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## Economic Evaluation of MGNREGA: A Case Study of West District of Sikkim

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### ABSTRACT:

*The low productivity of agriculture sector and illiteracy of the rural people are the main reason for their low living standard. In the present scenario of globalization poverty and illiteracy are the main obstacles in the way to rapid socio-economic development in the developing countries, especially in India. In the absence of industries and suitable jobs the young youth started migrate to urban place in searching of suitable job, the educated youth of the rural society remains in urban place and their contribution to the social development is totally absent. While, to decrease rural poverty along with unemployment, government of India implements various kinds of scheme, for example: Pradhan Mantri Gram Sadak Yojana, National Rural Drinking Water Program, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and Sampoorna Grameen Rozgar Yojana (SGRY). However, implementation of these schemes or policies not only develop infrastructure behaviour of the rural India but also provide employment opportunities to the skilled as well as un-skilled labour but still more and effective enforcement of the rural development policies and planning are required along with the proper investment. In this paper author try to sum up the impact of National Rural Drinking Water Program, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) on rural development of West District of Sikkim. Initially, in India the scheme was introduced in 200 most backward districts having high Scheduled Caste (SC) and Scheduled Tribes (ST) population and later extended to another 130 districts during 2007-08 financial year. Later on by 1<sup>st</sup> April, 2008, it was extended to 593 districts covering 4, 49, 40, 870 rural households. The main objective of the scheme is to ensure employment security to the rural settlers by providing at least 100 days of guaranteed wage employment. Generally, this scheme can also serve other objectives such as generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equality. The general introduction of the west district states that, Gayzing (Gyalshing), the District Headquarter of the West Sikkim which consist only 16.43% of the total area of State (Sikkim State Profile (2010-11)). With the total population of 136299 (70225 male and 66074 female) west district gives 117persons/Sq. Km as a density of the population. The sex-ratio is quite higher than other districts of the state, which are 941 females/1000 males in 2011 census. The west district shares only 22.44% to the total population of the state according to which it comes on third last position. The distribution of rural urban population of west district shows that 96.16% of population lives in rural areas and only 3.84% of the total population of west district lives in urban area (Census of India 2011). It shows that, the urbanization process is slow as compare to east and south districts. According to census of India 2011 out of 136299 populations only 95481 are literate, where 55.60% are male and remaining 44.40% are female.*

**Key words:** Rural, Settlers, Employment, Unemployment, Primary sector and Living Standard.

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## **METHODOLOGY**

In this study, author focus only on Impact of MGNREGA on rural habitations. Researcher try to analysis the impact of MGNREGA on rural development in West Sikkim, which includes social and economic condition of the settlers, people's participation, employment opportunities, participation of women, primary occupation, saving pattern of the respondents, social and infrastructural development of the Block. To conclude the study researcher use survey method for primary data, where 300 beneficiaries (Those who participate in MGNREGA as a labour) are selected randomly to fill the questioner, which includes all the basic information of the respondents. Secondary data is also use by researcher to analyze the topic.

## **INTRODUCTION**

According to census of India 2011 almost 69% of the country's total population of 121 corer, continue to live in rural India. Thus the huge numbers of rural settlers not able to provide necessary facilities called food, education and employment to their children due to low income and poverty. The absence of industries in rural areas forces the rural population to stay dependent on agriculture sector. But, low productivity of agriculture sector and their illiteracy are the main reason for their low living standard. Lack of employment opportunities, according to their education encourages the migration process from rural to urban areas. This kind of trend withdrawal the skilled human resources from rural areas and deposited on urban market where the demand for them is in optimal level. In the present scenario of globalization poverty and illiteracy among the rural people are the main obstacles in the way of their rapid socio-economic development. While interference of middle man, lack of market, road connectivity, orthodox technique of production, irrigation facility and natural calamities are the factors which are responsible for low productivity of agriculture sector as well as their low income. To develop the rural infrastructure along with the living standard, employment opportunities of rural masses, government of India implements various kinds of schemes, such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Rural Livelihood Mission (NRLM), Indra Awas Yojana (IAY), National Rural Drinking Water Programme (NRDWP), Pradhan Mantri Grameen Sadak Yojana (PMGSY), (ASSOCHAM'S STUDY January 2012). MGNREGA, Mahatma Gandhi National Rural Employment Guarantee Act, here Act itself provide the employment opportunities for rural settlers. It is the largest employment generating scheme internationally which guarantee wage employment opportunities for the rural people. Its significance is evident from a variety of perspective such as the changing scenario of the social and economic conditions of the rural households through rural employment and the infrastructural development of the society. According to Planning commission of India the percentage of the population living below the poverty line in India decreased to 22% in 2011-12 from 37% in 2004-05, (Kumar 2014). It shows, after implementation of this programme, India able to decrease the percentage of population living below the poverty line. The impact of MGNREGA on the rural life is not uniform throughout the country. In recent years some studies have made a critical analysis of MGNREGA based in secondary and primary data and pointed out the significant of the scheme in rural life. Likewise, the participation of women in MGNREGA is high in states like Rajasthan and Madhya Pradesh, but low in states like Chhattisgarh, Jharkhand, Bihar and Uttar Pradesh (less than 25%), ( Kheral and Nayak 2009). Similarly, the impact of MGNREGA is positive among the rural people and that Act has provide

