

Employment generation and Social Security: An empirical study of the Impact of MGNREGA in J&K

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Abstract:

Landmark legislation in Indian history of social security legislation had taken place in the year 2005 by enacting National Rural Employment Guarantee Act (NREGA). The act provides 100 days of guaranteed employment to every household whose adult members volunteer to do unskilled labour work at statutory minimum wages. In Jammu and Kashmir MGNREGA has been implemented in three phases i,efrom the year 2006 to 2008-09. So in this context present study is an attempt to study the impact of MGNREGA on social security and employment generation in three divisions of Kashmir.

Keywords: MGNREGA, Social security, Employment, Person days, Income.

INTRODUCTION

Poverty has become the major concern of India since independence, attracting the attention of sociologists, economists & political class people. Government of India (GoI) gave considerable importance to rural reconstruction and formulated a number of strategies for rural development. To meet the objectives of eradicating rural poverty & hence rural development, Government of India launched various rural development programmes (Desai, 2012) viz Community Development Programme (CDP) (1952), Small Farmers Development Agency (SFDA) (1969-70), Marginal Farmers and Agricultural Labourers (MFAL) Programme (1969-70), Integrated Rural Development Programme (IRDP) (1976-77), wage employment programmes viz; Food For Work Programme (FWP) (1977),

Training For Rural Youth For Self-Employment (TRYSEM) (1979), Rural Employment Programme (1980), Jawahar Rozgar Yojana (1989), Swaranjayanti Gram Swarozgar Yojana (SGSY) (1999) & National Food For Work Programme (2004). All of these programmes however suffered from one or more deficiencies viz; (i) lack of awareness among local communities, (ii) little involvement of the local community, (iii) employment was provided on the basis of availability of funds and willingness of the implementers, (iv) absence of social monitoring and hence wastage of resources, (v) leakages and corruption, (vi) inability to provide minimum livelihood security as there was no guarantee, (vii) low allocation and utilisation of funds, (viii) less number of days of wage employment per family, (ix) lack of right planning, (x) creation of low quality

assets, (xi) involvement of contractors and use of machinery, (xii) false muster rolls etc. In these programmes, many people often lived under the mercy of implementing agency for employment. Thus all these supply driven programmes failed to achieve the set objectives.

To overcome the above problems and deficiencies of the earlier wage employment programmes, Government of India took a historic step by enacting the National Rural Employment Guarantee Act (NREGA) in 2005 by merging Swarnajayanti Gram Rozgar Yojana (SGRY) & National Food For Work (NFFWP) for enhancing livelihood security of the rural poor by providing a legal guarantee for 100 days of wage employment in every financial year to every rural household whose adult members are willing to do unskilled manual labour at the statutory minimum wage rate.

MGNREGA, since its inception in year 2005, is one of the biggest poverty alleviation programmes

in the world. The act provides a legal guarantee for 100 days of wage employment in every financial year to every rural household whose adult members are willing to do unskilled manual labour at the statutory minimum wage rate. The programme also aims at providing of livelihood security for the poor through creation of durable assets. However, the main objective of MGNREGA is to augment wage employment with a secondary objective of strengthening, “natural resource management through works that address causes of chronic poverty like drought, deforestation and soil erosion” & thereby encourages sustainable development (Ministry of Rural Development, 2010). In special case such of the works which are not included in the permissible work list, state government by making use of Section 1(ix) of schedule 1 of MGNREGA act may add new categories of works on the basis of consultation between state and central government.

Table 1: Time-Line of MGNREGA programme

Aug. 2005	Feb. 2006	April 2007	April 2008	Oct. 2008	16 Feb. 2009	Oct. 2009	Till the date
NREGA legalised	Came into force in 200 districts	130 more districts included	Universalization of the scheme	Wage transaction through bank/post offices	MOU with the postal department	Name changed to MGNREGA	No change in nomenclature

Source: www.nrega.nic.in

Since the legalization of MGNREGA in the year 2005, the programme was implemented in 200 most backward districts of the country in February 2006. In the year 2007, 130 more districts were brought under MGNREGA and within a year the act got universalized by bringing the entire country under its horizon. The programme was renamed as MGNREGA in October 2009.

