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# Background and Effects of NREGA on Potential Benefits, Rural-Urban Migration and Food Security Vis-a-Vis Present Status: Empirical Analysis of Bihar

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**Abstract:** On 2nd February, 2006, the Government of India implemented the National Rural Employment Guarantee Scheme (NREGS) as a part of its Common Minimum Programme (CMP) Agenda in 200 districts across India, which was extended to the remaining districts across the states and Union Territories w.e.f. 1st April, 2008. On 2nd October, 2009, the scheme was renamed as 'Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)'. Pitched tentatively as Mission of Shri Narendra Modi led Government of India with larger ambition of Antyodaya, efforts are being made to work on a major plan to converge Social Welfare Plans and Schemes across Ministries and target these to reach individual households- based on their specific deprivations as indicated in the recently published Socio-Economic Caste Census (SECC). Objectives: (i) To briefly annotate background of employment policies in India, (ii) Concept and provisions of NREGA, (iii) Envelop latest restructuring of social welfare plan, (iv) Illuminate changes in charges of agricultural operations, village economy during post-NREGA period, (v) Pause upon effects, (vi) Gauge potential benefits related to food security, (vii) Discuss current scenario of MNREGA in Bihar and (viii) Suggest Action Points. Methodology: For featuring objective-based analysis, five districts from the Northern, Southern, Eastern, Western and Central regions of the state were taken up. The districts of Samastipur, Kishanganj and Rohtas were selected from Phase-I and Banka and Goplaganj from Phase-II. A total of 10 villages-2 from each district were surveyed using 'structured household questionnaire' and a 'Village Schedule'. Of the two villages selected from each district, one was within a 5 km periphery from the district/city headquarters, and the second was the one, situated at a distance of 20 km or more. 200 participants, i.e. 20 each from the selected 10 villages (who worked as NREGA wage worker)- were surveyed for detailed information. Further, for being elaborately familiarized with around realities in detail, 5 villagers (who did not work as 'NREGA labourer) were surveyed from each of the 10 villages spread over 5 districts of Bihar. In this way, *total sample size was 250*. For the selection of participant households, stratified random sampling was used with Scheduled Tribe, Scheduled Caste, Other Backward Caste and Forward Castes (others) given proportionate representation. Reference Period: The study used secondary data for the period before NREGA (i.e. 2001 and 2005) and particular 'reference years 2009 to 2013'. For primary data, the selected year was 2009 (January- December) and some aspects were revisited in 2019.

**Keywords:** NREGS (National Rural Employment Guarantee Scheme), CMP (Common Minimum Programme), WEPs (Wage Employment Programmes), WAS (Wage Absorption Statistics), CEGC (Central Employment Guarantee Council)

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## 1. Introduction

Economic empowerment of rural people (majority of

whom are resourceless) through guaranteed unskilled employment opportunities in nearby areas of the places of their living-even for a part of one financial year, i.e. 100

days- can be taken as genuine intervention for Economic Growth of an agrarian and rural areas-dominated country, like India. Notwithstanding the outreach and role of credit meant for removing deprivations of rural poor, financial benefits do not appear to have adequately permeated vast segments of population living in widespread rural areas of India (in particular). To exemplify, according to the World Bank's Global Index (WBGI), in 2014, only 62% of adults globally had an account with a formal financial institution. In the case of India, although 175 million people became 'first-time Account Holders' during the three years' period of 2011 to 2014 (for which no doubt, NREGA had remained more instrumental), the extent of financial inclusion stood at 53% in 2014. What it suggests, is a discernible gap between the availability of better and guaranteed employment opportunities, and its accessibility and use. It is being desirably and increasingly perceived that development strategy of India, with its overarching focus on inclusive growth, could be undermined, if efforts undertaken for economic well-being of the people and services do not permeate adequately, on ground level, especially to the poor, other deprived sections and disadvantaged groups of people. [1, 2]

### 1.1. Conceptualization

On 2nd February, 2006, the Government of India implemented the National Rural Employment Guarantee Scheme (NREGS) as a part of its Common Minimum Programme (CMP) Agenda in 200 districts across India, which was extended to the remaining districts across the states and Union Territories w.e.f. 1st April, 2008. The National Rural Employment Guarantee Act, 2005, which was hereinafter referred as NREGA, was enacted to provide every financial year a minimum guaranteed wage employment of 100 days to adult members of a rural household, who could do a unskilled manual work. On 2nd October, 2009, the scheme was renamed as 'Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)'.

Having taken note of the groaning voices of rural poor even after implementation of NREGA, the expanded version of MGNREGA was launched on May 8th, 2012. As 'productivity enhancement activity (PEA)', about 30 new permissible works were allowed under this scheme. The Gram Panchayats (GPs) were to decide and take up the priority of works. As per the then Union Minister for Rural Development (Sri Jairam Ramesh) and Planning Commission Member (Sri Mihir Shah), the purpose was to give supremacy to meet the exigencies of the States, and the livelihood needs of the people in the rural areas. Interestingly enough, the list of works negated the emphasis on embankment as a method to combat floods, and advocates the need to rely on traditional methods, which allow the water to flow into a depression, and provide for drainage of water from the fields. The 12th Plan was to provide a major shift in this regard. [3-5]

It will not be out of order to broaden the existing inkling

that in the country's 200 most backward districts, the programmes of 'National Food for Works Programme (NFWP)' and Sampoorna Grameen Rozgar Yojana (SGRY) merged with NREGS. It is here desired to make known that NREGA envisaged a paradigm shift from all the preceding Rural Development and Rural employment generation programmes/schemes ongoing in the nation since 1980. Inbuilt transparency safeguards were already there in the provisions of the Act. The NREGA differed from earlier Wage Employment Programmes (WEPs) as it was demand driven while WEPs were allocation based. Within 15 days of receiving the work application, the authorities have to provide employment else daily unemployment allowance has to be paid. [6].

