



MGNREGA AND RURAL SOCIO-ECONOMIC DEVELOPMENT: AN EMPIRICAL STUDY OF BENEFICIARY HOUSEHOLDS IN HAZARIBAGH DISTRICT, JHARKHAND

Kishan Raj

Research Scholar

Department Of Economics

Sikkim Skill University, Sikkim, India

Dr. Rajeew Johari

Research Supervisor

Department Of Economics

Sikkim Skill University, Sikkim, India

Abstract

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is one of the major rural employment schemes which aims at improving the livelihood security as well as socio-economic development. The current study tried to evaluate the role played by MGNREGA to the benefit of MGNREGA beneficiaries in Hazaribagh district of Jharkhand state. A descriptive and analytical research design was used for the current study wherein the data were collected using a structured questionnaire from 100 MGNREGA beneficiary households. The study focused on employment creation, household income, livelihood security, migration, female participation in labor market and challenges associated with MGNREGA implementation. The results showed that the MGNREGA provided additional employment as well as income which helped the families in covering their basic expenditures as well as improving the livelihood security especially in lean season. This scheme also helped to reduce migration and increase female participation in the labor force. But delay in payment of wages, less number of working days as well as irregularity in provision of employment are major concerns.

Keywords: MGNREGA, Rural Development, Livelihood Security, Employment Generation, Hazaribagh

1. INTRODUCTION

Rural employment and livelihood security constitute an important aspect of socio-economic development in India. Many rural households suffer from seasonal unemployment and irregular incomes. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) helps in addressing this problem by

generating wage employment along with building rural assets. This paper attempts to assess the role of MGNREGA for its beneficiaries in Hazaribagh district, Jharkhand.

1.1 Background of the Study

Indian households living in rural areas rely quite significantly on agricultural work and casual employment. The MNREGA scheme legally guarantees up to 100 days of work per year for an individual from the rural population in the form of employment in the rural areas. Apart from job creation, the schemes implemented under MGNREGA help in conserving water, land improvement, irrigation and rural infrastructure.

1.2 MGNREGA in Jharkhand and Hazaribagh

The MGNREGA is especially significant for Jharkhand because agriculture and employment are important aspects that give sustenance to the rural population there. For example, in Hazaribagh district, MGNREGA offers additional employment opportunities as well as income in the form of wages during times when agricultural activities are low. This program could even help reduce seasonal migration, women's economic involvement, and the creation of productive rural resources, but only on the condition that there is employment.

1.3 Research Problem and Rationale

The measures such as job card, person day and work completed cannot wholly provide an answer to the question of impact of MGNREGA on beneficiary households. An empirical analysis at the level of household is required in such cases. This research paper will conduct an analysis of 150 households, which are beneficiaries of MGNREGA in the district of Hazaribagh, in relation to employment, income, livelihood security, migration, women empowerment, rural assets and implementation issues.

1.4 Objectives of the Study

The study is undertaken with the following objectives:

1. To examine the contribution of MGNREGA to employment generation and household income among beneficiary households in Hazaribagh district.
2. To assess the impact of MGNREGA on the livelihood security and socio-economic conditions of beneficiary households.

3. To analyse the role of MGNREGA in reducing seasonal migration and promoting women's economic participation in rural areas.
4. To evaluate the benefits of rural assets created under MGNREGA and identify major implementation challenges experienced by beneficiary households.

2. REVIEW OF LITERATURE

From a review of the existing literature, it is evident that MGNREGA has been studied from various angles such as job creation, livelihood security, poverty alleviation, social inclusion, and socio-economic development of rural households. There have also been observations on the disparities between the objectives of the program and its implementation.

Reddy, Singha Roy, and Pradeep (2021) assessed whether the Indian employment guarantee scheme had met its desired objectives. The research assessed the performance of MGNREGA based on financial performance, physical achievements, and social inclusion indicators. It was discovered that the program had made a significant contribution towards creating employment in rural areas and extending employment benefits to the marginalized groups within society. Nonetheless, the research uncovered differences in the performance of the program in different states as well as differences in employment demand and supply. It is clear from the findings of the research that the success of MGNREGA depended heavily on its implementation.