MGNREGA in Jammu and Kashmir:

At state level, initially in its first phase NREGA was not extended in whole of Jammu & Kashmir but only three districts, viz. Poonch, Doda and Kupwara were brought within the ambit of this scheme. In order to implement the programme, the state legislature adopted a resolution for accepting the

extension of the provisions and benefits of guaranteed wage employment under the central act to the state of Jammu and Kashmir. When the programme under the central act was extended to whole of the state in 2008, State Government by way of issuing a government order constituted a State Employment Guarantee Council (SEGC) under section 12 & section 32(1) of NREGA for the purposes of monitoring and reviewing the implementation of National Rural Employment Guarantee Act at the state level. Thereafter, the state government issued an order wherein the state scheme was renamed and called as Jammu and Kashmir Rural Employment Guarantee Scheme (JKREGS) to implement the provisions of the central act (MGNREGA). The scheme JKREGS is

interchangeably also called as MGNREGA after 2009.

Table 2: Total population and employment under MGNREGA

S.No	Particulars	South Kashmir	Central Kashmir	North Kashmir
1.	Total population (in numbers)	2329830	2288020	1363389
2.	Employment provided to households (Lakhs)	104818	40804	84732
3.	Person days(Lakhs)	4524588	1315764	3269601

Source: www.nrega.nic.in

Review of literature: Perusal of the previous literature is essential to identify research problems & provide valuable suggestions in any research. Thus review of literature helps not only in gaining knowledge about a topic but also arouses the interest in information seeking & critical appraisal of an issue. As such, an attempt has been made in this chapter to review the work already done in respect of MGNREGA. Verma (2006) brought out a publication on “Rural Poverty Alleviation and Employment.” He pointed out that unemployment is still on the increase and that the benefit of growth has failed to percolate down to the poor people especially in rural areas. He further stressed that for poverty alleviation rapid economic growth focusing mainly employment intensive sector is required. Dreeze and Lal (2007) based on his studies on NREGS in Rajasthan concluded that this state stands first in terms of employment generation per rural household under this scheme. They stated that in 2006-07 the average rural households in six “NREGA Districts” of Rajasthan got work for 77 days under this programme earning nearly Rs.4,000 in the process. Ghosh (2008) stated that MGNREGA will prove to be an extremely cost-effective way of increasing employment directly and indirectly,

reviving the rural economy, providing basic consumption stability to poor households and improving the bargaining power of rural workers. Planning Commission (2008) conducted a survey in 20 states to study the impact of MGNREGA. The results showed a shift of low income groups (about 50%) towards high income category, significant increase in the expenditure on food and non-food items (6%) & change in the expenditure pattern, procurement of livestock (68%) & household articles (42%). Johnson (2009) reported that MGNREGA not only made money available to rural poor households but also facilitate them when they are in need of it. Tata Institute of Social Sciences (TISS) in 2011 studied implementation of the MGNREGA and stated that the response from the Kerala state in towards programme implementation was quite remarkable as it capitalised on its achievements in implementing. Arya et al (2018) while studying MGNREGA and women empowerment in Kerala found that high benefits occurred in the study area through this programme and also women were empowered which results in their social security.

Objectives of the study

1. To study the extent of employment generation through MGNREGA in Jammu and Kashmir
2. To study the impact of MGNREGA on social security through rural upliftment in the study area
3. To identify the various constraints being faced by various stakeholders and provide necessary recommendations for the smooth functioning of the programme

Research methodology

The present study entitled “Employment generation and social security: An empirical study of the impact of MGNREGA in J&K” was conducted in three divisions of Kashmir. The present study was conducted in the villages of South Kashmir, Central Kashmir and North Kashmir.

Sampling Technique: Simple random technique was used to select the villages where MGNREGA respondents were present. The respondents were selected randomly for gathering information. Qualitative method of data collection was used.

Sample Size: The sample size for the present study was 96 respondents. Both men and women were included in the samples. The young children were not included in the study as they were very young, in most of the cases below 7 or 8 years and hence could not elicit proper and adequate response.

Tools for Data Collection: The research tools of Questionnaire, interviews and case study were used for data collection. First of all, a well-structured questionnaire was prepared for the data collection after doing a field survey first (before the commencement of the study) which comprised of background information of the respondents, question regarding their education of children, their socio-economic condition, life style etc. The questionnaire used for data collection was divided into different sections to collect the required information. Questions were regarding general information like name, age, and educational status, type of family, income of the family, income before MGNREGA programme and income after the programme and related information like number of days worked under this programme etc.