### 1.2. NREGA: Provisions & PRIs Role

Before playing one's card well to examine the effects of NREGA, it will not be out of order to understand the key processes in its implementation.

Key processes have been briefly presented as below:

- 1) The details of the adult members of rural households like the name, age, address and photo have to be submitted to the Gram Panchayat (GP).
- 2) The Gram Panchayat after enquiring registers the household and issues a job card containing the details of the enrolled member along with his/her photo.
- 3) A written application for work (for continuous work of at least 14 days) can be submitted by the registered person to the Panchayat or to the Programme Officer.
- 4) After acceptance of the application by the Panchayat/Programme Officer, date of receipt of application will be issued and the applicant will be sent a letter providing work which will also be displayed at the Panchayat office.
- 5) The employment will be within a 5 km radius, else extra wage will be paid.
- 6) Unemployment allowance on a daily basis shall be paid to the applicant if employment is not provided within 15 days of receipt of the work application.

### 1.3. Expedient Provisions

Time-to-time, demands for enhancing MGNREGA wage rates were made not only by 'different political parties', social and other organizations, but by 'the NREGA job-card holders also. The government was unhappy with the suggestion to link the wage payable under MGNREGA to the consumer price index (CPI) for rural labourers. Although with 1986-87 as the base year, the index was pretty outdated. So to have a realistic understanding of how the living standards of rural workers are affected by the prices, it was imperative to revise this index. The goal of revising the price index for rural workers should not be to inflate the NREGA wage too much; rather any revision should only seek to neutralize inflation.

In this regard, it is to be pertinently noted here that reality is that the Employment Guarantee Scheme had been

designed as distress relief, not work. The employment part is meant to help weed out those, who do not really deserve relief. The assumption is that only the needy would be willing to do manual work in return for a particular amount of relief. The dole offered under the scheme has to be below the market rate, for it not to compete with regular, productive work. Only in conditions, where the market wage is below the minimum wage, should the NREGA wage be above the market wage, putting pressure on employers to offer at least the minimum wage to attract worker. This logic should not be derailed by any short-term desire to score brownie points with voters.

Having been considered as floor, the NREGA wage rate had been able to protect labourers working in informal sector from exploitation by private employers i.e.; large farmers, contractors, builders, real estate developers and others. The point is to keep NREGA wage as the floor, and not raise it in a fashion that distorts the market for rural labour and jacks up food production and other costs. It is imperative to upgrade skill to raise productivity as well. [7].

Mandatory provisions contained in key processes in the implementation of NREGA suggest inferring non-assertive fact that Panchayati Raj Institutions (PRIs), particularly Gram Panchayats have very important and major role to play. So, in this paper, the pre-supposition has been taken to be granted that – if there is a positive/encouraging impact/effects on: (i) Change in the occupational structure of the villages selected; (ii) ‘Propensity enhancing effects of NREGA’ on wage rates in the villages selected; (iii) Significant change in ‘before’ and ‘after NREGA wage rates’ for different activities; (iv) positive change in ‘before’ and ‘after NREGA’ prevailing labour charges for agricultural operations; (v) maintainable qualitative improvement in aspects related to change in villages (vi) the Migration Incidence recorded during the reference period, (vii) Some potential benefits of NREGA; and (ix) Coherence, consequence and desirability of some quantitative aspects/components related to food security, then PRIs would be considered to be functioning effectively, properly and in its right perspective. On the other hand, if the above described aspects are found to have been adversely affected or do not provide any convincing illative results – then reluctant attitude and idle role of PRIs will be established.

#### 1.4. Latest Restructuring

Pitched tentatively as Mission of Shri Narendra Modi led Union Government of India with larger ambition of Antyodaya- efforts are being made to work on a major plan to converge Social Welfare Plans and Schemes across Ministries and target these to reach individual households-based on their specific deprivations as indicated in the recently published Socio-Economic Caste Census (SECC). The move will involve convergence of various schemes, sharing of infrastructures and resources and multi-pronged strategies to address target households. The Rural Development Ministry has already started efforts to build

consensus on this convergence plan, which could see schemes from Ministry of Health, Employment, Education, Social security (insurance schemes under financial services)-come together. That apart, the first major restructuring based on SECC household level deprivation data was to involve fund distribution of major welfare schemes from 2016 fiscal. The RD Ministry was then to write to State Governments to prepare labour budget for the fiscal 2016 based on the Deprivation parameters reflected in the SECC. The Ministry had already begun the exercise to leverage SECC data to correct the skew in the MGNREGA distribution (to the tune of Rs. 24,000/- crore annually) among states and to ensure better targeting of MGNREGA funding. It is putting together an indicative labour- budget on the basis of SECC data to guide the states.

5.37 crore households across the country, which were identified by SECC comprised households. These landless HHs derived major part of their incomes from manual, and as casual labour that could be potential targets under MGNREGA. The distribution of these households across states, consequently, is likely to guide the labour- budget of states under the recast system of welfare funding'. India's experiences of MGNREGA wages indicate that the level of funds' absorption is less in states with higher incidences of poverty, as compared to relatively better off states, which have higher absorption. Wage Absorption Statistics (WAS) available with the Ministry of RD suggests that Tamil Nadu, which is almost 50% urbanised state and better off than BIMARU states-had been the largest wage spender under rural job guarantee scheme from the financial year 2013, while BIMARU States trail them by huge gaps. Of the total 34,000/- crore of MGNREGA annual budget, the Central Government bears burden of about Rs. 24,000/- crore of wage payments annually. [8].

