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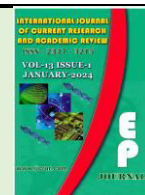
# A Study on Impact of MGNREGS in Pindra block of Varanasi District of Uttar Pradesh, India

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## Abstract

India, as a predominantly rural nation with 68% of its population residing in villages, faces significant challenges of poverty and unemployment. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), launched in 2005, represents a paradigm shift in rural development by providing legally guaranteed employment to rural households. This study examines the impact of MGNREGS in Pindra block of Varanasi district, Uttar Pradesh, through an ex-post facto research design involving 70 beneficiaries from five Gram Panchayats. The research reveals significant improvements in employment generation (mean increase from 105.21 to 173.57 days per year), income enhancement (from Rs. 22,071 to Rs. 42,872 annually), community asset creation (34.88% increase), and reduced migration (from 110.64 to 74.00 days per year). However, challenges persist including late payment of wages (97%), non-provision of crèche facilities (100%), and inadequate implementation of unemployment allowances (100%). The study concludes that MGNREGS has positively impacted rural livelihoods while highlighting areas requiring improvement for optimal scheme effectiveness.

## Introduction

India's development trajectory is intrinsically linked to the progress of its rural villages, which house approximately 68% of the total population. The country's rural landscape is characterized by widespread poverty, unemployment, and socio-economic disparities that have persisted despite various developmental interventions since independence. Mahatma Gandhi's vision that "India lives in villages" underscores the critical importance of rural development for national progress.

## Rural Development Context

The Indian government has implemented numerous rural development programmes since independence, evolving from the Five-Year Plans of 1951 to more targeted interventions. These programmes have aimed to address poverty, unemployment, and infrastructure deficits through various employment generation schemes including the Twenty Points Programme (1975), Integrated Rural Development Programme (1976), Food for Work Programme (1977), and National Rural Employment Programme (1980).

## Genesis of MGNREGS

The Mahatma Gandhi National Rural Employment Guarantee Scheme emerged from the recognition that previous programmes, while well-intentioned, had limitations in addressing the complex nature of rural poverty and unemployment. Initially proposed as the

National Rural Employment Guarantee Programme by Prime Minister P.V. Narasimha Rao in 1991, the legislation was finally enacted on September 7, 2005, and renamed as MGNREGS on October 2, 2009.

MGNREGS represents a rights-based approach to development, providing legal guarantees for employment that make governments accountable to rural households. The scheme aims to provide at least 100 days of guaranteed wage employment annually to every rural household whose adult members volunteer to undertake unskilled manual work.

## Research Rationale

Despite the extensive implementation of MGNREGS across India, comprehensive impact assessments at the micro-level remain essential for understanding the scheme's effectiveness. Varanasi district, with 1,17,498 active workers during 2023-24, represents a significant implementation area where detailed impact analysis can provide valuable insights for policy refinement.

Extensive research has been conducted on MGNREGS implementation across various states, providing insights into its effectiveness and challenges. Chinnamnaidu, *et al.,* (2014) found that in Karnataka's Tumkur district, the majority of beneficiaries were middle-aged with primary education, highlighting the scheme's reach to vulnerable populations. Similarly, Dadabahu and Gopikrishna (2013) reported significant income improvements, with mean incomes increasing from Rs. 8,840 to Rs. 16,230 among Maharashtra beneficiaries.

Employment generation studies have shown mixed results. Abirami, *et al.,* (2014) found that only 6.66% of sample households received the promised 100 days of employment annually in Anantapuram district.

However, Farooqi and Saleem (2015) reported that MGNREGA benefited 22.5% of rural households by providing an average of 43 days of employment, contributing to a 4% reduction in poverty levels.

Asset creation has been another significant outcome, with studies reporting substantial improvements in rural infrastructure. Dadabahu and Gopikrishna (2013) documented a 119.70% increase in community and individual assets in Maharashtra's Thane district. Migration patterns have also been affected, with several studies indicating reduced seasonal migration due to local employment opportunities (Stina, *et al.,* 2020).

## Research Methodology

### Research Design

This study employed an ex-post facto research design, defined as systematic empirical inquiry where independent variables have already occurred and are not directly manipulated by the researcher. This design was appropriate given that MGNREGS implementation had already taken place, and the study aimed to assess its impacts retrospectively.

The study was conducted in Varanasi district of Uttar Pradesh during 2023-24. Uttar Pradesh was selected purposively due to the researcher's familiarity with the local language and area, facilitating rapport building and data collection. Varanasi district was chosen as the researcher was based at Uday Pratap College Varanasi.