Results and discussion

Socio-economic profile is the vital factor which identifies the different people on the basis of some parameters like their educational status, occupation, age etc. MGNREGA is a step by the Government of India which has changed the status of the rural households and their employment pattern by securing livelihood through guaranteed 100 days of wage employment.

Table 3: Socio-economic profile of MGNREGA respondents

	Male	Female		
Gender	92	4		
	Illiterat	Primar	Middle	Highe

	e	y		r
Education	36	37	4	19
	18-28	29-39	40-50	51& above
Age	19	29	25	23
	Landless labourers	Marginal farmers	Small Farmers	
Landholdings	5	55	36	
Income	Lower income	Middle income	Higher income	
	58	29	9	

Source: Field Survey

From among 96 sample households covered in the study area only 4 workers were female comprising 4 per cent compared to the 92 male workers which comprises to as high as 96 per cent. It is further shown that about 37 per cent workers in the study area were illiterate. The data in the table further reveals that about half of the respondents were having their education up to primary level and a moderate (19%) number of sample workers had studied up to high school. The data thus points out that MGNREGA even also acts as an option of livelihood earning for educated respondents. This signifies the need for skill development of educated rural poor in the study area. The model group of the sample workers as evident from the table was 29-39 years which comprised of 30 per cent. Respondent following in age groups of 40-50 & 51 & above too were quite handsome and also contributed 26 & 23 per cent respectively measuring thereby that aged group workers also put up hard labour to secure their livelihood. Table further shows the landholding of the beneficiaries. It is evident from the table that maximum participation of the beneficiaries is from the marginal farmers as in the study area there are 57% beneficiaries as marginal farmers compared to 37% small farmers & with only 5% of beneficiaries who are landless. Further to find out the relationship between the level of education and MGNREGA &

Landholdings and MGNREGA, t-test was used and the results are shown in the tables below.

Table 4: Education-wise results of t-Test before & after MGNREGA in the study area

t-Test: Before MGNREGA					
	Educational status				
	Illiterate	Primary	Middle	High school	Above high
Mean	79.474	100.833	Insufficient	80.833	Insufficient
Observations	19	12		12	
Standard deviation	14.710	82.733		11.645	
t-Test: After MGNREGA					
Mean	54.842	50.167		37.917	
Observations	19	12		12	
Standard deviation	21.485	38.226		17.563	
Df	18	11		11	
t Stat	-3.811	-2.226		-5.969	
p value	0.001	0.048		<0.001	

From the results of the t-test (table 4) we find that there are statistically significant results for the workers with educational levels primary & high school working before and after MGNREGA and

also results for illiterate respondents are also significant at 5% level of significance. As for middle & above high school level respondents are concerned, data is not sufficient for the t-test.

Table 5: Results of t-Test before & after MGNREGA in relation to landholdings

t-Test: Before MGNREGA			
	Landholding		
	Small farmers	Marginal farmers	Landless Labourers
Mean	77.5	85.366	Data insufficient
Observations	4	41	
Standard deviation	15.000	46.049	
t-Test: After MGNREGA			
Mean	56.25	48.146	
Observations	4	41	
Standard deviation	36.372	25.351	
Df	3	40	
t Stat	-0.891	-5.06	
p value	0.438	<0.001	

The results of t-test (table 5) shows that there is statistically significant relationship of marginal

farmers with the employment of the respondents in the study area while in case of small farmers, it is

