

## **AN ANALYSIS OF DETERMINANTS OF EMPLOYMENT BENEFITS IN MGNREG SCHEME: EVIDENCE FROM HARYANA, INDIA**

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### **Abstract**

The main aim of the study is to identify various factors determining the employment benefits received by households and individual workers in the Mahatma Gandhi National Rural Employment Guarantee (MGNREG) scheme during 2019-2020. This study is based on primary data collected from the selected districts of Haryana. The findings reveal that households belonging to SC/ST and OBC castes and possessing BPL cards work for more days under the scheme. It confirms that MGNREGS guarantees livelihood security to the marginalised and poorer sections of society. It is also found that households engaged in wage labour as their primary occupation work longer under the scheme than in other occupations. Further, female workers get employment for a longer duration than male workers. It is also seen that persons with low formal education receive more employment under MGNREGA.

**Keywords:** MGNREG Scheme, Employment Benefits, Households, Individual Workers.

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## Introduction

India is the second-largest country in the world after China concerning population size. It is currently home to about 1.3 billion people, rising rapidly. Almost 69 per cent of the population of India dwells in rural areas. Consequently, a sizeable proportion of the rural population depends on agriculture and related activities for their livelihood. However, the contribution of the agricultural and allied sectors in the Gross Domestic Product (GDP) of the country is modest at 14 per cent approximately. Also, there has been a dismal surge in rural unemployment in India. According to the Centre for Monitoring India Economy (CMIE), the rural unemployment rate in India rose to 7.37 per cent from an earlier level of 6.15 per cent in 2019-2020. Further, India is also committed to Sustainable Development Goal (SDG) Agenda 2030. Goal 1 of this agenda accentuates reducing the poverty of half of the population below the poverty line. Thus, employment generation in rural areas has become a crucial issue for policymakers in India. In this context, MGNREGA is a leading programme of the Indian government to generate rural employment through public works on a massive scale.

## Salient Features of MGNREG Programme

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is the world's largest employment generation programme (Breitkreuz et al., 2017). This scheme was launched in February 2006 by covering only 200 backward districts in India in the initial phase (Jakimow, 2014). It was extended to the remaining rural parts of the country in April 2008 (Singh, 2016). This scheme aims to provide at least a hundred days of guaranteed employment to rural households whose adult members volunteer to do unskilled manual work at a predetermined wage rate (Novotný, Kubelková, & Joseph, 2013). This programme adopts a self-targeting, demand-driven, right-based design and structure (Nayak et al., 2018). The provisions of the MGNREG programme warrant a legal guarantee of

employment to all the households who demand work, failing to give work within 15 days of application, the State government is obligated to pay an unemployment allowance (Das, 2019). The MGNREG programme hinges on a decentralised administrative structure. Local elected representatives ensure proper programme implementation at the ground level (Fischer 2020). In this context, the Gram Panchayat is responsible for fair work allocation among participating households in the scheme (Mukherjee, 2017). The MGNREG programme endeavours to accomplish multiple objectives, such as providing minimum livelihood security to low-income families, creating durable assets in rural areas, and reducing distressing migration from rural to urban regions (Hussain, 2017). The MGNREG scheme is also viewed as a gender-sensitive scheme (Singh & Datta, 2019). The special provisions such as uniform wages, reservation of one-third share in total employment generated, the arrangement of childcare facilities at worksites, and preference in the allocation of work nearest to the dwelling make this scheme very attractive for women to work for (Narayanan & Das, 2014). MGNREG scheme also strives to promote women's empowerment through financial inclusion and independence, bolstering civic participation, and revitalising the rural landscape (Planning Commission, 2011, as cited in Breitkreuz et al., 2017). This scheme has enormous potential for developing rural economies and fostering inclusive growth (Pankaj, 2012, as cited in Hussain, 2017).

## Background Literature

Several studies have analysed different aspects of the MGNREG scheme. Jha, Bhattacharyya, Gaiha and Shankar (2009) investigated the extent of capture of the MGNREG programme using household-level data from Andhra Pradesh and Rajasthan in India. The study concluded that the size of agricultural landholding was negatively associated with the likelihood of participation in the MGNREG scheme in the context of pooled samples from both States. In the State-level

analysis, Rajasthan confirmed the negative influence of landholding on participation in the MGNREG programme. However, a positive relationship between landholdings and participation in the MGNREG scheme was observed in Andhra Pradesh. Similarly, Jha, Gaiha and Shankar (2010) examined various determinants of participation of rural workers in the MGNREG scheme using data collected from three villages in Chittoor district of Andhra Pradesh. The results observed that agricultural labourers and self-employed had a higher likelihood of participating in the scheme and for a higher number of days. Datta and Singh (2012) investigated various factors influencing the choice of women to participate in the MGNREG scheme using primary data collected from selected villages in the Birbhum district. The results, based on logistic regression, indicated that family size, religion and gender of the head of the household were not significant in affecting the women's participation choice in the scheme. Family income, SC/ST caste status, female education and family location were significant for women's likelihood of participating in the programme.