#### 1.5. Objectives

The paper seeks to address following main objectives:

1. To briefly annotate background of Employment policies in India;
2. Broach concept and provisions of NREGA;
3. Briefly envelop latest restructuring of Social Welfare Plans;
4. Illuminate changes in regard to charges of agricultural operations;
5. Outline changes in the village economy post-NREGA;
6. Pause upon effect of NREGA on changes in village economy;
7. Gauge potential benefits and quantitative questions related to food security;
8. Discuss current scenario of MNREGA in Bihar;
9. Briefly mention concluding remarks; and
10. To present precised policy action points.

## 2. Methodology

For featuring objective-based analysis, five districts from the Northern, Southern, Eastern, Western and Central regions

of the state were taken up. The districts of Samastipur, Kishanganj and Rohtas were selected from Phase – I and Banka and Gopalganj from Phase -II. A total of 10 villages- 2 from each district were surveyed using ‘structured household questionnaire’ and a ‘Village Schedule’. Of the two villages selected from each district, one was within a 5 km periphery from the district/city headquarters, and the second was the one, situated at a distance of 20 km or more.

In this way, the villages within an area of 5 km were: (i) Fatehpur, (ii) Boro Badi, (iii) Morsand Gokhla, (iv) Tiribiruwan, and (v) Maiharpur from the districts of (i) Rohtas, (ii) Kishanganj, (iii) Samastipur, (iv) Gopalganj, (v) Banka districts, respectively. Likewise, villages situated at 20 kms or more distance were: (i) Samahauta, (ii) Palasmani Basak, (iii) Thehra Gopalpur, (iv) Jigna Jagarnath, (v) Khushhalpur, respectively.

200 participants, i.e. 20 each from the selected 10 villages (who worked as NREGA wage worker) – were surveyed for detailed information. Further, for being elaborately familiarized with around realities in detail, 5 villagers (who did not work as 'NREGA labourer) were surveyed from each of the 10 villages spread over 5 districts of Bihar. In this way, total sample size was 250.

For the selection of participant households, stratified random sampling was used with Scheduled Tribe, Scheduled

Caste, Other Backward Caste and Forward Castes (others) given proportionate representation.

### 2.1. Reference Period

The study used secondary data for the period before NREGA (i.e. 2001 and 2005) and particular 'reference years 2009 to 2013'. For primary data, the selected year was 2009 (January- December) and, some aspects were revisited in the year 2019. The aspects regarding which primary data were revisited are; qualitative questions on changes in the village economy, Migration incidents, qualitative and quantitative questions with respect to functioning of NREGA.

### 2.2. Changes in Occupational Structure in the Selected Villages

The effects which NREGA scheme had on occupational structure have been enumerated at three different periods/points of time (2001, 2009 and 2013) on the basis of occupations noted below. From the data in the table, it can be concluded that there has been a clear decline in household percentage opting for cultivation (from 30.70 to 22.30 and 21.00 in 2013), agricultural labour (from 30.90 to 27.40 and 25.65 in 2013) and in case of other manufacturing/mining activities, it came down from 4.60 in 2001 to 3.10 in 2009 and 1.35 in 2013.

Table 1. Occupational Structure.

(% of households)	2013	Reference period 2009	2001
1. Cultivators	21.00	22.30	30.70
2. Agricultural Labour	25.65	27.40	30.90
3. Household Small Industry	2.70	02.50	02.10
4. Other Manufacturing/mining	1.35	03.10	04.60
5. Construction	18.80	17.20	12.00
6. Trade, Commerce and Business	8.30	07.20	05.00
7. Transport and Communication	11.60	10.50	08.50
8. Other Services	10.60	09.80	06.20
9. Total	100.00	100.00	100.00

In the activities like household small industry; construction; Trade, Commerce & Business; Transport and Communication; and other services, the percentages had increased during the period (from 2.10 to 2.50 and 2.70, 12.00 to 17.20 and 18.80, 5.00 to 7.20 and 8.30, 8.50 to 10.50 and 11.60, and 6.20 to 9.80 and 10.60 respectively). Thus, it can be said that NREGA to some extent has prompted cultivators, agricultural labourers and persons engaged in manufacturing activities to go for other activities (Table 1).

## 3. Result

### 3.1. Effects of NREGA on Charges for Agricultural Operations

Here, the direction of wage rate (whether enhanced or declined) on agricultural operations – after implementation of NREGA has been considered during before NREGA period

of the years: 2001 and 2005 and post- NREGA years of 2009 and 2013 (revisited).

Table 2 examines the change in labour charges for agricultural operations like weeding, leveling, ploughing, harvesting of crops, etc. Data reveals that the highest change (increase) in labour charges was in leveling (139.36%) from Rs. 94/day in 2005 ('before NREGA') to Rs. 225/day in 2009 (reference year), which increased to Rs. 275 (22.22%) in 2012-13. The minimum change is in maize harvesting (16.67%) from Rs. 120/day (2005) to Rs. 140/day (2009) to 175/day in 2013.

A significant increase in labour change was witnessed in case of harvesting of gram, which increased from Rs. 100/day in 2005 to Rs. 150/day in 2009 and to Rs. 200 (33.33%) in 2013. Similarly in harvesting of wheat and paddy, the labour charge changed from Rs. 110/day in 2005 to 150/day in 2009 and to 200/day for wheat and 225/day for paddy in 2013.

