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**Research Report**

## An Impact Assessment Study of MGNREGA in Bihar

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## An Impact Assessment Study of MGNREGA in Bihar

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### **ABSTRACT**

India's plan to end rural poverty through inclusive development, asset creation, and employment creation includes MGNREGA as a key element. Its effectiveness hinges on resolving implementation issues and balancing them with more comprehensive programs meant to promote holistic rural development. By ensuring a minimal level of employment, it also plays a critical role in fostering livelihood security in rural India, which in turn helps to alleviate poverty and promote overall rural development. The aim of the paper is to assess the impact of MGNREGA, and the study is confined to Dhabauli West, Bishanpur and Patarghat Gram Panchayat of Patarghat, Saharsa district in Bihar state. The research is based on an empirical study of both primary and secondary data. The main findings of the study are that villagers are taking advantage of the scheme and enhancement of socio-economic status.

Keywords: *MANREGA, Bihar, Inclusive Development, Employment, Poverty.*

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*JEL Code: I32, I38, J21, O18, O15*

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## 1. INTRODUCTION:

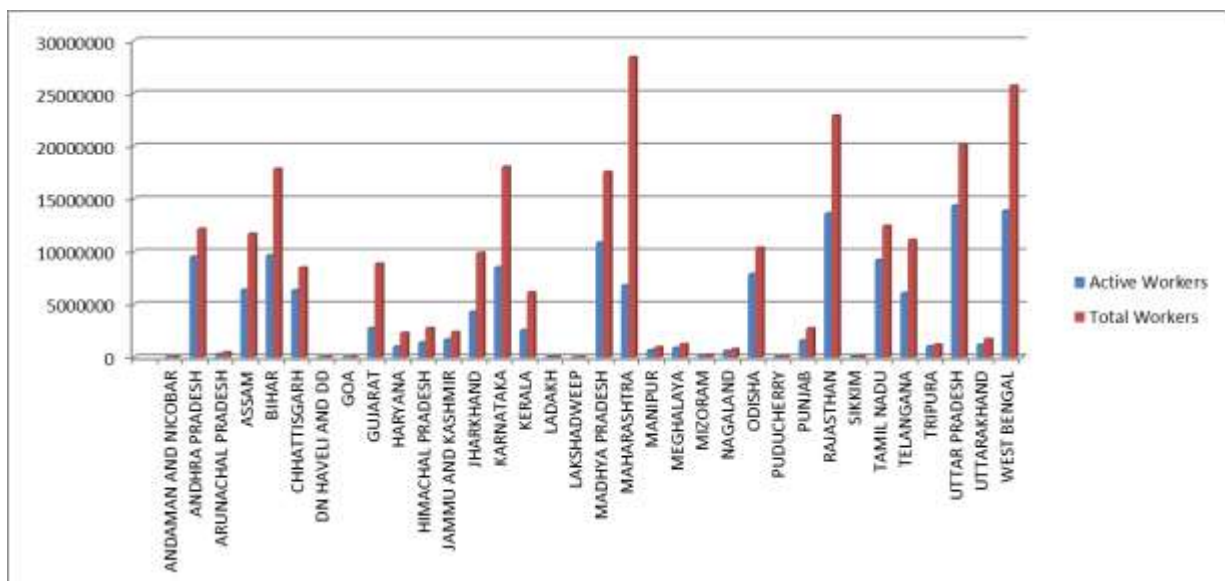
MNREGA, India's rural job assurance program, is the world's largest public works program, providing social security to 15% of the nation's population (Bank, 2015). This program originated from the P.V. Narashima Rao government's 1991 pilot program, which was intended to create jobs in rural areas. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India provides at least 100 days of wage employment to households with adult members volunteering for unskilled manual work, aiming to improve livelihood security and address unemployment and poverty in rural areas. The MGNREGA sought to provide jobs for laborers in agriculture and infrastructure. The Indian government's Ministry of Rural Development (MRD) oversees the MNREGA program. The Indian government's Ministry of Rural Development (MRD), which collaborates closely with state governments, oversees the program's complete implementation (Ministry of Rural Development, Government of India, 2024). There are 14.3 Cr Job Cards holder and 25.16 total No. of Workers as in 2023-24.