Sharma (2021) analysed the impact of the MGNREGA on socio-economic status of marginalised rural workers in the states of Haryana and Rajasthan. The study focused on parameters like employment, household incomes, savings and standard of living. It was found that the MGNREGA had helped increase the employment prospects and income of economically marginalised rural workers. MGNREGA had also been a tool to improve savings and some parameters of household living conditions. Thus, it could be seen that MGNREGA was not just an employment programme but was also an effective tool for socio-economic security of the marginalised rural households.

Soren (2022) focused on indigenous self-reliance and economic transformation within the tribal belts, especially in relation to the socio-economic circumstances of tribal societies within Jharkhand. The study analyzed the prospects for livelihood, economic engagement, and the mechanisms by which tribal societies worked towards improving their economic situation. This study underscored the significance of job creation

and development interventions as a means of boosting self-reliance amongst tribal families. It has helped provide valuable context into the livelihood issues facing rural and tribal societies within Jharkhand and the importance of job-oriented development programs.

Vasudevan, Singh, Gupta, and Jalajakshi (2020) looked at the significance of MGNREGA during the COVID-19 pandemic in relation to its potential to offer livelihood assistance in times of economic dislocation. The researchers noted that the scheme had functioned as a vital social security instrument during times when there were job losses and loss of income among rural households and migrant workers who have returned. It was found through the researchers' analysis that there has been a rise in demand for MGNREGA employment due to the current pandemic, which indicates the significance of the scheme in offering rural employment.

Yadav (2022) critically analyzed the impact of MGNREGA as an anti-poverty program in the state of Jharkhand. The research had analyzed the impact of the scheme with reference to rural poverty, employment, and the economic status of poor households. The study had concluded that the MGNREGA program had helped in providing additional wage employment and income assistance to the poor rural households and thereby had played a role in the broader objective of alleviating poverty. But implementation issues had restricted the impact of the scheme on the beneficiary community.

3. Research Methodology

The methodology for this research was framed to scientifically analyze the role played by MGNREGA in the socio-economic development of the families availing of its services in the Hazaribagh district of Jharkhand. The areas covered under this study included employment, household income, livelihood security, migration, women's participation, rural assets benefits, and implementation problems associated with the scheme. Both primary and secondary sources of information were consulted.

3.1 Research Design

The study utilized both descriptive and analytical research designs. The descriptive design was used to analyze the socio-economic characteristics of MGNREGA beneficiaries and their involvement in the scheme. Analytical design was used to analyze the association between the involvement of MGNREGA and selected socio-economic indicators like employment and income.

3.2 Study Area

The study was carried out in Hazaribagh district in Jharkhand. The district was chosen since there was a substantial number of people who were dependent on agriculture, casual labor, among other livelihoods in the rural areas of this district. MGNREGA formed a vital additional source of employment for people in the rural areas in this district.

3.3 Population and Sample Size

Rural households of Hazaribagh district who were the beneficiaries of the MGNREGA scheme formed the population of the study. Total 100 households forming part of the beneficiary pool formed the sample of the study. Household was treated as the primary unit of analysis. Information from an informed adult member of the household was sought.

3.4 Sampling Technique

In choosing the participants, a multistage sampling technique was employed. The rural areas with ongoing implementation of the MGNREGA program were first determined, followed by choosing villages and beneficiary families. After which, the eligible MGNREGA beneficiary families were selected from the chosen study sites. This sampling design was intended to get respondents who have firsthand experience about MGNREGA employment benefits.

3.5 Sources of Data

Primary as well as secondary data sources have been employed in the research. The primary data were sourced through the distribution of a structured questionnaire to the chosen 100 households benefiting from MGNREGA. Information regarding socio-economic features, employment provided, income gains, livelihood situation, migration, participation of women, asset gains and problems faced in the programme were gathered.

Secondary data were procured through government documents, literature on MGNREGA, the ministry of rural development and government of Jharkhand documents, scholarly articles, books, theses, and other appropriate published materials. These sources have been utilized in the development of theoretical background and interpretation of primary findings.

3.6 Data Collection Instrument

The structured questionnaire method was employed to collect primary data. The questionnaire involved closed-ended and multiple-choice questions and statements that were assessed using the five-point Likert scale. The questions focused on characteristics of the household, participation in MGNREGA, employment and income, livelihood security, migration, female participation in the economy, rural asset benefits, and implementation issues.

3.7 Variables of the Study

The primary considerations of the analysis were employment creation, household income, livelihood security, seasonal migration, women's economic empowerment, and the benefits of rural resources as well as the difficulties associated with implementation. Socio demographic factors like age, gender, education, social classification, occupation, number of family members and landholdings were also used to determine the profiles of the beneficiaries.