a unique legal space for the poor people of the country to save their life through employment (Mehrotra 2008). While in Maharashtra, preference of Scheme is not appreciable in terms of employment generation and assets created in five districts, (Kajala and Shroff 2011). However, the Scheme is not only provide employment, but also desirable from a social or welfare perspective. It also provides very direct economic benefits to the beneficiaries along with the structural modification in the rural areas.

### BASIC INFORMATION OF THE RESPONDENTS

Some basic information of the respondent's which includes, land ownership, sanitation facility, condition of the house, electricity facility and drinking water facility.

*Table no. 1 Socio-economic condition of the respondents (Numbers in absolute)*

Drinking Water Facility		Ownership of Land		Sanitation Facility (Toilet)		Electricity Facility		Housing Condition		
Yes	No	Own	Other's	Permanent	Temporary	Yes	No	Pucca	Sami-Pucca	Kuccha
300	00	210	90	300	00	300	00	193	57	50

*Source: Field Survey 2015*

According to data mentioned in above table shows that the maximum numbers of respondents used to live in Sami-Pucca house, while only 50 respondents out of 300 lives in Kuccha house because they are live in other's land on the basic of yearly rent that's why they did not built Pucca or sami Pucca house. Further 193 respondents used to live in Pucca house or in those house which is distributed by the government under Chief Minister's Rural Housing Mission and other Rural Housing Development Schemes. The entire respondent's houses are covered by Toilet and Drinking water facilities.

### Participation of Male and Female respondents in MGNREGA from APL and BPL Category

*Table no. 2 Gender profile of the respondents and their APL, BPL Category*

Gender	Respondents belongs to Above Poverty Line Family	Respondents belongs to Below Poverty Line Family	Total
Male	156 (77%)	74 (76%)	230 (77%)
Female	47 (23%)	23 (24%)	70 (23%)
<b>Total</b>	<b>203 (68%)</b>	<b>97(17%)</b>	<b>300 (100%)</b>

*(Source: Field Survey 2015)*

According to data mention in table no 2, 70% of respondents are male and 30% are female. It shows that participation of male in this scheme is more as compare to female. During survey researcher 93% of male respondents express that in labour sectors person needs a healthy physical inputs and it's natural. According to them male is more power and have strength to response the work load in construction sites. This statement is also supported by more than 50% sample females. The factors like immature child who needs mother's care, engagement in domestic work are also effects female participation in this scheme. In this study researcher found the same reason which creates maximum difference in male and female participation in MGNREGA. However the reasons like economic condition of the family, single female member who is the only hope of family for their basic needs and age of the parents directly force them to participation in lab our sector through MGNREGA due to which some margin number of female are presence in this scheme. Another fact that researcher found in this study is those female who are actively participated in this scheme comes under the age group of 23-33 years. While, out of 300 respondents 17% are form BPL Category which means the Scheme is able to change the living standard of the rural settlers by giving them 100 days employment. In separate out of 97 BPL respondents 74 were male and only 24 were female.

*Table no. 3 Number of respondents participating in MGNREGA from Joint and Nuclear families*

Family size	Sex-Wise		Number of BPL respondents from Joint and Nuclear Family		Number of APL respondents from Joint and Nuclear Family		Single respondents from each Joint and Nuclear Family		Two respondents from each Joint and Nuclear Family	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>Joint</b>	<b>138</b>	<b>37</b>	<b>41</b>	<b>17</b>	<b>82</b>	<b>35</b>	<b>102</b>	<b>09</b>	<b>36</b>	<b>28</b>
<b>Nuclear</b>	<b>92</b>	<b>33</b>	<b>33</b>	<b>06</b>	<b>74</b>	<b>12</b>	<b>54</b>	<b>11</b>	<b>38</b>	<b>22</b>
<b>Total</b>	<b>230</b>	<b>70</b>	<b>74</b>	<b>23</b>	<b>156</b>	<b>47</b>	<b>156</b>	<b>20</b>	<b>74</b>	<b>50</b>

Source: Felid Survey 2015

The Family pattern or Family size of the respondents is shown in table no 3, where only 125 respondents belongs to Nuclear family where 92 respondents are male and 33 samples are female.. Data mentioned in same table shows that, the majority of workers belong to joint families, out of which 41 male and 17 female respondents fall under the Below Poverty Line. Another fact that researcher found in this study is most of the Below Poverty Line families belongs to joint family. While it was found that in both the families females are more active in domestic work rather than in MGNREGA's work that is the reason why female participation is low. Regarding single person and two persons who participated in this Scheme researcher found



that, 09 sample female respondents and 102 male respondents belongs to joint family. The daily expenditure of the joint family is maximum which need some additional income to meet the expenses of basic needs of the family due to which most of the male belongs to joint family actively participated in this programme. During survey 99% of sample respondents informed that, the impact of MGNREGA in rural development is positive. According to them this programme not only gives employment to needy people which surely increase income, saving with the living standard, but also change the infrastructural outlook of the village.