From the eight blocks in Varanasi district (Baragaon, Pindra, Cholapur, Chiraigaon, Harahua, Sevapuri, Arajiline, and Kashi Vidyapeeth), Pindra block was selected randomly using the lottery method. From 104 Gram Panchayats in Pindra block, five GPs (Amaut, Dallipur, Sarai Takky, Basantpur, and Jathi) were selected randomly. Fourteen respondents were selected from each GP using random sampling procedures, totaling 70 respondents.

Primary data was collected through personal interviews using a pre-tested interview schedule covering all aspects of the investigation. The schedule consisted of four parts: respondent profiles, knowledge of MGNREGS activities, direct changes due to implementation, and operational problems. Data collection was conducted during August 2024 at beneficiaries' homes and MGNREGS worksites.

Data analysis employed various statistical tools including frequency distributions, percentages, Z-tests, arithmetic means, and standard deviations. Z-tests were specifically used to determine significant differences between pre- and post-MGNREGS implementation conditions.

## Results and Discussion

### Socio-Economic Profile of Respondents

The study revealed specific demographic patterns among MGNREGS beneficiaries. The majority of respondents (55%) belonged to the middle-age group (37-56 years), followed by young age (35%) and old age (10%) categories. This distribution reflects the physical demands

of manual work under the scheme, with middle-aged workers possessing optimal physical strength and efficiency.

Educational levels showed concerning patterns, with 43% of respondents being illiterate, followed by primary school education (18%). This finding underscores MGNREGS's role in providing employment opportunities to those with limited educational qualifications and few alternative livelihood options.

Family composition analysis revealed that 60% of respondents had medium-sized families (4-6 members), 23% had large families (>7 members), and 17% had small families (1-3 members). Gender distribution showed male dominance with 74% male and 26% female participation, attributed to regional factors including remoteness, economic backwardness, and the purdah system.

Experience in MGNREGS participation showed that 33% of respondents had 7-9 years of experience, 28% had more than 9 years, 27% had 4-6 years, and 12% had 1-3 years. This distribution indicates sustained participation in the scheme over extended periods.

## Knowledge Assessment

Knowledge assessment revealed that 72% of respondents had medium-level knowledge about MGNREGS activities, 16% had high knowledge, and 12% had low knowledge. Detailed content analysis showed varying awareness levels across different scheme provisions.

Universal awareness (100%) was recorded for core concepts such as "MGNREGS provides employment guarantee" and "the scheme is open for all adult people". High awareness levels were observed for registration being free of cost (97%), wage payment through bank accounts (91%), and equal wages for men and women (95%).

However, significant knowledge gaps existed regarding unemployment allowances, with only 12% of respondents aware that allowances should be provided if work is not given within 15 days of application. Similarly, awareness about crèche facilities was completely absent (0%), and only 9% knew about extra wages for work beyond 5 km radius.

## Impact Assessment

## Employment Generation

Employment generation showed significant improvement post-MGNREGS implementation. Mean employment days increased from 105.21 days per year before implementation to 173.57 days per year after implementation. Statistical analysis using Z-test revealed this difference to be highly significant ($Z = 10.56$, $p < 0.01$).

The distribution of employment levels also shifted favorably. Before MGNREGS, 52% of respondents had medium employment generation, 30% had low, and 18% had high. After implementation, 61% achieved medium employment generation, 26% achieved high, and only 13% remained in the low category.

Number of employed family members increased significantly from a mean of 1.14 persons before MGNREGS to 2.40 persons after implementation ($Z = 10.87$, $p < 0.01$). This indicates that the scheme successfully provided employment opportunities to multiple family members.

Daily working hours also increased significantly from a mean of 5.42 hours to 7.04 hours per day ($Z = 10.78$, $p < 0.01$). This improvement reflects more regular and structured employment opportunities under MGNREGS.

## Income Enhancement

Income generation showed substantial improvement following MGNREGS implementation. Mean annual income increased from Rs. 22,071 before the scheme to Rs. 42,872 after implementation, representing a 94% increase. This difference was statistically significant ($Z = 31.62$, $p < 0.01$).

Daily wage rates increased from a mean of Rs. 193.57 to Rs. 282.85 per day ($Z = 12.67$, $p < 0.01$). The distribution of wage earners also improved, with the percentage of workers earning up to Rs. 200 per day decreasing from 75% to 14%, while those earning Rs. 200-300 per day increased from 25% to 58%.

Annual income distribution patterns shifted favorably. Before MGNREGS, 69% of respondents had medium annual income, 24% had high income, and 7% had low income. After implementation, 58% achieved high

annual income, 32% had medium income, and only 10% remained in the low-income category.

## Asset Creation

Community asset creation demonstrated significant improvement with a 34.88% overall increase in assets. Specific improvements included watershed works (60% increase), drinking water tanks and well recharging (50% each), rural connectivity roads (30%), farm pond construction (20%), and well construction and de-silting of drinking water tanks (25% each).