**Table 2.** Prevailing Labour Charges for Agricultural Operations (Avg. of all Villages).

Activity	2013	Reference period 2009	Before NREGA	
			2005	2001
Ploughing	150 (30.43)	115.00 (27.78)	90.00	65.00
Leveling	275 (22.22)	225.00 (139.36)	94.00	70.00
Weeding	150 (30.43)	115.00	NA	NA
Paddy Transplanting	200 (60.0)	125.00 (13.64)	110.00	80.00
Wheat Harvesting	200 (33.33)	150.00 (36.36)	110.00	80.00
Paddy Harvesting	225 (50.00)	150.00 (36.36)	110.00	80.00
Grams Harvesting	200 (33.33)	150.00 (50.00)	100.00	50.00
Jowar Harvesting	-	NA	NA	NA
Ragi Harvesting	-	NA	NA	NA
Pigeon pea Harvesting	-	NA	NA	NA
Maize Harvesting	175 (25.00)	140.00 (16.67)	120.00	75.00
Cane-cutting	-	NA	NA	NA
Harvesting	-	NA	NA	NA
Other crops	-	NA	NA	NA
Digging of potatoes	175 (45.83)	120.00 (20.00)	100.00	80.00
Threshing of paddy	150 (50.00)	100.00 (66.67%)	60.00	40.00
Threshing of Wheat	150 (50.00)	100.00 (66.67%)	60.00	40.00
Winnowing of Wheat/paddy	150 (50.00)	100.00 (66.67%)	60.00	40.00

(NB: Figures in parenthesis indicate percentage change in labour charges in the year 2013 over 2009 and in 2009 over 2005).

3.2 Effects on Harvesting, Threshing, Ploughing & Weeding Positive effects of the scheme have been dilated in regard to different activities of agriculture. Labour charges for ploughing increased from 90/day in 2005 to Rs. 115/day in 2009 to Rs. 150 in 2013; for paddy transplantation, the increase was of 13.64% (2005) and 60.00% (2013) *i.e.*, from Rs. 110/day in 2005 to Rs. 125/day in 2009 and to Rs. 200/day in 2013; and for digging of potatoes, they increased by 20% (2005) and 45.83% (2013) *i.e.* from Rs. 100/day to Rs. 120/day in 2009 and to Rs. 175 in 2013. Positive effects of MNREGA on labour charges for agricultural operations in the year 2013 could be seen (as highest/maximum) in case of

paddy transplantation (60.00%) followed by: harvesting of paddy; threshing of paddy; threshing of wheat; and winnowing of wheat/paddy (equally at 50%). Digging of potatoes, ploughing and weeding, besides harvesting of wheat and maize also showed significant increases in prevailing wage rates. [9].

## 4. Discussions

With the view to address objectives of the paper, questionnaires were canvassed with the respondents to obtain responses in regard to variables described in this section.

**Table 3.** Qualitative questions on changes in the villages during last one year 2019.

% of HH				
	Description	Yes	No	Not sure
	During last year, was there any shortage of agricultural wage labour	36	30	34
	Has NREGA caused shortage of agriculture labour	30	35	35
	Did the production cost increase by 10% due to scarcity of labour after NREGA	25	40	35
	Cost increased by 20%	20	80	00
	Cost increased by 20-50%	45	55	00
	Cost increased by 50-75%	05	95	00
	Cost increased by 100%	00	100	00
	Cost increased by more than 100%	00	100	00
	Labour who migrated to city/town are returning back to work in the village after implementation of NREGA.	45	55	00
	As the rate of wage under NREGA or other activities is higher in town compared to village, more labour is migrating to the town.	40	60	00
	Some labour has come back to work in NREGA, but others are moving to the town/city because of difference in wage	50	50	00
	Activities under NREGA have not caused any change in labour migration	30	40	30
	Change in wages of casual labourers has increased after NREGA	35	25	40
	Change in wages of casual labourers has decreased after NREGA	20	25	55
	Change in wages of casual labourers remained same after NREGA	20	60	20
	The trend of people living in village and going to work outside daily has increased	40	45	15
	The trend of people living in village and going to work outside for longer period has increased	30	30	40
	Has living standard improved in your village since the introduction of NREGA	30	70	00
	Have you witnessed increase in household consumption in village after NREGA	29	71	00
	After NREGA have you witnessed more children are now going to the school	40	25	35
	Have you witnessed change in trend of attached labour in agriculture after NREGA	30	40	30
	Have villager's awareness towards Govt. Schemes increased after NREGA	40	50	10

#### 4.1. Changes in the Village Economy After Implementation of NREGA

Responses given by the surveyed people have been used for illuminating changes in the villages in regard to qualitative aspects (data for which were revisited in the year 2019). These were analyzed in percentage terms based on the perception of respondents with regard to the description/parameters mentioned in the Table 3. From the table it is clear that a good percentage of households reported that: (i) there was shortage of agricultural wage labour at some points during the year 2018 (36%), (ii) increase in production cost in agriculture by 20-50% (45%), (iii) increment in casual labourer wage (35%), (iv) increment in number of villagers going to work outside for longer period (30%), and (v) more children going to school (40%) after NREGA (Table 3).

'No' reply by higher percentages of surveyed 'Job-card' holders' and 'other than job card holders' – in reply to questions related to qualitative changes in village economy-were revealed. But, positive effects were also prominently noted by quite good percentages of HHs. On the questions related to: improvement in standard of living, increase in household consumption in villages, change in trend of attached labour in agriculture and, increase in awareness towards Govt. schemes, 30%, 29%, 30%, and 40% of the respondents, respectively, had a positive view.