Dheeraja, Madhuri and Daimari (2013) found that factors such as wage level, support from family, worksite facilities, membership in SHGs and attitude of officials were significant in influencing the participation of women in MGNREG work. Dutta, Murgai, Ravallion and Van de Walle (2014) analysed the determinants of participation, demand and rationing under the MGNREG scheme from a panel survey in Bihar. The findings revealed that female-headed households were less likely to work under the scheme. BPL ration cardholding was strongly associated with the assignment of work under the scheme at the household level. The variables, including household composition and gender, were significantly correlated with the intensity of participation in the scheme at the individual level. Caste, education, and BPL cardholding were not significant to the days of employment at the individual level. Jha, Gaiha, Pandey and Shankar (2015) investigated various factors influencing transition in or out of MGNREGS work using panel survey data collected from

Rajasthan. The findings based on a multinomial unordered logit model revealed that the probability of never participating in the scheme was significantly lower for households belonging to SC, ST and Other Backward Castes, although the likelihood of withdrawing from the MGNREG scheme was significantly higher for backward caste households. Das (2015) found that SC, Muslim, poor, and marginal farming households got employment for fewer days under the MGNREG scheme.

Further, Baruah and Radkar (2017) analysed various socio-economic factors influencing participation in the MGNREG scheme in Assam. The findings revealed that low income, poor material conditions, social backwardness, low literacy levels and absence of a stable source of income were significant in determining MGNREGA participation. Hussain (2017) analysed the socio-economic determinants of the extent of MGNREG participation at the household and individual worker levels in the Jammu & Kashmir region. The findings showed that variables such as male members' strength in the family, household head illiteracy status and caste status were positively and significantly related to the number of days of employment under the MGNREG scheme. Mukherjee (2017) explored determinants of participation in various social safety net programmes, including MGNREGA, NRLM, IAY and PDS, from primary data collected in West Bengal. The results pointed out that education was significantly and positively associated with access to NRLM and IAY but had a negative effect on participation probability in MGNREGA. Family size, occupation and gender of the head of the household were insignificant for accessing all safety net programmes. Based on the data collected from 30 Panchayats in three districts of Assam in India, Das and Das (2018) concluded that households participating in election campaigning, attending Gram Sabha meetings, and casting votes had higher access to public benefits such as BPL cards, MGNREG job cards, and a house under Indira Awaas Yojana. Maiorano, Das and Masiero (2018) concluded that households dwelling in the

village of Sarpanch had a significantly higher probability of getting employment under the MGNREG scheme. Mukherjee (2018) assessed the impact of social restrictedness on MGNREG scheme participation using data collected from selected areas of West Bengal. Based on probit regression, this study opined that monthly per capita expenditure, female education level, and restrictedness index significantly impacted women's likelihood to participate in MGNREGS work. This study also observed that women from the SC community and the household whose heads attended the political meeting had a higher probability of participating in the MGNREG scheme.

Moreover, Nayak et al. (2018) examined various determining factors of participation in the MGNREG scheme using primary data collected from selected districts in Odisha. The findings based on OLS regression indicated that variables like awareness, political affiliation, food consumption and female proportion were positively and significantly related to the number of days worked in the MGNREG scheme. Similarly, variables such as caste, education, landholding and proportion of adult members in the family were not significant for the duration of work under the scheme. Singh and Datta (2018) identified various factors affecting the participation of households in the MGNREG scheme. The results based on logistic regression suggested significant and negative effects of income, landholding, education and livestock holding on the households' participation decision in the scheme.

Singh and Datta (2019) identified various factors influencing female participation in the NREG scheme from a survey of two selected districts in West Bengal, India. The study revealed that income level, family size, education level and religion of the household were significant factors in influencing the participation of women in the MGNREG programme. Bose, Chauhan and Bhowmik (2020) found that households with younger and lower-educated members were more likely to participate in the scheme. Petrikova (2020) analysed the determinants of participation in

three social programmes, including PDS, MGNREGA and Rajiv Aarogyasri (RA) in Andhra Pradesh. The findings indicated that membership in voluntary organisations increased the likelihood of enrolling in all safety programmes. Muslim households were less likely to access the MGNREG scheme than Hindu households. Turangi (2022) found that households belonging to scheduled castes and backward classes obtained relatively more employment under the MGNREG scheme than upper-caste households.