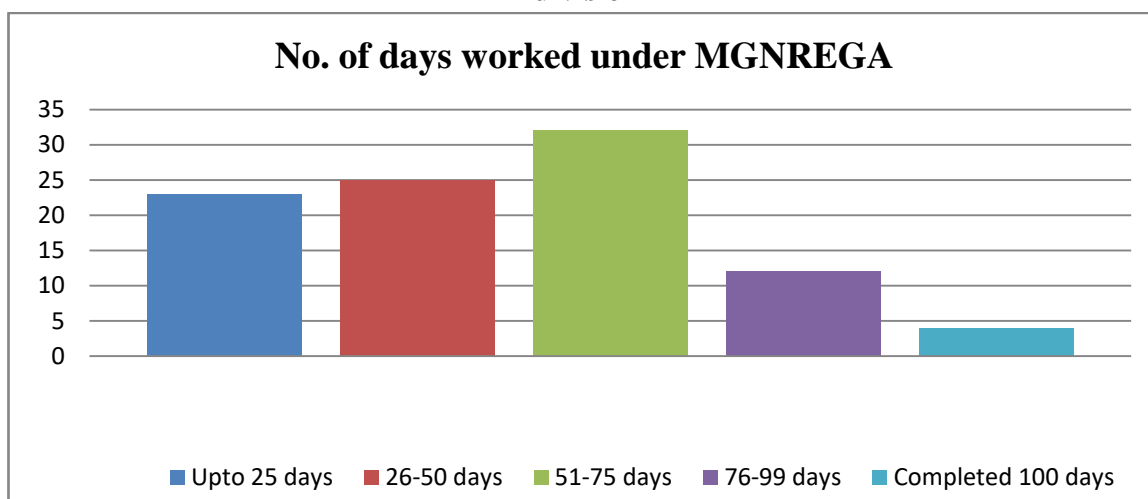
not significant at 5% level of significance. As far as the landless labours are concerned, the data is insufficient to test.

Table6: Employment and Income generation

No. of days	No. of respondents	%age
Upto 25 days	23	24%
26-50 days	25	26%
51-75 days	32	33%
76-99 days	12	13%
Completed 100 days	4	4%
Total	96	100%

Source: Field survey Figures in parenthesis are percentage to total

Fig 1: Graphic representation of respondents worked for different number of days in Kashmir division



Number of days respondents worked under MMGNREGA in Kashmir division is given in table 6& Fig. 1. It is evident from the table that majority (33%) respondents have completed on an average 51-75 days of employment under MGNREGA programme which was followed by 26-50 (26%) & upto 25 days (24%). It is further shown that 13% of respondents were provided employment days between 76-99 days and only 4% of the respondents have been provided 100 days of employment in the study area. Prathap et al (2014) in this regard reported that 22% of respondents worked below 50 days while they further reported that more than 44% respondents were provided 100 days of employment.

Income

For well-being& social security of any community income plays an important role. Since majority of

the rural population is dependent on the income generated by them through labour they do not otherwise have any income from some other sources. In the study area where majority of the people have rural character the main source of income is the labour works only.

Comparison of income before & after MGNREGA in the study area

So as to see the impact of MGNREGA on income scenario of beneficiary households an attempt has been made in this chapter to compare annual income before & after adoption of the programme. To find out whether the differences in the income before & after MGNREGA in the study area is significant or not, a hypothesis test that there is equal income before and after MGNREGA was conducted. For this we used ANOVA (analysis of variance test).

Table 7: Comparison of income before and after MGNREGA in the study area

Total no. Of beneficiaries	96
Sum Total of annual incomes before MGNREGA	1670400
Average	17400
Sum total of annual incomes after MGNREGA	2698800
Average	28112.5

An attempt was also made to find out statistical households before and after MGNREGA. For this significance, if any, in the income of respondent we make use of ANOVA test.

Table 8: Results of ANOVA

SUMMARY						
<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>		
Annual income before MGNREGA	96	1670400	17400	1.41E+08		
Annual income after MGNREGA	96	2698800	28112.5	1.72E+08		
ANOVA						
<i>Source of variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>Fcrit</i>
Between Groups	5.51E+09	1	5.51E+09	35.2208	1.37E-08	3.890867
Within Groups	2.97E+10	190	1.56E+08			
Total	3.52E+10	191				

It is evident from the table 8 that the F value is 35.22. At 5% level of significance, we have $F_{0.05; 1,190}=3.89$ (Table value). From the table it is clear that the F value is much larger than the F critical value so we reject the null hypothesis i.e there is equal income before and after MGNREGA

programme and hence concluded that there seems statistically significant differences of incomes before and after MGNREGA. Table further shows that the p-value for 35.22 is 1.37E-08, so the test results are significant.