Sign of favorable back migration from towns/cities to villages of the respondents were silhouette found through endorsement by 45% of the sample HHs. Because of wage differential and late wage payment (on weekly basis and in many cases, between 15 days and more than a month), some labourers moved to town/city (reported by 50% of HH). 40% of the households viewed that as the wage received was higher in towns/cities compared to that in villages, more labourers were migrating to towns. Of the total households, only 30% ascertained that NREGA caused no change in migration of labour (Table 3).

Data in the table lead to gain – the analysis based

observation that NREGA has had positive impact on various aspects of village economy and individual's living standard and consumption behavior. By making the scheme 'job-card holders friendly', better performance-based result can be achieved. This can be done by making the beneficiaries, personnel of PRIs and elected public representatives aware with all the provisions of the scheme. Payment in shorter duration (*i.e.*, before one week) may be considered.

Wages paid through banks than post offices was strongly suggested by the respondents as the village post offices were earlier not provided more than Rs. 5,000/- a day. Thus the payments could not be paid to the card holders on the day of credit.

In conclusion, it can be said that there is a need of the participants (beneficiaries, bureaucrats, implementing agencies, post-offices and banks) to take up NREGA in a serious and honest way. Then only the objectives of qualitative changes in village economy and better individuals (villager's) economic conditions can be achieved successfully.

#### 4.2. Variability of Income and Consumption

It is interesting to note that during the reference year (2009), average household (HH) income during for non-beneficiary respondents (Rs. 41,610.30/-) was higher compared to beneficiary HHs (Rs. 40,882/-).

Taking the beneficiary and non-beneficiary respondents together, the average household income was Rs. 41,027.66. The average household consumption (Rs. 42,867.07) was a bit higher than the average household income which indicates that sample respondents (both beneficiary and non-beneficiary) hardly survived from the incomes earned by working in NREGA and other short-term or irregular engagements in other public works programmes (Table 4). It is to be noted here that miasma of 'poor socio-economic conditions' of rural people cannot be effectively removed until adequate income – earning opportunities are provided in villages.

Table 4. Variability of Income and Consumption.

(in Rs.)			
Description	Beneficiary	Non-beneficiary	Total
Avg. HH income in reference year	40882.00	41610.30	41027.66
Avg. HH consumption in reference year	42882.84	42804.00	42867.07

Further there are all points to concur with the fact that higher consumption expenditure and low income were some of the main cause of labourers migrating from the village areas.

#### 4.3. Functioning of NREGA - Quantitative Questions

Quantitative questions related to functioning of NREGA scheme like payment of amount to get job cards, description of work done, details of family members who migrated to the city or migrated back to the village, etc. were examined (Table 5).

Looking at the table reveals that 36% of the sampled households did not keep job cards with them for updating entries (UEs); 70% knew about monitoring of NREGA; 14% of the respondents had lodged complaints of 50% had actions taken upon.

High rate of wage in city/town (55%) was the main reason of respondents migrating to cities and an objective of undertaking both agriculture and works related to livestock (46%) was the main purpose of migrating back to villages. Fortnightly payment was a reason of 40% respondents for being dissatisfied with NREGA. It is behave for poor rural

people not to be much dependent on such employment programme, under which casual attitude towards timely wage payment existed.

From Table 5, it is clear that the major reasons behind outmigration and dissatisfaction from NREGA related works were high rate of wages town/city areas for manual, skilled and semi-skilled works and lower wages in rural areas

accompanied by weekly or fortnightly payment of wages and in some cases, a delay of more than one month is seen. The factors behind the migration of family members of job card holders back to villages was not only to work in NREGA, but to also undertake agriculture and livestock related work in their own small/marginal holdings, work as casual labourers in others field and to also stay with their family members.

**Table 5.** Quantitative questions related to NREGA functioning (Revisited in 2019).

(Percentage of HH)	
Q1.	If you paid some amount to get job card: how much for job card and how much bribe.
Ans.	N.R.
Q.2	If the job card is not kept with you, what is the reason for that
Ans.	UE – 36%
Q.3	If there is any authority who monitors the functioning of NREGA then describe the details?
Ans.	Mukhiya, GPRS, Programme officer-70
Q.4	If you lodged any complaints give details and also provide details of what action was taken
Ans.	WSF - 14%, AT- 50%
Q.5	Provide description of the work and its starting date?
Ans.	N.R.
Q.6	Details of family members migrating to city after NREGA was implemented and why?
Ans.	HWRC/T- 55%
Q.7	Details of family members who migrated back to village to work in NREGA and why?
Ans.	DOUA & LSW- 46%
Q.8	Provide details of family members migrated to city after implementation of NREGA and why?
Ans.	NR*
Q.9	Provide details of family members migrated to city with dissatisfaction of NREGA and why?
Ans.	WLW or FNP- 40%

Note: The table is only indicative and the answers need to be coded and presented in percentage AT = Action taken  
DOUA & LSW = Dual objective of under taking agriculture and livestock works. HWRC/T = Higher wage rate in city and town.  
NR\* = Not reported  
UE = Reason for updating entries in the job card. WSF = Related to work site facilities  
WLR/W or FNP -- Lower wage rate/weekly or fortnightly payment.

#### 4.4. Effect on Migration: Direction of Migration

Based on the parameters determined/designed for gauging 'migration incidents', effects of 'MNREGA' had been examined. Such effects had been captured for the Original reference period of the study, i.e. January- December, 2009. Effects on different aspects and/parameters of migration – have been analysed in terms of 'average per household' and 'percentage terms.