3.8 Methods of Data Analysis

The collected data were coded, categorized and analyzed by using suitable methods of statistics. Frequencies and percentages were used to summarize socio-economic characteristics and the pattern of participation in the MGNREGA. The mean and standard deviation were used to analyze the beneficiaries' perceptions regarding socio-economic impacts and implementation challenges. Wherever necessary, correlation, chi-square and regression analyses were conducted to find out the relationship between variables. The findings were presented in tabular form and interpreted according to the objectives of the study.

3.9 Ethical Considerations

Participation in the study was voluntary, and the respondents were made aware of the research intent behind collecting the data. Confidentiality of the information collected from the beneficiary families was maintained throughout the research process. Individual identification of the respondents was not done when the results were being presented.

4. Results and Discussion

The information that was collected from the 100 MGNREGA beneficiary families was analysed with respect to the socio-economic impact of the scheme in the district of Hazaribagh. The analysis centred

around the socio-economic profile of the respondents, employment created under MGNREGA, livelihood impact, migration and women's participation.

4.1 Socio-Economic Profile of Respondents

The socio-economic status of the beneficiary households is very significant to know about the dependence of these households on the MGNREGA scheme. Table 1 highlights the major socio-economic characteristics of the respondents.

Table 1: Socio-Economic Profile of Respondents (N = 100)

Variable	Category	Frequency	Percentage
Gender	Male	58	58.0
	Female	42	42.0
Age	Up to 30 years	19	19.0
	31–40 years	32	32.0
	41–50 years	28	28.0
	Above 50 years	21	21.0
Social Category	Scheduled Tribe	31	31.0
	Scheduled Caste	22	22.0
	OBC	37	37.0
	General	10	10.0
Education	No formal education	23	23.0
	Primary	31	31.0
	Secondary	29	29.0

	Higher secondary & above	17	17.0
Primary Occupation	Agriculture	39	39.0
	Agricultural/casual labour	43	43.0
	Other occupations	18	18.0

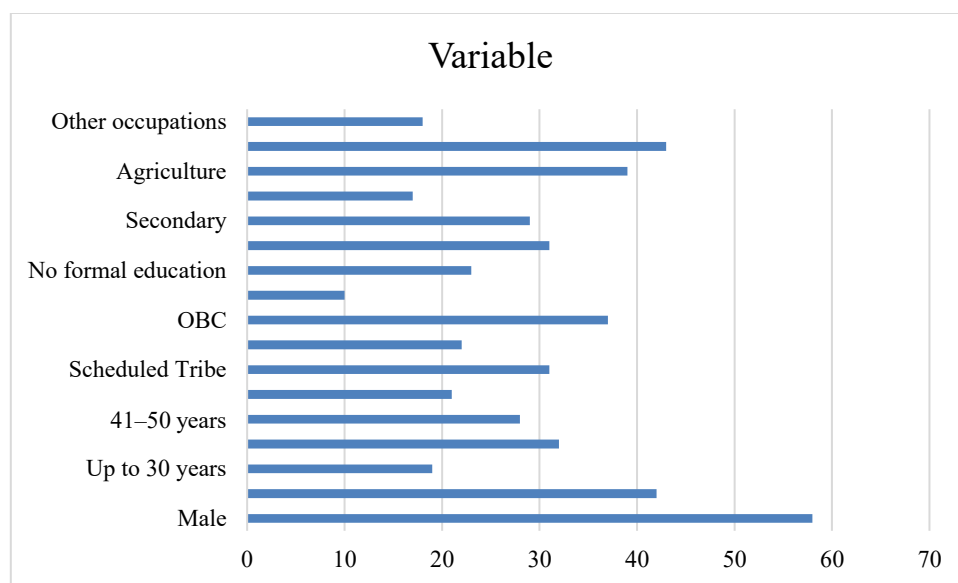


Figure 1: Graphical Representation of Socio-Economic Profile of Respondents (N = 100)