Impact of MGNREGA on economic status of rural poor

Table 9: Source-wise annual household expenditure before and after MGNREGA

Sources of expenditure	Before MGNREGA (₹)	After MGNREGA (₹)
Food & other consumption items	363500 (22%)	552700(19%)
Clothing	164600 (10%)	257200 (9%)
Health	95900(6%)	260300 (9%)

Cooking fuel	107500(6%)	164000(6%)
Education	111300(7%)	183406(6%)
Transport	101000(6%)	144700 (5%)
Social/ religious function	92100(6%)	144500 (5%)
Alcohol	18700(1%)	27200 (1%)
Loan repayment	84600(5%)	135700 (5%)
Electricity bill	70500(4%)	122900 (4%)
Phone bill	44900(3%)	80500 (3%)
Agriculture equipment's & seeds	125500(8%)	239700 (8%)
Household assets	94400(6%)	181100 (6%)
Recreation	54600(3%)	101500 (4%)
Maintenance of house	127000(7%)	274000 (10%)
Total	1656100	2869400

Source: Field survey Figures in parenthesis are percentage to total

In a bid to evaluate the impact of MGNREGA on the rural households and to know the annual source-wise expenditure before and after MGNREGA

programme, the researcher employed ANOVA. For this an assumption was made that the source-wise expenditure has remained same before & after MGNREGA.

Table 10: Results of ANOVA for major sources of expenditure

Sources of expenditure	F value	F critical	Results
Food & other consumption items	27.79	3.89	Significant
Clothing	10.23	3.89	Significant
Health	6.03	3.89	Significant
Education	11.44	3.89	Significant
Transport	11.42	3.89	Significant
Electricity bill	30.95	3.89	Significant

Problems faced by beneficiary households.

Beneficiary households (table 11& fig. 2) disclosed that they are suffering from many problems while doing employment under MGNREGA. These problems/constraints were analyzed by using Constraint Index (CI) Majhi (2001) which shows the

extent of severity of the problems. Various problems/constraints discussed by beneficiary households are discussed in descending order of severity (table 11& fig. 2) as fallows;

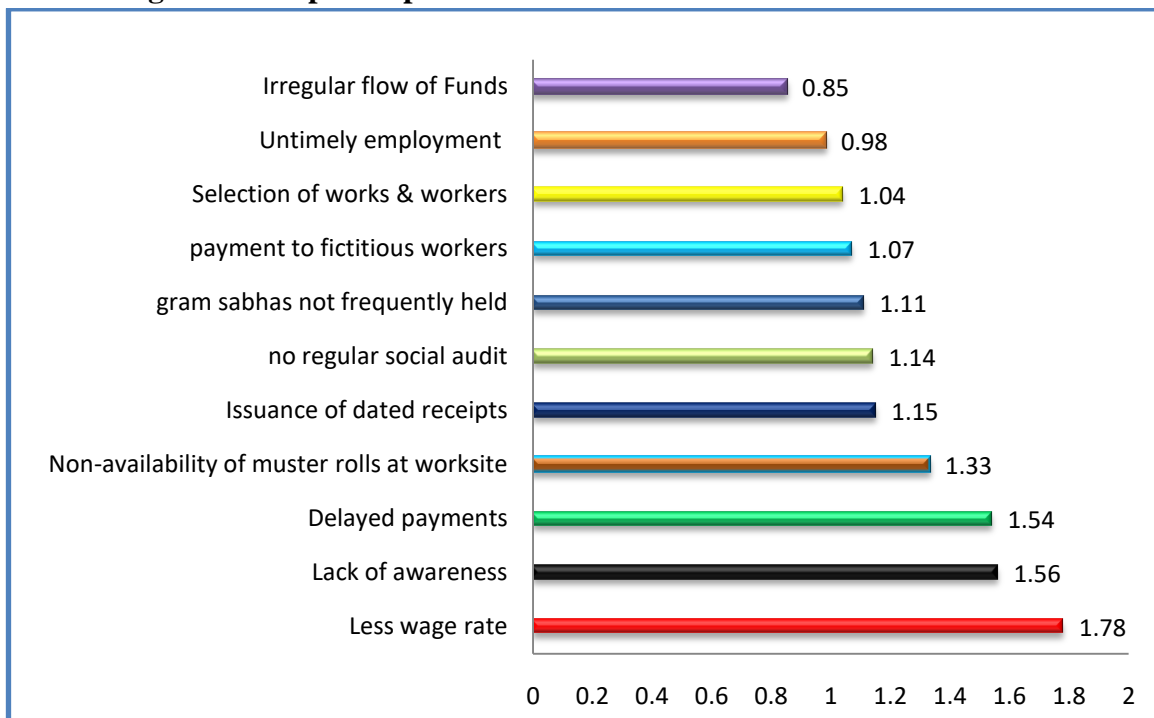
Table 11: Constraint Index of Beneficiaries