A look into Table 6 reveals that Samastipur district recorded maximum number of migrated people returning back to their village because they got work under NREGA. Before returning back to work under NREGA, 50% of the returned members in Kishanganj district, 49.30% in Samastipur, 48% in Banka district, 42% in Rohtas district and 32% in Gopalganj worked in other states. The highest percentage of returned members (65%) of Kishanganj district worked in construction/manufacturing/mining related activities while the lowest percentage (1%) worked in private work/self-business and belonged to Rohtas district. With regard to better experience compared to previous occupation, Banka district was ahead compared to other districts. Before NREGA, in all districts except Kishanganj, good number of

job card holders worked in construction, manufacturing and other non-agricultural activities.

About 52.00% of NREGA job card holder of district 3, 45.25% of district 4, 41.50% of district 2 and 35.00% of district 5 had worked in construction/manufacturing /mining related activities before getting work under NREGA. 54.50% of card holders of district 2, 45.25% of district 4, 40% of district 3, 20% of district 5 and 20% of district 1 worked as agricultural labourers, while they remained migrant workers. Greater percentages of members were found to have shifted 'before last year' *i.e.*, in 2007, NREGA's beginning year, when very few of them actually knew about some of the leakages/weaknesses of NREGA. It may be noted that a high percentage of beneficiaries accepted that their families are in better position compared to their previous occupation, viz., 40%, 40%, 25%, 50% and 30% in districts 1, 2, 3, 4 and 5, respectively (Table 6).

Gripping observatory remarks can thus be made that, NREGA has succeeded in reducing the incidence of labourer migration, but to a low extent. Much needs to be done to develop a complexity free mechanism for payment of wages within a stipulated time of seven days.

**Table 6.** Migration Incidents recorded during the Reference period – Jan-Dec 2009.

Characteristics		Dist-1 (K)	Dist-2 (R)	Dist-3 (S)	Dist-4 (B)	Dist-55 (G)
No. of members migrated from the village because of not getting work under NREGA even after registration (Per HH)		NR	NR	NR	NR	NR
No of out-migrated members returned back to village because of getting work in NREGA (per household)		0.75	0.50	0.85	0.60	0.55
In the case some members returned back to the village to work under NREGA, where were they earlier working (% of returned members)	Nearby Village	20.50	20.00	15.00	10.00	18.00
	Nearby town	9.50	8.00	10.20	20.50	10.00
In the case of some members returned back to the village to work under NREGA, in which activity earlier working in (% of returned members)	Same district	5.00	10.00	5.50	12.50	25.00
	Same state	15.00	20.00	20.00	9.00	15.00
	Other state	50.00	42.00	49.30	48.00	32.00
	Other country	NR	NR	NR	NR	NR
	Const/Manufacturing/mining	65.00	41.50	52.00	45.25	35.00
Year in which shifted (% of shifted (HHs))	Trading / services and Transport	NR	3.00	NR	9.50	12.50
	Private work/ self business	NR	1.00	NR	NR	2.50
	Other government Work	NR	NR	NR	NR	NR
Is your family better off now compared to previous occupation (% of shifted HHs)	Agriculture labour	20.00	54.50	40.00	40.25	30.00
	Any other	15.00	NR	8.00	5.00	20.00
Year in which shifted (% of shifted (HHs))	Shifted last year	30.00	37.00	40.00	55.00	25.00
	Shifted before last year	70.00	63.00	60.00	45.00	75.00
Is your family better off now compared to previous occupation (% of shifted HHs)		40.00	40.00	25.00	50.00	30.00

NR: Not Reported; K represents – Kishengunj, R – Rohtas, S – Samastipur, B – Banka, G – Gopalganj) Source: Field Survey data.

#### 4.5. Potential Benefits of NREGA

Here, it is to be mentioned here that aspects of potential benefits (obtained during the reference period had been revisited during 2019 which have been tabulated in Table 7. The impact/benefit of the scheme has been examined on parameters like: NREGA enhanced food security; provided protection against extreme poverty; helped in reduction of distress migration, indebtedness, and, helped in giving greater economic independence to women. From the table it is clear that there has been a positive effect of NREGA in giving greater economic independence to women (48%), in protection against extreme poverty (40%), in reducing distress migration (35%), enhanced food security (30%) and helped in reduction of indebtedness (25%).

**Table 7.** Potential benefits of NREGA (Revisited in 2019).

(% of HH)	
Q1.	Enhanced food security
Ans.	TSE - 30%
Q2.	Provided protection against extreme poverty
Ans.	AAH - 40%
Q3.	Helped to reduce distress migration
Ans.	NCM - 35%
Q4.	Helped in reduction of indebtedness
Ans.	HTRI -25%
Q5.	Gave greater economic independence to women
Ans.	O/OEWLIW - 48%

Note: This table is only indicative and the answers need to be coded and presented in percentage terms

AAH = Assurance against hunger.

HTRI = Heading towards reduction of indebtedness. NCM = No compelled migration.

TSE = To some extent.

O/OEWLIW = Opportunity of equal wage leading towards independence of women.

In about 15 years since NREGA was implemented, the impact of the scheme can be termed as an encouraging one.

The programme needs to be made a better and easy accessible system of employment creation to serve the real needy persons of rural areas.

#### 4.6. Quantitative Questions Related to Food Security

Without digressing the direction of analysis, effects of 'the employment guarantee scheme' had been examined in regard to 'food security related aspects'. Original data obtained in 2009 had been revisited in - 2019 which included the following questions:

(i) Do you feel that your family had insufficiency of food for the whole year, (ii) faced any deprivation other than food security, (iii) difficulties faced during the last year, (iv) most important thing lacked by your household, and; (v) suggestions to improve functioning of NREGA.