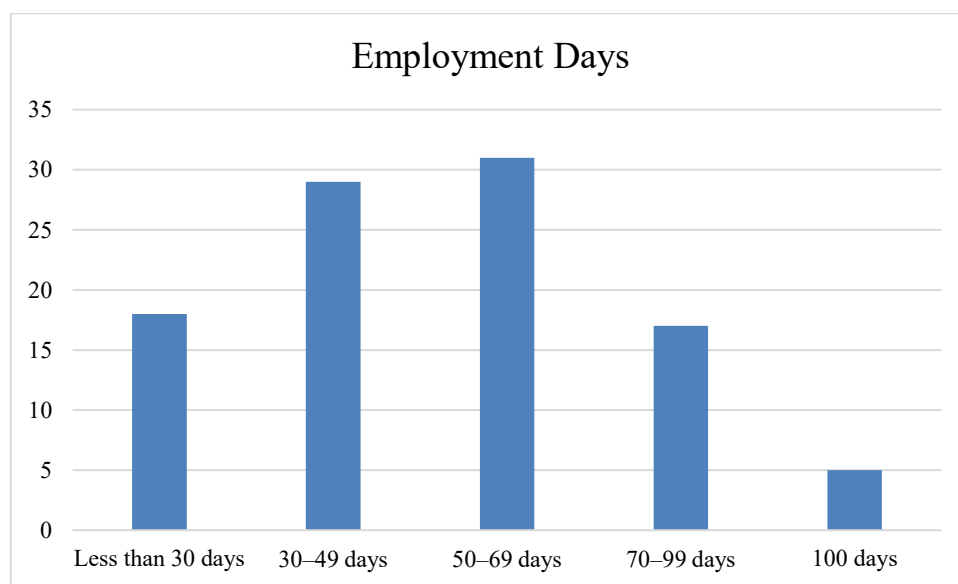
From Table 1, we can see that 58 percent of the total sample respondents were males, whereas 42 percent were females. The most common age group was 31 to 40 years, which comprised 32 percent of the total respondents. Scheduled Tribes and Scheduled Castes constituted 53 percent of the total respondents, while the rest 37 percent belonged to Other Backward Classes (OBC). The occupation pattern showed that 43 percent of the people relied mostly on labour and 39 percent on agriculture.

4.2 Employment and Participation under MGNREGA

Employment opportunity is one of the most crucial factors of MGNREGA. The respondents were thus categorized based on the number of days of employment that they claimed to have received during the reference period.

Table 2: Employment Received under MGNREGA (N = 100)

Employment Days	Frequency	Percentage
Less than 30 days	18	18.0
30–49 days	29	29.0
50–69 days	31	31.0
70–99 days	17	17.0
100 days	5	5.0
Total	100	100.0

**Figure 2:** Graphical Representation of Employment Received under MGNREGA (N = 100)

The analysis indicates that 31% of the beneficiaries had employment from 50 to 69 days and 29% had employment from 30 to 49 days. On the other hand, only 5% claimed to have gained employment for 100 days while 18% gained less than 30 days.

The results show that MGNREGA helped in creating supplementary employment; however, it could not exceed its statutory maximum ceiling days in the case of the households that were under survey. It is because the social and economic impact of the scheme does not depend only on being registered or having job card but also on the number of employment days gained. The results are inline with the observations of Reddy et al. (2021).

4.3 Effect on Household Income and Livelihood Security

The respondents had to evaluate the socioeconomic impact of MGNREGA using a scale ranging from 1 to 5, where 1 was "Strongly Disagree" and 5 was "Strongly Agree". Mean score greater than 3.00 represented positive perception.

Table 3: Perceived Socio-Economic Effects of MGNREGA

Socio-Economic Indicator	Mean	SD	Rank
Provided supplementary household income	4.12	0.76	1
Improved ability to meet basic household expenses	3.98	0.81	2
Provided employment during lean agricultural periods	3.91	0.84	3
Improved household livelihood security	3.79	0.87	4
Improved food security	3.72	0.89	5
Reduced dependence on informal borrowing	3.48	0.96	6
Overall Mean	3.83	—	—