### Objectives

The main objectives of the study were

1. To investigate the factors that determine the employment benefits received by the households under the MGNREG scheme.
2. To analyse the factors affecting the employment benefits received by individual workers under the MGNREG scheme.

### Research Methodology

**Data Collection:** This study uses primary data gathered through a structured schedule. House-to-house interviews of the respondents were conducted personally to avoid bias in responses. The survey schedule contains questions on socioeconomic and demographic attributes and their employment status in the MGNREG scheme from 2019-2020. The information obtained regarding employment status in the scheme is also validated from MGNREGA official website.

**Area of Study:** The geographical focus of this study is the State of Haryana. This State witnessed a sharp rise in the rural and urban unemployment rate in 2019-2020. According to the Centre for Monitoring India Economy (CMIE) database, the unemployment rate in Haryana rose to 28.7 per cent in August 2019. It was the highest unemployment rate among all States in India. Thus, it is apparent from the above fact that Haryana is passing through the worst phase concerning the

level of employment generation in rural areas. MGNREGA can play a pivotal role in improving the employment condition in Haryana, and therefore, this State is selected purposively as the focus area of this study.

**Sample Selection:** This study uses a multi-stage random sampling procedure to draw the final sample. The sample is selected in five stages: divisions, districts, blocks, villages, and households. In the first stage, Ambala and Hissar divisions were randomly selected out of six Haryana divisions. Further, two districts were chosen randomly from each selected division in the second stage. The selected districts are Kurukshetra and Fatehabad. Similarly, two blocks, namely Thanesar and Bhuna, were randomly chosen from each selected district in the third stage. Two villages, including Barwa and Bosti, were randomly selected from each block. These selected villages serve as primary sampling units from where the final sample is drawn, and thus a list containing details of all households with MGNREGA job cards in each sampling unit chosen was compiled.

The complete list of registered job cards was accessed from the official website of the MGNREGA. Finally, a sample of 250 households was drawn randomly from the above sampling frames. Due to the non-availability of sampled households at their residence during the field visit, incomplete information and inconsistent responses, some questionnaires were removed from the analysis. Hence, the sample comprises 220 households. Of these, 44 households did not demand employment from the local authorities, which is an essential requirement for getting work under the scheme. Consequently, they did not get employment under the scheme and these responses are discarded from the analysis. The final sample used for analysis is 176 households.

Moreover, at individual worker level analysis, the sample comprises all family members registered under the scheme from surveyed households. In this context, the final sample comprises 430 individual workers.

## Results and Discussion

Table 1 highlights the employment generation under the MGNREG scheme in the year 2019-2020 as per the socio-economic and demographic characteristics of the households. In sampled villages, employment generation under the MGNREG scheme for households is around 30 days. It is seen that employment generation varies across different caste groups. It is observed that households belonging to SC/ST and OBC, respectively on average, receive work for 30.78 and 29.04 days under the MGNREG scheme, more than upper-caste households. It confirms that MGNREGS guarantees livelihood security to the marginalised section of society.

Most households (68.18 per cent) depend on wage labour occupations for their livelihood. It is also evident that households having wage labour as the main occupation receive more days of employment under the MGNREG scheme than those engaged in other occupations. Of the sample households, 15.34 per cent have one-three members each, followed by 60.80 per cent with four-six members. Only 23.86 per cent of the families have more than six members. The duration of the work in the MGNREG scheme increases with the increase in household size. Households with more than six members receive MGNREGS work for the highest number of days, i.e. 33.48 days. Bigger household sizes raise the burden on the family to earn more, possibly to meet increased consumption expenditure.

The estimates also assert that, on average, landless households get 30.74 days of employment under the scheme, more than those owning some landholding (24.26 days). Out of 176 households surveyed, 44.32 per cent possess a Below Poverty Line (BPL) card, and the remaining 55.68 per cent belong to the non-BPL category. It is also found that households possessing BPL cards work for 34.46 days in the scheme, more than those without BPL cards. It implies that MGNREGA has benefited the socio-economically poorer households in rural India. Around 76 per cent of the sampled households have their head educated up to primary