Having removed the possibility of engaging any quantitative aspect, the data in table reveal that 20% of the households felt that marginal size of land holdings, lack of desired employment opportunities and low wage rate were the prime reasons for deprivation and insufficiency of food. Other than food insufficiency, lack of proper facilities of housing and expenses occurring on treatment of diseases were other hardships faced by the households. Data in table suggests that there is an unavailability of facilities like electricity, sanitation and drainage. These coupled with marginal size of land holdings, low wage rates in rural areas (both in NREGA and non-NREGA schemes) and major portion of income being spent on treatment of diseases are responsible for deprivation and insufficiency of food sometimes faced. About 40% of the surveyed respondents suggested that work provided under NREGA must be more than 100 days. They also proposed that drinking water, medicines, shadow and crèche facilities (as per norms contained in NREGA provisions) must also be ensured. Also, there was a clear and direct view of the respondents that the payment of wages must be done on a daily or an alternate basis.

The corrective measures suggested by the sample respondents were opportune and need immediate attention of the planners and authorities of 'the Central Employment Guarantee Council (CEGC)', Ministry of Rural Development (MoRD). The beneficiaries of NREGA in the year 2009,

when the survey was conducted in 2009 for the first time, had a view that to check the defalcation of wage amounts (in some cases, payment is done by using fake thumb impressions of illiterate and migrated job card holders), the payment should be preferably made through banks.

**Table 8.** Quantitative questions related to food security Revisited in 2019.

(% of HH)	
Q1.	Do you feel that your family had insufficient food for the whole of year give reasons
Ans.	MLH, LWR, LDEO – 20%
Q2.	Did you face any deprivations other than food insufficiency? If yes, explain
Ans.	DRWM - 20%
Q3.	What were the main difficulties you and your family faced during the last year?
Ans.	IHD - 20%
Q4.	What is the most important thing your household lacks
Ans.	NPHF - SDES -20%
Q5.	Suggestion for amelioration
Ans.	ESDW & PAFAH
Q 6.	Suggestions to improve functioning of NREGA
Ans.	MDWUNSG, WSFSG, PSDADB, PSTB - 40%

Note: This table is only indicative and the answers need to be coded and presented in percentage terms DRWM = Disease related - for want of money.

ESDW & PAFAH = Ensure safe drinking water & provide adequate financial assistance for housing IHD = Illness and housing difficulties.

LDEO = Lack of desired employment opportunities LWR = Low wage rate.

MDWUNSG = More days of work under NREGA Should be given MLH = Marginal land holding.

NPHF-SDES = No proper housing facilities (viz; Safe drinking water, drainage, electricity, sanitation, etc.) PSDADB = Payment should be daily or alternative day basis

PSTB = Payment should be through bank.

WSFSG = Work site facilities should be given like - Drinking water, first aid, etc;

With the view to remove 'poverty-based distracting circumstances' prevailing before rural people, NREGS had been launched. It has, as per data, helped people towards achieving the goal of food security. [10].

#### 4.7. Current Status in Bihar: Discrepant Scenario [Post-Corona Period]

As far functioning and performance of MNREGA related works in Bihar are concerned, consequent upon situations that prevailed after Corid-19, decision was taken not to provide work under MNRE GA to job card holders above the age of 60 years. The Department of Rural Development, Government of Bihar had, on 'April 26, 2021 had directed District Magistrates and District Programme Co-ordinators (DPCs) of all districts in Bihar to strictly follow guidelines released for Corona during execution of MNREGA related works. Now Jeevika Didies (JDs) have been given important responsibilities in MNREGA scheme. Except the Prime Minister's Awash Yojana (PMAY), leadership responsibility of MNREGA- related works has been given to JDs One Pramukh (Head) was to be made available to take care and monitor a group of 25 labourers. [11].

##### *Displeasing Delayed Wage Payment*

One of the remarkable disquieting factors behind MNREGA works, not being a preferred area of seeking employment in Bihar, is delayed wage payment to job-card holders, i.e; labourers. Single main grievance of Mukhiyas from different parts of the state was that wage payment was not made within stipulated time.

It is to be noted here that the Government of Bihar (GOB)

had, in April, 2021 appealed to people working outside the state for coming back during Corona pandemic period. Those workers were also being provided jobs under MNREGA. But, even after working for 8 hours, payment of only Rs. 198/- as wage was meager to attract those 'back migrated workforce' to ask for jobs in the scheme. It has led to reluctance of job-card holders towards MNREGA related works. With the view to create willingness among labourers towards MNREGA works, the GOB had decided to write letter to the Central Government with demand for enhancing wage rate to at least Rs. 300/-. In Telephonic talk of the Hon'ble Rural Development Minister, GOB (Shri Shrawan Kuman) with labourers of different parts of the state held on May 01, 2021), majority of job-card holders complained about low wage rate. [12, 13]

In the first week of May, 2021, the GOB had decided to make payments for goods being used in MNREGA scheme from with own exchequer. It was to be adjusted with the Centre later on. Such order was given by the Hon'ble Chief Minister of Bihar (Shri Nitish Kumar) on May 08, 2021 to the department of Rural Development, GOB. After this advice, the payments (to be made for wage-payment and materials component) were to be made within stipulated time. During the financial year (FY 2021-22), target of creating 20 crore labour manday was set. In this regard, the Central Government of India (CGI) had consented to provide extra amount in the wage-payment component to the State Government of Bihar, if number of labour mandays created exceeds 20 crore. These are, no doubt, efforts in the desired and expedient direction to strengthen implementation aspects of the scheme. [14].