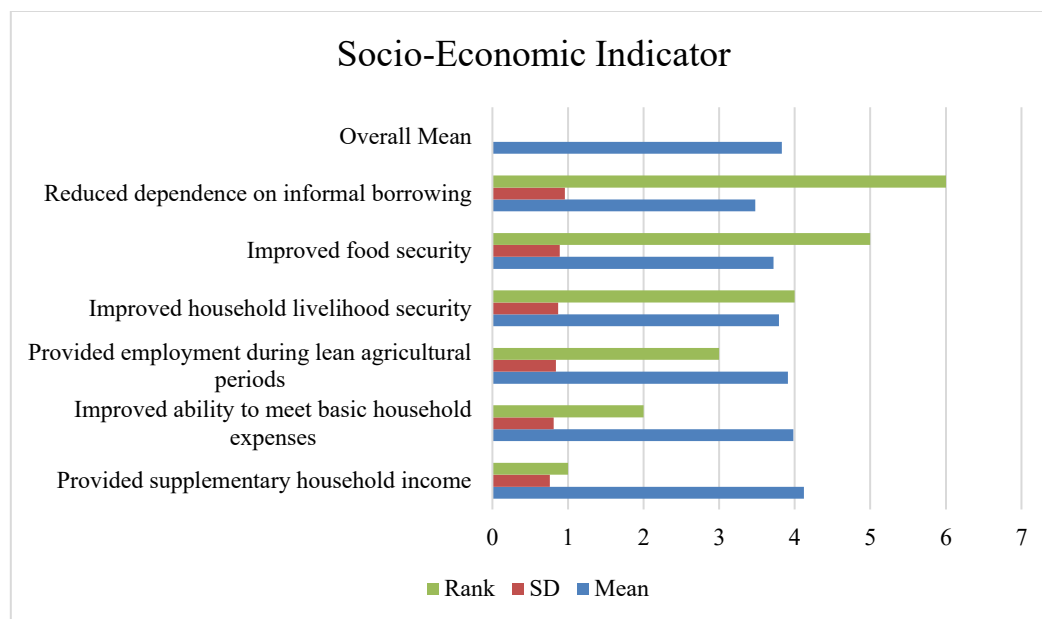


Figure 3: Graphical Representation of Perceived Socio-Economic Effects of MGNREGA

Supplementary income for the household had the highest mean ($M = 4.12$), followed by the ability to meet basic household expenses ($M = 3.98$). The respondents also noted that employment in the lean period of agriculture also had a relatively high mean score of 3.91. The overall mean of 3.83 means that the perception of MGNREGA's contribution towards socio-economic security of the households is relatively positive.

However, the relatively low mean in relation to reduced reliance on informal lending ($M = 3.48$) indicates that MGNREGA income might not have been enough to reduce other financial dependencies. The results agree with the observations made by Sharma (2021) that marginalised workers of MGNREGA experienced improvements in employment, income, and living standards. They agree with the findings of Vasudevan et al. (2020), who observe that MGNREGA can work as a livelihood strategy during unemployment and income insecurity periods.

4.4 Migration and Women's Economic Participation

Other than direct employment and earnings, MGNREGA can also affect socio-economic conditions in households through creation of employment and inclusion of women in wage labor. The respondents were questioned regarding these other impacts.

Table 4: Perceived Effects on Migration and Women's Participation

Statement	Agree/Strongly Agree (%)	Neutral (%)	Disagree/Strongly Disagree (%)
Local MGNREGA work reduced the need for seasonal migration	61	17	22
MGNREGA provided employment closer to the village	78	11	11
It increased women's access to paid employment	72	16	12
Women's earnings contributed to household expenditure	76	14	10
Participation improved women's role in household financial decisions	64	19	17

