ISSN: 2162-6359

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# Performance of Mahatma Gandhi National Rural Employment Guarantee Scheme

#### C Azhakar Raja

Department of Commerce, Cardamom Planters' Association College, Tamil Nadu, India

#### Abstract

The performance of NREGS on Rural Development depends upon the awareness and participation of the respondents about the works carried out and the funds allocated to the programme in the areas selected for the analysis of the study. In the fourth chapter an attempt has been made to analyse the Social Upliftment and Economic Development of Impact of NREGS in Tamil Nadu for rural development on the basis of the responses of the respondents about their awareness and participation. In this chapter an attempt has been made to the works carried out and amount spent in Panchayat Union Councils of Tamil Nadu are analyzed.

Keywords: Economic • Rural development • Rural development

## Introduction

The Panchayati Raj is a system of government in which gram panchayats are the basic units of administration. It has 3 levels, village, block and district. The term 'panchayati raj' is relatively new, having originated during the British administration. 'Raj' literally means governance or government. Mahatma Gandhi advocated Panchavati Raj, a decentralized form of Government where each village is responsible for its own affairs, as the foundation of India's political system. This term for such a vision was "Gram Swaraj" (Village Self-Governance). In the history of Panchayati Raj in India, on 24 April 1993, the Constitutional (73rd Amendment) Act, 1992 came into force to provide constitutional status to the Panchayati Raj institutions. This Act was extended to panchayats in the tribal areas of eight states, namely Andhra Pradesh, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan from 24 December 1996. Now Panchayati Raj system exists in all the states except Nagaland, Maghalava, and Mizoram and also in all the UTs except Delhi.

The NREGS have come after almost 56 years of experience of other rural employment programmers, which include both Centrally Sponsored Schemes and those launched by State Govt. These comprise the National Rural Employment Programme (NREP) 1980-89; Rural Landless Employment Guarantee Programme (RLEGP) 1983-89; Jawahar Rojgar Yojana (JRY) 1989-1990; Employment Assurance Scheme (EAS)1993-99; Jawahar Gram Samridhi Yojana (JGSY) 1999-2002; Sampoorna Grameen Rojgar Yojana (SGRY) from 2001; National Food For Work Programme (NFFWP) from 2004 were national rural employment schemes. Among these, the SGRY and NFFWP have been merged with NREGA in 2005. In strong social safety net for the vulnerable groups by providing a fall-back employment source, when other employment alternatives are scarce or inadequate. The growth engine for sustainable development of an agricultural economy. Through the process of providing employment on works that address causes of chronic poverty such as drought, deforestation and soil erosion, the Act seeks to strengthen the natural resource base of rural livelihood and create durable assets in rural areas. Effectively implemented, NREGA has the potential to transform the geography of poverty. Empowerment of rural poor through the processes of a rights-based Law. New ways of doing business, as a model of governance reform anchored on the principles of transparency and grass root democracy.

## Literature review

### Objective of the study

To study the performance of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

MGNREGS social development performance: The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was conceptualized and enacted as an Act in the Parliament in September 2005 to give a statutory backing to the scheme. The objective of the Act is to enhance the livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. The primary objective of the Scheme is to

Received: 29 July, 2021; Accepted: 12 August, 2021; Published: 19 August, 2021.

<sup>\*</sup>Address to correspondence: Dr C Azhakar Raja, Department of Commerce, Cardamom Planters' Association College, Tamil Nadu, India, Tel: 8870302803; E-mail: azhakarraja88@gmail.com

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augment the wage employment and the auxiliary objective is to strengthen natural resource management through works that address causes of chronic poverty like drought, deforestation, soil erosion, and the like etc., and thus encourage sustainable development. Mahatma Gandhi NREGA, a flagship employment generation programmer of the Government has been instrumental in creating employment opportunities and placing additional income in the hands of the poor and the disadvantaged sections of society who volunteer to do unskilled work with an entitlement of 100 days of wage employment to each registered rural household every financial year. MGNREGA is the first ever law, internationally, that guarantees wage employment at an unprecedented scale. Unique features of the Act include; time bound employment guarantee and wage payment within 15 days; unemployment allowance will be paid by the state government (as per the Act) in case employment is not provided within 15 days; and emphasis on labour intensive works prohibiting the use of contractors, and machinery. The Act also mandates 1/3 per cent participation for women. The primary objective of the Act is to meet the demand for wage employment in rural areas. The works permitted under the Act address causes chronic poverty like drought, deforestation of and soil erosion, so that employment generation is sustainable. The vision and mission of this act is sustainable and inclusive growth of rural India for eradication of poverty by increasing livelihood opportunities, providing social safety net and developing infrastructure for growth. This is expected to improve quality of life in rural India and to correct the developmental imbalances, aiming in the process, to reach out to the most disadvantaged sections of the society.