At the time when NREGS was enacted, it was considered to be epitomized as a means of providing employment to all those job-card holders, who are ready to take unskilled manual work. But, during the last quarter of financial year 2021-22, reason behind lack of desired employment opportunities prevailing in unorganized sector of the nation, and in the state of Bihar is clearly revealed. The set target of generating 20 crore labour mandays during the FY 2021-22 could be difficult to be achieved. During 8 months of the FY, i.e; till November, 2021, only 11 crore labour mandays could be created in Bihar. It came to 55% of the target. If the target fixed would have been achieved on monthly basis, then more than 13 crore labourers could have been provided with job opportunity. However, Rural Development Minister, GOB had claimed to achieve target in the remaining months of the FY. Thus, possibility of holding on the hope to home during the FY-2021-22 will depend upon extra efforts of the departmental line agencies in regard to keeping 'shelf of approved works' ready, besides emphasis on wage payment to labourers in time, i.e.; maximum within a week. [15, 16].

With the view to ensure better governance and provide justice to all stakeholders of the employment programme, the Government of Bihar has formed and constituted state level Lokpal for MNREGA in the second week of May, 2022. Complaints regarding any kind of irregularities can now be made with the Lokpal at the state level, if not properly settled at the district level. Mr. Radha Kishore Jha has been nominated as the Chairman, and Mr. Dewesh Nath Dixit has been appointed as the Secretary of the Lokpal by the department of Rural Development, Govt. of Bihar. Decisions and/ orders to be given at the district level, can be challenged within 15 days before the state level Lokpal. This provision has been made in the light of the direction given by the Central Govt. of India. [17]. This timely and apposite step of the governments at the Centre and state-will definitely extirpate prevailing cases of irregularities in implementation, and result in better performance of the scheme.

## 5. Concluding Remarks

Trip for the specific purpose of 'examining effects of NREGA' may be more clearly conveyed through study-based findings.

### 5.1. Observation-Based Outcomes

- 1) Unskilled wage-based scheme for right based employment guarantee has outlived its socio-economic viability.
- 2) Instead of scattered and at times unrealistic approach towards development, a 'comprehensive pointed project based vision' will also go to generate employment as well as outputs necessary to push overall growth.
- 3) Small is beautiful, but size of economic intervention must be optimum enough, so that its utility do not evaporate just because the poorness of quality and resultant longevity due to lack of effective technical and administrative work- site supervision.
- 4) Wage Rate of MGNREGA not attuned to market rate, hence less attractive.
- 5) Work force under MGNREGA has choked supply of labour for agriculture (at lower wage rate prevailing earlier).
- 6) Organizational capacity for implementation of MGNREGS at different levels is deficient.
- 7) Technical manpower shortage, especially Civil Engineers, is impeding implementation.
- 8) IEC/Capacity Building methodology/mechanism needs strengthening.
- 9) ICT can be effective only when functionaries at every level are IT- enabled in their attitude.

The execution of MGNREGA can be sharpened and 'fussing factors involved in its procedural complexities'- be removed by making the general job card holders aware of various significant provisions of the Act. Secondly, 'abstaining tendency of the job-card holders' to work in NREGA related works; which has been grimacing at the job-seekers (mainly in regard to not being ready to work at lower wage-rates)- can be prudently removed by suitably and desirably enhancing 'the wage rate' under the scheme.

### 5.2. Suggested Action Points

- i. Before the beginning of every financial year, panchayat, block and district level shelves of infrastructural works should be kept fully ready after having obtained desired works' proposal and list from all concerned departments of the State Government. Such departments should cover: (i) Agriculture, (ii) Minor irrigation, (iii) Land Reforms, (iv) Fisheries, (v) Animal Husbandry, (vi) Minor Forest Produce, (vii) Social Forestry, (viii) Pradhan Mantri Awas Yojana (PMAY), (ix) Road, (x) Poverty Alleviation Programme, (xi) Welfare of Weaker Sections and (xii) Department dealing with Maintenance of Community Assets.
- ii. In the meeting of Gram Sabha, assessment related to demanded 'labour mandays' and likely participation of job card holders' should be made.
- iii. Verification of signature and / thumb impression of 'job card holders' need to be strictly made following all prescribed norms (in case of withdrawal of wage amount through cheques) to a void incidences of irregularity by any panchayat personnel.
- iv. Wages of labourers should be paid within a week or maximum in a fortnight (as mandated in the Act)- for checking tendency of outmigration of MNREGA workers.
- v. Objectives of transparency convergence and financial inclusion need to be achieved by identification of 'real job-seekers' opening their Bank Accounts and issuing job cards. It may be done by adopting statistically approved method of village survey.
- vi. In flood prone areas, and in regions, where soil texture is not so hard, 60: 40 (i.e.; labour and materials' component) norm of MREGA should be made flexible.

- vii. Several new works/activities have been included to be undertaken under purview of MNREGA. Therefore, posts of Technical Assistants, Panchayat Rozgar Sevaks (PRSs) and other personnel (lying vacant) need to be filled up on priority basis.
- viii. After every definite interval (three years or so), impact of the Scheme and its working and performance – should be evaluated by 'professionally experienced Research Faculties' of 'AERCs', Government of India and/ State Governments' sponsored Research Centres and other reputed Research Institutions.
- ix. With the view to apprise 'Gram Panchayat representatives; officers and employees of implementing agencies (from panchayat to district levels) with all provisions of the Act /Scheme, Awareness programmes need to be organized at regular intervals. The above personnel (belonging to both categories of elected panchayat representatives and Officers may be sent for short term training courses to State Institutes of Rural Development (SIRDs) University Department of 'Rural Economic & Co-operative Management', Centres for Rural & Agri-Business Management' Integrated with SAUs and other institutions.
- x. To effectively counteract negative effects of Sparing & costs and prices/rates of materials and wages, enhanced devolution of financial powers to concerned officers – should be made towards the bottom level of the implementing agencies (IAs).
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