	61.34
	Kendbona	51.52

The table clearly shows that the increase in percentage of the mean annual income is the highest in Rakhera village, where the mean annual income of the beneficiary households has more than doubled after obtaining wage employment under the NREGS. The lowest percentage increase in the mean annual incomes of the beneficiary households is in Kendbona village. The major reason for this stems from the fact that all the beneficiary households surveyed in Rakhera village obtained 100 days of wage employment under the job scheme. As a result, the increase in the annual income in each of the households is Rs. 11975 (income Rs. 120/day). In Poramahuda, the wage rate was the same but all the households surveyed had work for only 92 days and therefore the mean annual income is only Rs. 9150. In the Motipur and Kendbona villages the work was taken up in various phases and therefore not all the households chose to work for 100 days. Also the mean annual income in the households before the job scheme was higher than the other two villages to begin with. So the percentage increase in mean annual income was quite less as the percentage increase is inversely proportional to the initial mean annual income.

**Table 3 Utilization pattern of increased income by the Respondent Households (N=100)**

Items	Frequency	Percentage
Construction of new houses(kachha)	45	45
Daughter's marriage	40	40
Opening new bank account	32	32
Repayment of co-operative loans	28	28
Bought furniture	25	25
Taken land as lease basis	15	15
Bought domestic animals	12	12
Open fixed deposit accounts in post office	10	10
Bought bicycle	8	8
Taken electric connection	5	5

It is clear from Table 3 that most of the households utilized their increased income to build new houses (45%). 40 percent of the beneficiary families utilized their increased income in daughter's marriage off and 32 percent deposited in newly opened bank account.

Only a small percentage of the beneficiaries bought bicycles (8%) and took electric connection (5%). Sharma *et al.*, (2008) reported that the National Rural Employment Guarantee Scheme reduced distress migration in Rajasthan, Jharkhand, Orissa, Chhattisgarh, Madhya Pradesh and Bihar. Furthermore, the increased income earned through wage employment under the scheme has provided better opportunities for healthcare and increased access to education for children.

The Table 4 points out very clearly that the single biggest problem perceived by the beneficiaries was delayed payment of wages. According to 90 percent of the respondents the wage payment was not timely. 85% of the beneficiaries pointed out the complexities involved with the payment system to be a major problem. The payment is done through post office. The major problem in this system is the paperwork involved and the inaccessibility of the post offices from the residences of the beneficiaries.

**Table 4. Problems faced by the beneficiary households in obtaining benefits of the programme**

Problem	Frequency	Percentage
Work is not always near the village	75	75
Payment of wages is not timely	90	90
Little information regarding the job	42	42
Work measurement is not done properly	60	60
Working place in the work site cannot be chosen by the beneficiary	80	80
Lack of drinking water facility	68	68
Payment of wages through post office is complicated	85	85
Job cards are not issued in the work site	30	30
Involvement of shadow contractor	52	52
Ignorance regarding the rules of payment	62	62
Risk of accidents in the work site probably high	25	25

Other major problems were inability to choose working place in the work site (80%) and the distance of the work site (75%). Most of the beneficiaries seemed to have no idea about unemployment allowance, which is to be not less than 1/4<sup>th</sup> of the wages for the first 30 days and half the wages after that in case they did not get any job within 15 days of applying for it. No such allowance has been provided in this two gram panchayats even after implementation of NREGA in two stages. Jain (2006) reported that lack of awareness among the beneficiaries and less than adequate funds were hampering the progress of the National Rural Employment Guarantee Scheme. It is clear from Table 5 that 55 percent of the beneficiaries suggested that the process of wage payment should be simplified and 52 percent wanted timely payment of wages. They think wages should be paid at the job site and not through the post office as is done now. For most of them, a visit to the post office for wage withdrawal meant the loss of a day's work and an entire day's earnings. 48 percent of the beneficiaries suggested they should receive detailed information regarding the job they had to do under the scheme. The problems faced by the implementing agencies in proper implementation of the programme ranged from lack of funds halfway through the work project, accident prone and inefficient way of work due to mostly unskilled labourers to lack of adequate administrative and technical staff and finally an evident lack of co-ordination among the various government departments resulting in tedious formalities and protocols.