S. No	Constraints	Severe constrains (sc)	Constraints (C)	No constraints	Total score (2xsc+c)	(CI)=Total score/ total respondent	Rank
1	Less wage rate	80	11	5	171	1.78	1 st

2	Lack of awareness	60	30	6	150	1.56	2 nd
3	Delayed payments	65	18	13	151	1.54	3 rd
4	Non-availability of muster rolls at worksite	40	48	8	128	1.33	4 th
5	Issuance of dated receipts	35	41	20	111	1.15	4 th
6	No regular social audit	30	50	16	110	1.14	5 th
7	Gram Sabhas not frequently held	31	45	20	107	1.11	6 th
8	Payment to fictitious workers	17	69	10	103	1.07	6 ^h
9	Selection of works & workers	10	80	6	100	1.04	7 th
10	Untimely employment	10	75	11	95	0.98	7 th
11	Irregular flow of funds	26	30	40	82	0.85	8 th

Source: Field survey

Figure 2: Graphic representation of constraint index of beneficiaries



Findings

The study consists of a total of four dimensions named as income, employment, social stability and economic upliftment. The income and employment variables are further categorized into employment before MGNREGA programme and employment after the programme and income before the programme & income after the programme. Further the social upliftment has been studied with the help of expenditure before the MGNREGA programme and expenditure after the MGNREGA programme in the study area. For present studies, three divisions of Jammu & Kashmir viz; South Kashmir, Central Kashmir & North Kashmir were selected. 96 beneficiaries under different types of works in 8 different villages of these divisions were selected for the studies. Questionnaires/Schedules were used for collection of primary data from MGNREGA beneficiaries and secondary data from implementing agency (Department Of Rural Development). Appraisal of social status of beneficiaries revealed that 96% beneficiaries were male and only 4% beneficiaries were female. Middle aged & old workers collectively were predominant respondents in the study area & also in MGNREGA works. 37% of the respondents were literate and the respondents who were literate up to primary level generated highest number of mandays.

Regarding economic profile of beneficiaries of study area, it was found that 87% respondents were having non-agriculture works as their occupation & only 13% were having agriculture as their occupation. Majority (57%) of respondents were marginal farmers with 37% respondents belonging to the category of small farmers. According to income groups 61% respondents were from the lower income groups & 30% respondents were from middle income group but there were only 9% respondents from higher income group. As far as constraints are concerned, it was found that less wage rate under MGNREGA programme was the main hindrance towards the more participation of the people in this programme.

Conclusion

MGNREGA programme as implemented in the study area has proved to be the sigh of relief for the rural poor's as it has proved to be an additional source of generation of employment & income in Jammu and Kashmir. It has helped the rural poor to secure their livelihood by providing guaranteed employment days and also enhanced their social status through income generation. It has also improved the rural infrastructure by creation of assets which lead to sustainable development. Thus it is high time that more awareness should be provided to local people about various entitlements of the act so that people may participate fully in this programme and will help in the prosperity of this programme which will definitely result in more employment generation and social security of the rural masses.

Recommendations and Suggestions

To overcome these constraints & problems it is prerequisite to suggest some recommendations for the better functioning of the programme in the days to come. Some of the recommendations which have been analyzed to be taken into consideration are (i) creation of awareness (ii) additional staff (iii) training of Gram Sabha & panchayat members (iv) exposure visits (v) effective supervision (vi) increase in wages (vii) wage material ratio to be reversed (viii) timely payment of wages (ix) availability of worksite facilities (x) increase in employment (xi) inculcation of banking habits (xii) regular fund flow of funds (xiii) new types of works (xiv) minimization of documents. On the basis of present findings it can be concluded that though the MGNREGA programme has generated additional employment & income in the study area but benefits of the programme do not appear to have percolated to the lower strata. Also programme appears to be more friendly for functionaries rather than beneficiaries. It is therefore high time that some stringent action & strategies be chalked out so that MGNREGA can become a successful programme

for the eradication of poverty & miseries of the rural poor.

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