**Table 1***Employment Generation under MGNREGS at Household Level*

	Number of households	% of households in the sample	Average days of employment
<b>Caste status of household</b>			
Upper Caste	19	10.80	25.16
OBC	28	15.91	29.04
SC/ST	129	73.29	30.78
<b>Main occupation of household</b>			
Wage Labour	120	68.18	31.61
Others	56	31.82	26.21
<b>Landownership status of household</b>			
Owning land	23	13.07	24.26
Not owning land	153	86.93	30.74
<b>BPL cardholding of household</b>			
With BPL card	78	44.32	34.46
Without BPL card	98	55.68	26.26
<b>Education level of household head</b>			
Primary	135	76.70	32.72
Middle class	19	10.80	27.05
Secondary and above	22	12.50	14.95
<b>Household size</b>			
1-3 members	27	15.34	20.56
4-6 members	107	60.80	30.84
More than 6 members	42	23.86	33.48
<b>Total Sample</b>	<b>176</b>	<b>100</b>	<b>29.89</b>

Source: Estimation based on Field Survey.

class, and a small fraction (12.50 per cent) of them are qualified up to secondary and above. It is found that, on average, households with heads educated up to the primary class obtain work for 32.72 days under the MGNREG scheme. It is the highest among all the sampled households. Therefore, education plays a crucial role in affecting the duration of employment received by the households in the scheme.

Table 2 shows the employment generation under MGNREGS for individual workers. It is found that female workers get employment for 15.05 days, on average, more than their male counterparts. It is a positive sign that female workers are getting sufficient opportunities to participate in the scheme. In the total sample, 70.93 per cent of workers are educated up to the primary level. Almost 19.54 per cent of the workers are qualified up to the secondary and above level.

**Table 2***Employment Generation under MGNREGS at Individual Worker Level*

	Number of workers	% of workers in the sample	Average days of employment
<b>Gender of worker</b>			
Male	214	49.77	9.14
Female	216	50.23	15.05
<b>Main occupation of worker</b>			
Agricultural and allied agriculture	10	2.32	12.50
Wage labour	208	48.37	12.97
Self-employed	22	5.12	10.36
Salaried employment	15	3.49	2.33
Others	175	40.70	12.13
<b>Education level of worker</b>			
Primary	305	70.93	14.10
Middle class	41	9.53	8.85
Secondary and above	84	19.54	6.49
<b>Total Sample</b>	<b>430</b>	<b>100</b>	<b>12.11</b>

*Source:* Estimation based on Field Survey.

It is seen that primarily persons with low levels of formal education, i.e. up to primary class, receive the highest MGNREGA employment for 14.10 days. The duration of employment in the scheme significantly declined with the increasing education level of the workers. It can be inferred from the above findings that the MGNREG scheme is unattractive for highly educated individuals. On average, individual workers having wage labour as the main occupation work for 12.06 days under the scheme. The proportion of individual workers engaged in wage labour for their livelihood is 48.37 per cent of the total sample. However, only 3.49 and 2.32 per cent of workers, respectively, are engaged in salaried employment and farm activities. Further, it is found that individual workers involved in agricultural and allied agriculture

occupations and wage labour receive employment for almost 12.50 and 12.97 days under the scheme, respectively. Similarly, individuals engaged in salaried employment obtain employment for the minimum number of days under the scheme. It signifies that the employment benefits are accruing to the neediest families as intended by the MGNREGS.

### **Conclusion and Policy Implications**

This study examined various factors influencing the employment benefits received by households and individual workers in the MGNREG scheme. The findings reveal that families belonging to SC/ST and OBC, and possessing BPL cards, work for more days under the scheme. It confirms that

MGNREGS guarantees livelihood security to the marginalised and poorer sections of society. The results also show that households with a bigger size obtain work for more days in the scheme. It is found that households engaged in wage labour as their primary occupation work longer under the scheme than in other occupations.

Further, female workers get employment for a longer duration under the scheme than male workers. It is a positive sign that female workers are getting sufficient opportunities to participate in the scheme. It is also seen that persons with low formal education receive more MGNREGA employment. It is found that individual workers involved in wage labour receive work for the highest days under the scheme.

During the survey, many households showed an intense desire to work beyond the stipulated limit of hundred days in the scheme, although respondents expressed displeasure over the availability of work only for very few days. Therefore, it may be safely concluded that local authorities should be made accountable for the operational efficiency of the scheme. The policymakers should also create awareness among the people about the potential benefits of MGNREG work. Finally, a reliable grievance redressal system should be set up to give voices to poor people in raising their concerns.

**Author's Contribution:**

Ankush Goyal: Conceptualisation of the study, collection of primary data from the field, development or design of methodology, analysis and interpretation of results and final manuscript preparation.

Rajender Kumar: Formulation or evolution of research goals, constructing the idea and design of the study, original draft preparation.

Ankit Goyal: Assisted in data collection, curation and analysis, critically revised the initial manuscript and also contributed to the reviewing and editing of the manuscript.

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