Table: 01: MAGNERA National Data

Total No. of Districts	740
Total No. of Blocks	7,173
Total No. of GPs	2,69,397
<b>Job Cards</b>	
Total No. of Job Cards issued[In Cr]	14.3
Total No. of Workers[In Cr]	25.16
Total No. of Active Job Cards[In Cr]	9.78
Total No. of Active Workers[In Cr]	14.36
SC worker against active workers[%]	20.03
ST worker against active workers[%]	16.25

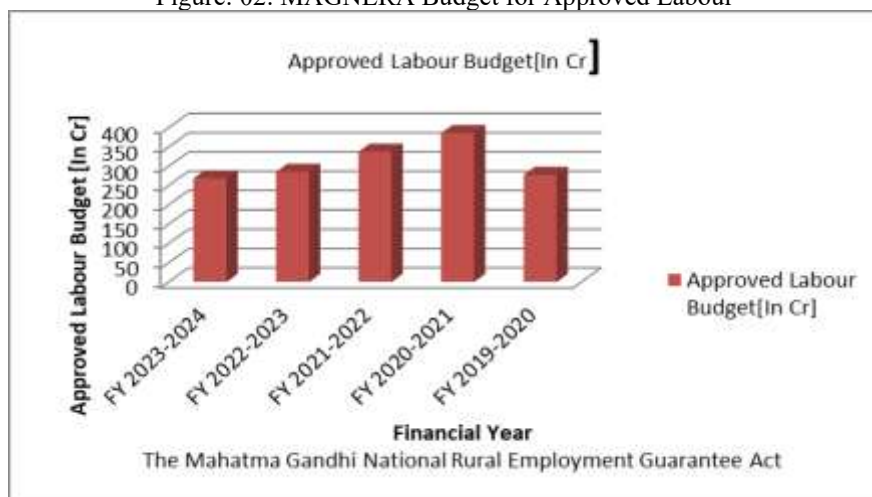
Source: MAGNERA

Figure: 01: MAGNERA Active Workers and Total Workers



Source: The Mahatma Gandhi National Rural Employment Guarantee Act

Figure: 02: MAGNERA Budget for Approved Labour



Source: MGNREGA

### 1.1. MGNREGA in Bihar

MGNREGA is a key initiative in Bihar, India, aimed at enhancing employment opportunities and enhancing rural livelihoods, particularly in areas with a large rural population. The Rural Development Department of Bihar aims to alleviate rural poverty by creating infrastructure and generating sustainable employment opportunities. They provide institutions, support livelihoods, and skill development programs. Their multi-dimensional strategy focuses on overall development and increasing employment opportunities in rural areas (Bihar, 2024). The performance of MGNREGA in Bihar is depicted in Table No. 2.

Table 02: The performance of MGNREGA in Bihar

<b>I Job Card</b>					
Total No. of Job Cards issued[In Lakhs]	145.63				
Total No. of Workers[In Lakhs]	178.25				
Total No. of Active Job Cards[In Lakhs]	86.03				
Total No. of Active Workers[In Lakhs]	96.55				
(i)SC worker against active workers[%]	16.76				
(ii)ST worker against active workers[%]	1.71				
<b>II Progress</b>	<b>FY 2023-2024</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>	<b>FY 2019-2020</b>
Approved Labour Budget[In Lakhs]	1700	2500	2000	2250	1600
SC person days % as of total person days	18.17	17.46	12.05	11.4	15.67
ST person days % as of total person days	1.91	1.76	1.36	1.19	1.43
Women Person days out of Total (%)	54.19	56.39	53.19	54.63	55.83
Average days of employment provided per Household	39.77	47.16	37.75	44.65	42.02
Average Wage rate per day per person(Rs.)	227.47	209.91	197.93	193.87	176.97
Total No of HHs completed 100 Days of Wage Employment	16,197	39,678	21,795	34,752	20,303

Source: Compiled from

[https://nregastrep.nic.in/netnrega/homestciti.aspx?state\\_code=05&state\\_name=BIHAR&lflag=eng](https://nregastrep.nic.in/netnrega/homestciti.aspx?state_code=05&state_name=BIHAR&lflag=eng)

Total number of job cards issued: 145.63 lakhs; total number of workers: 178.25 lakhs. The approved labour budget for FY 2023–24, as in FY 2022–23, was 2500 lakhs. So the approved budget has been declined from around 800 in 2023–24. The total number of HHs who completed 100 days of wage employment in FY 2023-24 is 16,197, compared to 39,678 in the previous FY 2022-23, 21,795 in 2021-22, etc. So, in 2023-24, the total number of HHs who completed 100 days of wage work has decreased from approximately 60% the previous year.