**Table 5. Suggestions of the beneficiary households to overcome the problems in obtaining benefits of the programme (N=100)**

Suggestion	Frequency	Percentage
The process of payment of wages should be simplified	55	55
Timely payment of wages	52	52
Detailed information should be given regarding the job under the scheme	48	48
Working place in work site should not be biased for choices of places	30	30
All facility should be provided in proper time in work site	25	25
The implementing agencies should keep proper track of the implementation of the programme	25	25

**Table 6. Extent of income generation and calculation of Paired “t” test**

Name of the village	(Mean annual income of the beneficiary household before joining NREGS)	(Mean annual income of the beneficiary household after joining NREGS)	(Difference between the mean annual incomes before and after joining NREGS)	D <sup>2</sup>
Rakhera	10600	22575	11975	143400625
Poramahuda	12600	21750	9150	83722500
Motipur	14100	22750	8650	74822500
Kendbona	13800	20875	7075	50055625
Total	51100	87950	36850	$\Sigma D^2=352001250$

As a result there is delay in having the work commissioned. Tampering with attendance and muster rolls including fake names is also a problem. Dreze (2007) observed that various “adjustments” in the muster rolls had become routine practice and in fact, the pressure to make adjustments in some circumstances (e.g. meeting the requirements of the MIS) seems to have become a handy cover for fraudulent practices, such as inflating the wage payments and pocketing the difference. To overcome the above mentioned problems use of management information system, proper planning implementation and monitoring of the programme was suggested. The leakages and misappropriation of funds should be checked. It was also suggested that public awareness generation campaigns be conducted and the workers should be provided with proper skill set before starting work. Appointing a full time trained employment guarantee assistant at panchayat level was suggested for proper maintenance of job cards, muster rolls and other records related to the scheme. Ambasta *et al.*, (2008) reported that nearly 6 lakh Employment Guarantee Assistants and over 50,000 each of Assistant Programme Officers and Technical Assistants are needed to carry out a programme of such vast magnitude.

A paired “t” test was conducted with the data in Table 6 i.e. Mean annual income of the beneficiary household before joining NREGS and Mean annual income of the beneficiary household after joining NREGS. The computed value of paired “t” with 3 degrees of freedom and 5% level of significance was 9.01, which was far greater than the table value at 5% level of significance (i.e. 3.182). This implies that the difference between the two gram panchayat in mean annual income is highly significant. Therefore the null hypothesis ( $H_0$ ) that the mean annual income of the beneficiary households did not differ significantly after obtaining wage employment under NREGS is rejected. This implies that the mean annual income of the beneficiary households increased significantly after joining the programme which farther implies that the difference between the two gram panchayat’s mean annual income is highly significant.

## Summery and Conclusion

The National Rural Employment Guarantee Scheme has been successfully implemented in the study block with proper guidance of Government. In this study it can be concluded that the average annual income of the beneficiary household has been enhanced and their socio-economic status improved. The beneficiary households have developed their self-esteem and self-confidence through this job scheme, though there were some problems faced by the implementing agencies both at the block level and the panchayat levels. The beneficiary households also faced some problems in reaping the benefits of the programme. However such problems are expected to occur in the initial stages but they can be solved with proper initiatives by the implementing agencies and the government. The findings of the study conducted in Hura block of Purulia district can serve as a ready reckoner especially for the problems as it highlights the problems faced by the beneficiary households in reaping the benefits of the programme and the problems faced by the implementing agencies in proper implementation of the programme as well as the suggestion of both in overcoming these problems.

## Recommendations

- Monitoring the progress at every stage of implementing the programme especially by the local self-government as well as the government machinery at the block and district level.
- Encouraging the banks to educate the beneficiaries regarding the virtue of saving and encouraging the beneficiaries to save at least a part of their increased income.
- Active involvement of the voluntary agencies in encouraging the beneficiaries especially women to start income generating activities with some part of the increased income as start-up capital.
- Since NREGS helps supplement the income of the beneficiaries after a bad agricultural season, policy makers should scale up NREGS in areas that are more vulnerable to weather risks to help the rural people hedge against the same.

- There should be a proper mechanism to screen the applicants and preference should be given to the more deserving applicants on the basis of their socio-economic position.

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