The creation of durable community assets contributes to long-term rural development by improving water security, soil conservation, and connectivity. These assets continue to benefit communities beyond the immediate employment generation period.

## Migration Reduction

Migration patterns showed substantial improvement, with mean migration days decreasing from 110.64 days per year before MGNREGS to 74.00 days per year after implementation. This reduction of 36.64 days represents a 33% decrease in migration, which is statistically significant (Z = 14.73, p < 0.01).

The shift in migration categories was notable, with respondents in the low migration category increasing from 14% to 25%, while those in the medium migration category decreased from 72% to 60%. Interestingly, 88% of respondents reported that wages for migration increased due to MGNREGS implementation, suggesting improved bargaining power for rural workers.

## Problems and Challenges

Despite positive impacts, significant implementation challenges persist. The most frequently reported problems were non-payment of unemployment allowances (100%), lack of employment opportunities beyond 100 days (100%), and uniform wage payment for different types of work (100%).

Late payment of wages emerged as a critical issue affecting 97% of respondents. Other significant problems included non-payment of 10% extra wages for work beyond 5 km radius (95%), poor worksite facilities (94%), migration due to work unavailability (92%), non-provision of 100 days' work (88%), and low wage payments (87%).

Registration not being continuously open at Gram Panchayats affected 85% of respondents, indicating administrative gaps. Delay in work allotment (78%) and long distances to worksites (14%) were additional operational challenges.

## Conclusion

This comprehensive study of MGNREGS impact in Pindra block of Varanasi district demonstrates the scheme's significant positive effects on rural livelihoods while highlighting persistent implementation challenges. The scheme has successfully achieved its primary objectives of employment generation, income enhancement, asset creation, and migration reduction.

## Key Achievements

MGNREGS has proven effective in providing employment opportunities to rural households, with mean employment days increasing by 65%. The scheme's impact on income generation is particularly noteworthy, with annual incomes nearly doubling for beneficiary households. Asset creation has contributed to improved rural infrastructure, enhancing long-term development prospects.

The reduction in migration patterns indicates the scheme's success in creating local employment opportunities, which has broader implications for rural-urban demographic balance and family welfare. The participation of multiple family members in MGNREGS activities demonstrates the scheme's household-level impact.

## Implementation Challenges

Despite positive outcomes, significant implementation gaps require attention. The universal absence of unemployment allowances and crèche facilities indicates serious lapses in adhering to scheme guidelines.

Late wage payments affect nearly all beneficiaries, undermining the scheme's reliability and financial planning for rural households.

The limited provision of complete 100-day employment and restricted opportunities beyond this limit suggest capacity constraints in work planning and execution. Administrative issues such as irregular registration processes and delayed work allocation reflect governance challenges at the local level.

**Table.1** Employment generation comparison

| S. No. | Employment generation in days | Before MGNREGS | | Employment generation in days | After MGNREGS | |
|---|---|---|---|---|---|---|
| | | f | % | | f | % |
| 1 | Low (80) | 21 | 30.00 | Low (112) | 9 | 13.00 |
| 2 | Medium (145) | 36 | 52.00 | Medium (235) | 43 | 61.00 |
| 3 | High (More than 145) | 13 | 18.00 | High (More than (235) | 18 | 26.00 |
| | Total | 70 | 100.00 | | 70 | 100.00 |
| | | Mean:105.21days/year | | | Mean: 173.57 days/year | |
| | | SD:34.33 | | | SD:61.37 | |

**Table.2** Asset creation details

| S. No. | Types of Assets | Before MGNREGS | After MGNREGS | Percentage Increased |
|---|---|---|---|---|
| 1 | Number of wells constructed | 8 | 10 | 25 |
| 2 | Number of wells recharged | 2 | 3 | 50 |
| 3 | Number of farm ponds constructed | 10 | 12 | 20 |
| 4 | Rural connectivity (Roads laid) | 7 | 10 | 30 |
| 5 | Number of waters shed works | 8 | 12 | 60 |
| 6 | Drinking water tanks constructed | 4 | 6 | 50 |
| 7 | De-silting of drinking water tanks | 4 | 5 | 25 |
| | **Total assets created** | **43** | **58** | **34.88** |

**Table.3** Problems faced by respondents

| S.N. | Statement | Frequency | % |
|---|---|---|---|
| 1 | Registration is not open in the Gram Panchayat on an ongoing basis. | 60 | 85 |
| 2 | Long distances of work sites. | 10 | 14 |
| 3 | Poor work site facility. | 66 | 94 |
| 4 | Non-provision of crèche facility. | 70 | 100 |
| 5 | Delay in allotment of work. | 55 | 78 |
| 6 | Migration of labours due to non-provision of works under MGNREGA. | 65 | 92 |
| 7 | Non provision of 100 days' work. | 62 | 88 |
| 8 | No opportunity to get employment more than 100 days. | 70 | 100 |
| 9 | Delay in disposal of respondent's complaints. | 25 | 35 |
| 10 | No-payment of wages. | 10 | 14 |
| 11 | Late payment of wages. | 68 | 97 |
| 12 | Non-payment of 10% extra wages for works outside the 5 Km. radius. | 67 | 95 |
| 13 | Non-payment of unemployment allowance. | 70 | 100 |
| 14 | **Payment of same wages for all kinds of works.** | **70** | **100** |