## 1.2. Objectives of the Study:

The main objective of the study is assessing the impact of MGNREGA in Saharsa District, with a view to promotion jobs and to study the socio-economic background of the beneficiaries of the act. The task involves analysing the challenges faced by MGNREGA beneficiaries and offering suggestions for enhanced implementation. Significance of the Study:

MNREGA, the largest employment program in human history, aims to address unemployment as the root cause of all problems by implementing a paradigm shift from wage employment programs.

This paper "An Impact Assessment Study of MGNREGA in Bihar" examines the current status of the employment program, focusing on its positive and negative aspects. The study aims to identify the program's weaknesses and ensure proper allocation of funds, particularly in the agriculture-based Bihar economy with a majority of unemployed rural population.

## 2. REVIEW OF LITERATURE

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a social security scheme that aims to guarantee the right to work and ensure livelihood security in rural areas of India.

PCI India in 2023 in his study “MGNREGA Implementation in Bihar” examines that The Bihar state government is enhancing the effectiveness of MGNREGA by promoting labor group formation, engaging women, strengthening Panchayat Rozgar Diwas, and raising public awareness (Rahul Sahu, 2023).

ILO views MGNREGA as a valuable opportunity to enhance sustainable livelihoods, decent work, gender issues, skill development, social security, equity, and improved worker and child quality of life (ILO, 2010).

The Bihar's Rural Development Department is implementing programs to alleviate rural poverty by creating infrastructure and sustainable employment opportunities, thereby improving the conditions of rural families (Bihar, 2024).

Overall MGNREGA has demonstrated positive impacts on the livelihoods of rural poor in India, addressing implementation challenges is crucial for its sustained success. Efforts to enhance transparency, reduce delays, and improve skill development can contribute to maximizing the positive outcomes of the program.

### 3. HYPOTHESIS

The study hypothesizes that;

- I. MNREGA guarantees 100 days of work to unskilled registered rural people, and;
- II. The wage provided has improved their economic status, and significant projects executed under the MGNREGA program.

### 4. RESEARCH METHODOOGY

This paper investigates employment needs in Patarghat Block, Sahara District, Bihar, where labourers have migrated for jobs in Delhi and NCR. The study uses primary and secondary data, with 150 beneficiaries and 50 No-beneficiaries from the total sample, and uses simple statistical tools. Demographic data, including household composition, economic status, education, cultural practices, and social norms, were collected through household records. In-depth interviews and observation techniques were used to assess the impact of the MGNREGA program on villagers' livelihoods, income and expenditure patterns, awareness of the scheme, perceptions of labour quality, asset creation, and savings impact. The primary data was collected through a structured questionnaire in 2022-23 and analysed in 2023-24.

### 5. ANALYSIS

[MGNREGA in Saharsa District an Analytical Study]

The study is conducted in the Saharsa district of Bihar, a part of the larger Kosi Division, covering 1696 sq. km and a population of 1132413 (Saharsa District, 2014). Three Panchayat in Saharsa district, under Patarghat Block, 3 were chosen, along with two villages under Bishanpur Panchayat, two from Patarghat Panchayat, and one from Dhabauli West Panchayat Village. The MGNREGA beneficiaries in Saharsa district and Patarghat block currently have 315328 and 23791 active workers respectively (The Mahatma Gandhi National Rural Employment Guarantee Act, 2024). Keeping in mind the subject matter and the objective of the study, an interview schedule will be developed after going through relevant literature, conferring with the personals of the MNREGA and other important members. The study consists of four sections: demographics, implementation, impact, regulatory bodies, and constraints. It covers socio-economic status, awareness level, impact on daily living, and

addressing grievances faced by the MNREGA implementing agency. Data is coded, tabulated, analysed, and interpreted using the percentage method to draw conclusions.

## 6. RESULT AND DISCUSSION

Under Patarghat Block, all selected Panchayat and Village [Bishanpur and Kapsia, Patarghat, Lakshmipu and Dhabauli West] total 16295 households and 17630 persons are registered under Panchayat Report Card, out of 21.71% are SC, 0.76% ST, 49.81% are Male and 50.18% are female. 16157 household and 74901 person's job cards were issued under the selected Panchayat. 21.61% are SC, 0.77% is ST, 49.87% are male, and 50.12% are female.

The MGNREGA program's impact was assessed by collecting data from 150 beneficiaries and 50 non-beneficiaries using two questionnaires (Table 3 only for beneficiaries and Table 4 for both) ensuring satisfaction.