**Time Duration for getting work under MGNREGA after apply for it**

**Table no. 4**

**Time (Days) Gap between getting work after apply for it and distance of the worksite form respondents Village (Number in Percentage)**

<b>From the Day of Apply for it</b>	<b>Percentage</b>	<b>Distance of the Worksite form respondent's Village</b>	<b>Percentage</b>
<b>Within one Week</b>	71%	Within Village	69%
<b>Within 15 days</b>	17%	Within 1 km	18%
<b>15 – 20 days</b>	12%	1 - 2 km	13%
<b>20 – 25 days</b>	00%	2 – 3 km	00%
<b>25 – 30 days</b>	00%	3 – 4 km	00%
<b>More than 30 days</b>	00%	4 – 5 km	00%

*Source: Field Survey 2015*

Regarding time gap majority of respondents got work within the one week after applies for it. It shows that the rapid modification of the rural areas creates maximum employment. Further it also shows that, this scheme is able to reduce rural poverty through providing employment with minimum wage rate. During survey researcher found that, in every worksite labours are appointed on the basis of demand for it to complete the work that is why out of 300 respondents only 17% and 12% are engaged in work within 15 days and 15-20 days respectively. While, after survey researcher found that, excess supply of labour in study area, maximum time gap and to some extent due to their own domestic work force them to apply in adjoining village to get employment through MGNREGA, that is why only 69% of respondents are used to work within their village, 18% are work within one Kilometer and 13% are work in 1-2 Kilometers. In general it is observed that the programme is able to change the socio-economic condition of the rural settlers and structural scenario of the rural areas as well.

**Participation of respondents in different works at the time of survey (2014)**

**Table no. 5 Participation of respondents in different work**

<b>Work</b>	<b>Number of respondents</b>
<b>Rural connectivity (Village Road)</b>	<b>73 (24%)</b>
<b>Rural footpath</b>	<b>101 (34%)</b>
<b>Construction of Chief Minister’s Rural Housing Mission and other Rural Housing Development Schemes.</b>	<b>87 (29%)</b>
<b>Irrigation Canal</b>	<b>15 (05%)</b>
<b>Others</b>	<b>24 (08%)</b>
<b>Total</b>	<b>300 (100%)</b>

Source: Field Survey 2015

*(Others mean tree plantation, agro-forestry)*

Under MGNREGA different types of Works are channelized by the government through panchayat level to provide employment to the rural settlers and to modernize the area with road connectivity, footpath, housing facility and proper irrigation facility. Participation of sample respondents in different work under MGNREGA mention in table no. 5. In West District majority of workers are employed in rural footpath, followed by 26% respondent works in Construction of Chief Minister’s Rural Housing Mission and other Rural Housing Development Schemes. In the absence of industrial development all sample respondents are directly depends on primary and allied sector for their basic needs and income. This primary and allied sector based on seasonal acitivity which gives only limited income. While after survey it was found that, the agricultural production is not sufficient or the money value of agricultural production is not equalized their expenses. Due to this they used to pull some of their labour force from primary sector and join in other rural development schemes like MGNREGA which gives at least 100 day employment in guarantee because of this availability of labour (traditional skilled and unskilled) in rural areas is maximum. During survey researcher found that by adopting dual involvement in agricultural sector which is their primary source of income and MGNREGA they are able to develop their living standard.

In the study block researcher found no change in employment pattern, because the scheme called MGNREGA provides only 100 day employment and the engagement of respondents in this scheme is temporary. So after completion the sanction work under MGNREGA all the respondents used to engage themselves to their primary called agriculture as agriculture labour as well as non-agriculture labour in other sector. This kind of shifting employment pattern creates variation in total agriculture labour and other labour force.

**Expenditure pattern of additional income of the sample respondents earn through MGNREGA**

**Table no. 6 Expenditure pattern of additional income of the sample respondents earn through MGNREGA**

Items	Percentage of the Sample respondents
Household needs	31%
Health	21%
Education	28%
Social Ceremonies	10%
Average Saving of the respondents	10%
Total	100%

Source: Field Survey 2015

According to the data mentioned in table no. 6, majority of the sample respondents used to invest their additional income on Household needs (excluding vegetables and rice) such as clothes, utensils, house repayments expenditure salt, oil, etc. Further out of 300 respondents 21% and 28% sample respondents use their additional income to cover health expenses and educational expenses respectively of their family as well as their children. Social Ceremonies plays an important role in human habitation because every human being lives in society. Due to this every individual use to give some financial support for the social ceremonies of his/her income, that is why expenses on the head of social ceremonies were also included in expenditure pattern of the sample respondents.