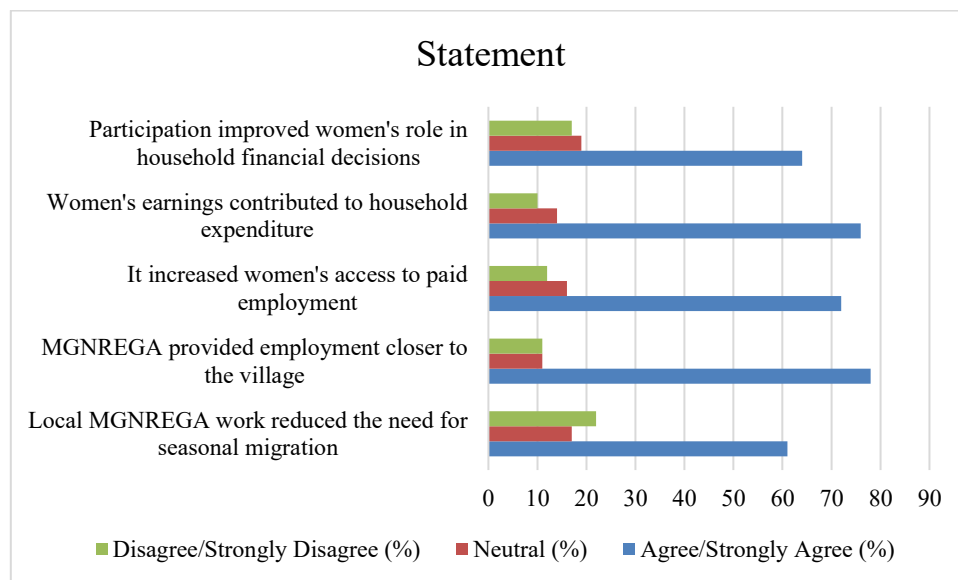


Figure 4: Graphical Representation of Perceived Effects on Migration and Women's Participation

The analysis reveals that 61 percent of the respondents thought that the availability of MGNREGA jobs locally helped reduce migration due to work, while 78 percent thought that the program offered employment opportunities nearby. This means that there was a reduction, but not elimination, of migration due to wage employment opportunities.

The participation of women was also found to be another socio-economic aspect. 72 percent of the respondents agreed that MGNREGA improved access to wage employment by women, while 76 percent said that earnings by women were used for expenditure within the households. In addition, 64 percent felt that there was an improvement in the participation of women in decision-making about finances within the households.

4.5 Rural Asset Benefits and Implementation Challenges

Works associated with water conservation, land development, rural connectivity, and other types of community infrastructure yielded benefits even outside the wage labor employment period. Beneficiaries found works connected with agriculture and accessibility particularly valuable. Nonetheless, the benefits from asset production depended on the completion of works and their maintenance and direct utility to the household.

Despite the above-mentioned benefits, there were several problems experienced by the beneficiaries while accessing the MGNREGA benefits. Table 5 highlights some of the implementation problems experienced by the respondents.

Table 5: Major Implementation Challenges Reported by Beneficiaries

Implementation Problem	Respondents Reporting the Problem (%)	Rank
Delay in wage payment	68	1
Insufficient number of employment days	63	2
Irregular availability of work	57	3
Lack of adequate information/awareness	41	4
Banking/payment-related difficulties	36	5

Inadequate worksite facilities	29	6
Difficulties in grievance redressal	24	7

Note: Multiple responses were permitted; therefore, percentages do not total 100. Source: Primary Survey.

Late payment of wages was identified as the most common issue with 68% of survey participants experiencing this issue. Other issues were insufficient number of working days (63%) and irregular supply of employment opportunities (57%). The significance of such findings lies in the fact that on-time payment and regular work opportunities have direct impacts on livelihood security in the program.

Therefore, there is a dichotomy between the positive impact of MGNREGA in terms of socio-economic development on the one hand and ongoing implementation problems on the other. While the beneficiaries saw improvement in livelihood security, income and employment opportunities, issues of delay and insufficient work opportunities affected the magnitude of the effects.

4.6 Overall Discussion

It is evident that MGNREGA has had some impact on the socio-economic situation of the beneficiary households surveyed in the Hazaribagh district. The greatest impact was in the form of additional household income, employment in times of lean agriculture and assistance with the expenditure of the household. This conclusion confirms the finding of Sharma (2021) that MGNREGA had an impact on improving socio-economic status of marginalised rural labourers.

Furthermore, the program seemed to have some other implications concerning livelihood. Access to work opportunities helped decrease migration for most of the respondents, whereas the employment of women was associated with the expenditure of the household. It seems clear that the number of working days cannot only evaluate the impact of the program.

Nevertheless, the study found a disparity between the programme's potential and the experience of the beneficiaries. While only a few of the surveyed households got 100 days employment from the programme, delayed payment of wages and inconsistent supply of labour were issues experienced by some of the participants. Previous studies on MGNREGA had also pointed out such limitations in the implementation of MGNREGA. The difference between programme intent and the actual performance was reported by

Reddy et al. (2021), while Vasudevan et al. (2020) stressed the importance of implementing capability to enable the functioning of MGNREGA as a social protection programme.

Thus, the findings have shown that MGNREGA has played an effective role in the socio-economic development of rural areas in Hazaribagh among the surveyed households through employment and additional income. Nevertheless, increasing the regularity of the employment, availability of more working days, timely payment of wages and creation of awareness amongst the beneficiaries will help improve its effectiveness towards livelihood protection.