At the national level, with the average wage paid under the MGNREGA increasing from Rs.65 in FY 2006-07 to Rs.115 in FY 2011-12, the bargaining power of agricultural labour has increased. Improved economic outcomes, especially in watershed activities, and reduction in distress migration are its other achievements. During 2013-14, a total of 2.90 crore households have been provided employment with the share of SCs, STs and Women at 23 per cent, 15 per cent and 56 per cent respectively up to September, 2013. The person day's employment for women is well above the stipulation of 1/3 as per the Act. A provision of Rs. 33,000 crore equal to the previous year's budgetary provision has been kept for 2013-14. The expenditure incurred by the States/UTs is Rs. 15,018.99 crore which accounts for 50 per cent of available funds up to September, 2013 (Table 1).

Place of Payment of wage						
Age		Working Place	Bank	Panchay at Office	lf any other place	
18-40	Count	50	74	116	21	261
	Expected Count	39.5	80.5	111.5	29.5	261
	% of Total	7.10%	10.60%	16.60%	3.00%	37.30%
41-60	Count	37	99	113	40	289
	Expected Count	43.8	89.2	123.4	32.6	289

	% Total	of	5.30%	14.10%	16.10%	5.70%	41.30%
Above 60	Count		19	43	70	18	150
	Expecte Count	əd	22.7	46.3	64.1	16.9	150
	% Total	of	2.70%	6.10%	10.00%	2.60%	21.40%
Total	Count		106	216	299	79	700
	Expecte Count	ed	106	216	299	79	700
	% Total	of	15.10%	30.90%	42.70%	11.30%	100.00%

Table 1. Age and place of payment of wage.

Age and place of payment of wage: The table reveals the age and place of payment wage. It is inferred from the above table, that 261 respondent's age is18-40, 289 respondents age is 41-60 and 150 respondents age is above 60 age. The 106 respondents received their wages in their working place, 216 respondents received their wages in bank, 299 respondents received their wages in panchayat office and 79 respondents received their wages in other place.

H0: Age does not influence the Place of payment of wage.

H1: Age influence the Place of payment of wage. Degree

of freedom=6

Calculated value=12.058

Table value 5% level=12.6

The calculated value is less than the table value, the null hypothesis is accepted, hence it is concluded that there is relationship between age and place of payment of wage (Table 2).

Age		Monthly In	Monthly Income				
		Below Rs.3000	Rs. 3000-400 0	Rs. 4000-500 0	Above 5000		
18-40	Count	163	58	19	21	261	
	Expected Count	151.4	51.1	32.8	25.7	261	
	% o Total	of 23.30%	8.30%	2.70%	3.00%	37.30%	
41-60	Count	146	65	43	35	289	
	Expected Count	167.6	56.6	36.3	28.5	289	
	% o Total	of 20.90%	9.30%	6.10%	5.00%	41.30%	
Above 60	Count	97	14	26	13	150	
	Expected Count	87	29.4	18.9	14.8	150	
	% c Total	of 13.90%	2.00%	3.70%	1.90%	21.40%	
Total	Count	406	137	88	69	700	

Expected Count		406	137	88	69	700
% Total	of	58.00%	19.60%	12.60%	9.90%	100.00%

Table 2. Age and monthly income.

Age and monthly income: The below table reveals the age and place of payment wage. It is inferred from above table that 261 respondents are at the age of 18-40, 289 respondents are the age of 41-60 and 150 respondents are at the age of above 60. The 406 respondent's monthly income is below Rs.3000, 137 respondents are Rs.3000-4000, 88 respondents income is Rs.4000-5000 and 69 respondents income is above Rs.5000.

H0: Age does not influence the Monthly Income

H1: Age influence the Monthly Income Degree

of freedom= 6

Calculated value=27.376

Table value 5% level=12.6

The calculated value is more than the table value the hypothesis is rejected, hence it is concluded that there is difference in monthly income.

## Conclusions

The NREGS sustainable social and economic development in employment in their workers own near villages without migration cares the basic needs of the people which completely resolves the owing to their illiteracy and end with this programme has created an innate desire to work, grow and develop with inclination for continues and never ending improvement will yield a life of endless accomplishments and satisfaction. So that Poverty Alleviation Programmes could be properly implemented and real Rural Development could be realize the life style.

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How to cite this article: Raja, C Azhakar. "Performance of Mahatma Gandhi National Rural Employment Guarantee Scheme." Int J Econ Manag10 (2021): 15370