**Saving pattern of the sample respondents before and after implementation of MGNREGA**

**Table no. 7 Saving pattern of the sample respondents before and after implementation of MGNREGA**

Saving through	Before implementation of MGNREGA		After implementation of MGNREGA	
	Number of respondents	% of income deposited to bank and post office as a saving	Number of respondents	% of income deposited to bank and post office as a saving
Bank	81	11%	117	20%
Post office	129	16%	162	27%
Keeping cash	90	21%	21	09%

Source: Field Survey 2015

After Survey it was found that out of 300 respondents 81 samples (mentioned in table no. 7) are drop their 15% income in Bank as a saving before implantation of MGNREGA and 129 respondents are drop their 20% of income in post office but after implementation of MGNREGA scheme in study area saving in banks and post office deposits are increased by 9% and 11% respectively along with the increase in number depositors in both the sector. Further after implementation of this scheme the attitude of money holding on cash by respondents in their home is also decrease. It shows that the impact of MGNREGA is positive in rural areas and it is able to develop the socio-economic condition of the rural settlers through saving attitudes. In rural areas post office became the important terminal for the money transaction in rural place. While its function and working mechanism is different from other financial institution but still it is popular because rural settlers have no option instead of deposit their certain percentage of income on it on the basic of short term fixed deposits or long term deposits.

## FINDINGS

The major findings of the study are as follows,

- After survey it is found that after implementation MGNREGA in study area all the sample respondents are more economic independent from their expenditure.
- After implementation of MGNREGA, demand for labour on casual work (other than MGNREGA work) is increase which further lead to increase the wage rate of casual labour.
- MGNREGA is able to increase work opportunities, decrease poverty, increase rural connectivity (such as footpath and road) and increase saving attitudes of the rural settlers.
- To some extant families belongs to Below Poverty Line are able to provide basic needs of their children after implementation of MGNREGA.
- In general economic and social impact of MGNREGA in rural areas is positive, like the living standard is change; almost 90% respondents agreed that they can manage their expenditure without taking any loan form micro finance or from any other source.
- Social discrimination against sex, caste, religion or on the basic of any ground is total absent in study area (excluding physical disabilities) while giving job under MGNREGA.
- All women workers are satisfy with this Act and they said that by joining work under MGNREGA as a labour they can support their family at the time of financial crisis.
- Saving pattern of the 93% respondents is also increase after implementation of MGNREGA, while only 7% respondents are not able to save their additional income because of the joint pattern of their family where expenditure is maximum in all respect due to which they hold cash in hand.
- 100% respondents are informed that sometimes there is delay in payment which affects their day to day activities.
- After survey it was found that general survey was undertaken by ward panchayat to indentify the willing workers and list of registered workers is read out in gramsabha for sanction the list. If gramsabha agree with this then only job card were issued on free of cost. Till the survey month (February to May) no such case was found who did not get the job card after applied on it.



- All the sample respondents agreed that, they are able to make-up the educational expenditure of their children in term of books, pencils, erasers, bag, etc., after getting work under MGNREGA. Although all sample respondents send their children in Government Schools.
- All the women respondents express that, if this scheme continues with less corruption and if the number of working days will increase they would be in position to continue their children's education.
- 100% respondents agreed that after implementation of this scheme migration of the illiterate rural people towards urban area is decrease but the educated youths are still dependents on urban centers for employment.
- After survey it was found that the persons who are living in other's land and have kucha house directly depends on MGNREGA for his/her income.

## CONCLUSION

The study has concluded that the MGNREGA able to change the life style of rural people by providing employment opportunities. MGNREGA not only change the economic condition of the rural settlers only but also structural scenario of the rural villages through road connectivity, footpaths, sanitation and other development works. In the study area the working mechanism of the MGNREGA is managed by the Block Development Officer by providing 100% working days. Today, MGNREGA has brought many changes in the life style of rural settlers especially economically and socially backward communities, but still more has to do to achieve the expectation of the poor settlers of rural areas. Involvement of local people for the development of their village leads the scheme called MGNREGA in a right direction. Further, this scheme able to erase the practice of social discrimination based on caste, religion, sex, rich and poor. In future, if it's free from malpractices, corruption and political issues the scheme called MGNREGA able to reduce rural poverty, rural out migration, rural unemployment and increase the life style of rural settlers along with the social development (structural scenario like road, schools, housing, drinking water facility, sanitation, etc.).

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