5. CONCLUSION AND RECOMMENDATIONS

The research has revealed that the program MGNREGA played a positive role in improving socio-economic situation for beneficiaries' families in Hazaribagh district. It generated additional employment and income sources for families, provided financial support for basic expenditure and ensured livelihood security, especially in the period of low agricultural activities. Also, MGNREGA reduced migration and increased participation of women in paid employment. But delays in wage disbursement, insufficient number of days of employment and irregular availability of work reduced its efficiency. Therefore, its better implementation is very important.

1. Increase employment availability: Regular and timely work should be provided, particularly during agricultural lean periods.
2. Ensure timely wage payments: Payment procedures and grievance-redressal systems should be strengthened to minimise delays.
3. Improve awareness and asset creation: Beneficiaries should be made more aware of their entitlements, while greater emphasis should be placed on durable livelihood-supporting rural assets.

REFERENCES

1. Anuverta, D. R. K. (2023). Impact of MGNREGA on rural development: a review. *ACTA SCIENTIAE*, 6(2), 393-405.
2. Chaure, T. (2021). Economic reforms in developing economies.

3. Choudhary, R. (2020). The impact of MGNREGA on employment and migration: A case study of Rajasthan. *Asian Journal of Research in Social Sciences and Humanities*, 10(10), 1–13. <https://doi.org/10.5958/2249-7315.2020.00017.9>. This is particularly relevant to your employment and seasonal migration variables. Indian Journals
4. Elamon, J., KU, M. S., Ganesh, M. A., & RS, M. Y. K. (2021). Evaluation of the incentivization of panchayats scheme of mopr the report.
5. Lokhande, N., & Gundimeda, H. (2021). MGNREGA: The guaranteed refuge for returning migrants during COVID-19 lockdown in India. *The Indian Economic Journal*, 69(3), 584–590. <https://doi.org/10.1177/00194662211023848>. Sage Journals
6. Nandy, A., Tiwari, C., & Kundu, S. (2021). India's Rural Employment Guarantee Scheme—How does it influence seasonal rural out-migration decisions? *Journal of Policy Modeling*, 43(6), 1181–1203. <https://doi.org/10.1016/j.jpolmod.2021.09.001>. This is a strong empirical source for your migration and livelihood-security analysis. ScienceDirect
7. Patil, S., Bhawe, N., & Vijayshankar, P. S. (2022). The Need for a Nuanced Approach. *Tribal Development Report: Livelihoods*.
8. Pattnaik, J. (2020). MGNREGA AND ITS IMPACT ON LIVELIHOOD AND RURAL DEVELOPMENT: A SOCIOLOGICAL STUDY IN BARWADAG VILLAGE OF RANCHI DISTRICT OF THE STATE OF JHARKHAND. *MAN IN SOCIETY*, 38.
9. Pingali, G. (2022). *Indigenous question, land appropriation, and development: understanding the conflict in Jharkhand, India*. Taylor & Francis.
10. Prabhu, P. (2022). 6 Land and Tribal Human Development. *Tribal Development Report: Livelihoods*.
11. Reddy, A. A., Singha Roy, N., & Pradeep, D. (2021). Has India's employment guarantee program achieved intended targets? *SAGE Open*, 11(4). <https://doi.org/10.1177/21582440211052281>. The paper evaluates MGNREGA through financial, physical-performance and inclusiveness indicators. Sage Journals
12. Sharma, S. (2021). MGNREGA improved socio-economic condition of marginalized workers: A study in Haryana and Rajasthan. *Asian Journal of Research in Social Sciences and Humanities*, 11(7), 55–68. <https://doi.org/10.5958/2249-7315.2021.00024.1>. This source is particularly close to your topic because it examines employment, savings, standard of living and overall socio-economic conditions of MGNREGA workers. Indian Journals

13. SOREN, I. (2022). *Indigenous Self-reliance and Economic Transformation in Tribal Areas* (Doctoral dissertation, ICFAI UNIVERSITY JHARKHAND).
14. Vasudevan, G., Singh, S., Gupta, G., & Jalajakshi, C. K. (2020). MGNREGA in the times of COVID-19 and beyond: Can India do more with less? *The Indian Journal of Labour Economics*, 63(3), 799–814. <https://doi.org/10.1007/s41027-020-00247-0>. PubMed Central (PMC)
15. Yadav, A. K. (2022). *Poverty Alleviation Programmes: A Critical Evaluation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Jharkhand*, *IRB Review*.