Table 03: QUESTIONNAIRE ON WORKING APPROACH OF MGNREGA FOR BENEFICIARIES

Sl. No:	Particular	Remarks [Beneficiaries Group] N=150	
		Yes	No
	MGNREGA BENEFITS GRANTED TO BENEFICIARIES		
1	Have you knowledge/awareness about MGNREGA Scheme	80 (55.33)	70
2	Have your job card been prepared under MGNREGA Scheme by the Gram Panchayat	90 (60.00)	60 (40.00)
3	Have you got MGNREGA - Hundred day's work employment to per year	50 (33.33)	100 (67.00)
4	Construction of link road from village to highway	78 (52.00)	72 (48.00)
5	Payment of wages in accounts through the bank (ABPS)	133 (88.66)	17 (12.33)
6	Gender inequality during work	76 (50.66)	74 (49.33)
7	Is MGNREGA enhancing the formulation of labour demand?	75 (50.00)	75 (50.00)
8	Whether employment provided under MGNREGA is required to increase for more than 100 Days	105 (70.00)	45 (30.00)
9	Whether works executed under MGNREGA program by Panchayat are proper in good condition and to be successful	90 (60.00)	60 (40.00)
10	Is MGNREGA programme use as rural empower?	90 (60.00)	60 (40.00)

*The figure in the parenthesis represents the percentage value (N=150).*

Table 03 shows 55.33% are aware of MGNREGA scheme, 60% job cards prepared by Gram Panchayat, 33.33% getting jobs out of 100 days, 88.66% wages paid through banks, 70% agreeing to increase jobs, and 60% agreed MGNREGA is in good condition and will be successful.

Table 04: QUESTIONNAIRE ON IMPACT OF THE MGNREGA FOR BENEFICIARIES AND NON BENEFICIARIES

Sl. No:	Particular	Remarks [Beneficiaries Group] N=150		[Non-Beneficiaries Group] N=50	
		Yes	No	Yes	NO
	MGNREGA BENEFITS	<i>SATISFACTION LEVEL</i>			
		Yes	No	Yes	NO
1	Whether works executed under MGNREGA program by Panchayat are proper in good condition and to be successful and programme is useful as Rural Empower	100	50	20	30
	<b>Total</b>				<b>200</b>
	<b>Total Satisfactory</b>	<b>120</b>			
	<b>Total Non-Satisfactory</b>		<b>80</b>		
	<b>Total</b>	<b>200</b>			

Expected Frequencies:

	PERFORMANCE		
	Satisfactory	Non-Satisfactory	Total
Beneficiaries	150 X 120/200 =90	150 X 80/ 200 =60	150
Non- Beneficiaries	120 X 50 / 200 =30	80 X 50 /200 = 20	50
Total	120	80	50

- Null Hypothesis H<sub>0</sub>: No association exists between performances of MGNREGA program by Panchayat under satisfactory condition.
- Alternate Hypothesis H<sub>1</sub>: An association exists between performance of MGNREGA program by Panchayat are under satisfactory and good condition.

$$\text{Now, } \phi^2 = \frac{\sum(O-E)^2}{E} = 11.11$$

Degree of freedom: (r-1) (c-1) = (2-1) (2-1) =1

Since computed value of  $\phi^2$  (=11.11) at d. f. is greater than Critical value of  $\phi^2$  at 5%, significance level and 1 d.f., i.e. 3.84. So we reject Null hypothesis and accept the alternative hypothesis. Hence an association exists between performance of MGNREGA program by Panchayat are under satisfactory and good condition.

## 7. FINDINGS

The study revealed that a majority of recipients, 60.0%, agreed that MGNREGA provided benefits to beneficiaries. 33.3% of MNREGA villages receive only 100 days of work,

Hypothesis 1 MNREGA guarantees 100 days of work to unskilled registered rural people; indicating a lack of work and inability to attract people due to a lack of continuous work.

The data from the last financial years reveals significant variations in employment opportunities for those requiring MGNREGA work.

Hypothesis II; The MNREGA program, despite facing challenges like funding wastage, corruption, and promotion to unskilled labour, continues to generate employment and promote sustainable development. The MGNREGA program has significantly enhanced the livelihood security of its beneficiaries in rural areas in Saharsa District.

## CONCLUSION

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is set to receive a 47% increase in FY2025 funds, reaching around Rs 88,000 crore (Times of India, 2024). Panchayat Rozgar Diwas platform for demand registration, grievance redressal, and program communication needs regularization, active involvement of PRI and SHG CBOs, IEC activities, and unified monitoring. The state government is enhancing awareness, strengthening platforms like Panchayat Rozgar Diwas, and prioritizing poor disadvantaged households to ensure demand-driven implementation of a scheme. It is crucial to address social hierarchies, people's attitudes, existing power relations, and the impact of the political environment in Bihar.

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