**Figure.1** Age distribution chart
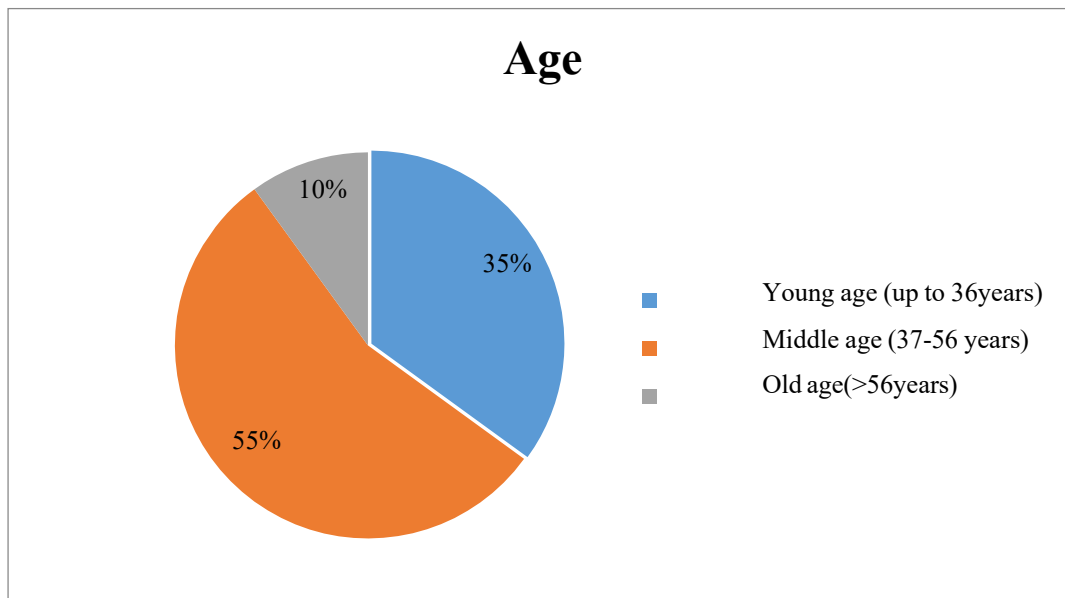


## Policy Recommendations

Based on these findings, several recommendations emerge for enhancing MGNREGS effectiveness. Strengthening governance mechanisms at Gram Panchayat level is essential for ensuring timely wage payments and maintaining continuous registration processes. Capacity building for MGNREGS staff at various levels should focus on scheme provisions and beneficiary rights.

Expanding the employment guarantee beyond 100 days or creating complementary livelihood opportunities could address the persistent employment needs of rural households. Improving worksite facilities and ensuring proper implementation of provisions like crèche facilities would enhance the scheme's worker-friendly approach.

Enhancing awareness campaigns about unemployment allowances and other scheme provisions could empower beneficiaries to demand their rights effectively. Regular monitoring and social auditing mechanisms should be strengthened to ensure accountability and transparency.

## Future Research Directions

This study's limitation to one block suggests the need for larger-scale assessments covering multiple districts and states. Comparative studies between beneficiary and non-beneficiary households could provide deeper insights into the scheme's differential impacts. The role of Gram Panchayats as pivotal institutions requires dedicated research to understand their effectiveness in scheme implementation.

Gap analysis of MGNREGS activities could identify specific areas requiring improvement. Longitudinal studies tracking beneficiaries over extended periods would provide insights into the scheme's long-term sustainability and impact.

## Final Observations

MGNREGS represents one of India's most ambitious social protection schemes, demonstrating significant potential for rural transformation. While the scheme has achieved notable success in Pindra block, realizing its full potential requires addressing implementation challenges through improved governance, enhanced awareness, and strengthened monitoring mechanisms.

The scheme's rights-based approach marks a paradigm shift in rural development policy, establishing legal frameworks for employment guarantee. As India continues its development journey, MGNREGS's role in ensuring inclusive growth and social protection remains crucial for achieving comprehensive rural development.

The study concludes that MGNREGS has positively impacted rural livelihoods in the study area, supporting its continued implementation while emphasizing the need for

administrative improvements and enhanced beneficiary awareness to maximize its developmental potential.

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