

# **Analysis of Employment Generation through Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in Uttar Pradesh Pre and Post Covid-19 Pandemic Issues and Challenges**

## **Abstract**

This study analyses the employment generation trends through the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the state of Uttar Pradesh. The study is primarily based on secondary data to examine the performance and effectiveness of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in providing employment to rural people who are willing to do unskilled manual work. The study examines the categorizes-wise employment demanded by households and employment offered to household from 2014-15 to 2022-23. The study shows that MGNREGS provided the highest employment during covid 19. Approximately 12.05 crore people got the job, that has been declined to 77.43 lakh in 2022-23. It also examines the SCs and STs employment status and shows that 29.10 lakh SCs population and 91.72 thousand STs got the job in 2020-21. This study also examines employment provided to disabled persons and shows that 17.43 thousand people got the job in 2020-21 and 14.06 thousand people got the job in 2021-22, and 14.03 thousand people got the job in 2022-23.

**Keywords: Employment, MGNREGS, Covid-19, Pandemic Issues**

## **1. Introduction:**

India is a developing country where most of the people are engaged in the agricultural sector, which provides only short-term seasonal employment to rural people. Still, most of the time, people remain unemployed. Considering these scenarios Government of India (GOI) initiated various employment-generating and poverty-mitigating schemes. One of them is Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) which directly guarantees employment opportunities to rural people. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was introduced on 2<sup>nd</sup> February 2006, and it is the first of this type in the world where an economic safety net is provided to 2/3<sup>rd</sup> the population through the right-based employment and engages 1/10<sup>th</sup> of the total world population (Rajiv Ranjan, 2015) The Scheme was implemented in a phased manner, in the first phase(2<sup>nd</sup> Feb 2006) it covered two hundred (200) the most backward districts of the

country, in the second phase ( 1<sup>st</sup> April 2007) it covered one hundred and thirty districts (130) and in the final phase (1<sup>st</sup>,2008 ) it covered all remaining districts of the country and currently covered six hundred and forty four (644) districts with the substantial rural population (nrega.nic.in)

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is the backbone of the rural economy. It provides guaranteed employment for one hundred (100) days in every financial year whose adults household members are willing to do unskilled manual work in case of failure in providing unemployment allowances will be provided by the state at their own cost. It has also brought multiple effects on the rural Indian economy. Unemployment indirectly correlates with poverty. Thus, job generation with the MGNREGS will reduce the number of poor people in rural areas. Further, local saving boosts capital formation in villages. Besides these benefits, it positively affects people's physical and mental health. On the other hand, MGNREGS absorbs the surplus labour force in other productive activities. In this way, pressure on agriculture decreases with increasing agriculture productivity. Thus, it is believed that providing employment security may create spill over effects on the development of the overall economy.

Overall, the MGNREGS has made a significant step towards addressing the issues of unemployment and empowering vulnerable sections of society in rural India and has the potential to bring about significant changes in the lives of the rural population.

## **2. Review of Literature:**

Ahuja et al. (2011) conducted a study in the state of Haryana and pointed out that people found job through MGNREGS in agriculturally advanced Kernal (13.7%) and other agricultural backward Mewat district (24.6%) people provided employment. P.S.S. Murthy. (2014) pointed out the impact of MGNREGA on two selected villages in Karnataka using social accounting matrix (SAM) observes that it provides income, employment, and livelihood security to the rural labour force in the farm and non-farm sectors. Subrata Das (2019) reveals the impact of MGNREGA on economic and environmental sustainability in West Bengal and shows that MGNREGA is a labour law that aims to provide at least 100 days of employment to rural people for their economic empowerment and livelihood security. R. Sathish Kumar et al. (2020) studied the MGNREGA'S impact on income and employment in the Ramanathapuram district of Tamil Nadu and found that MGNREGA creates more employment days, and the earnings of households also increases. Panda and

Tripathy (2021) conducted study in the Jodhpur district of Rajasthan and shows that the average man-days of employment per year increase after joining the scheme. Balasubramaniam et al. (2022) studied the impact and assessment of the attainment of social status by MGNREGA beneficiaries in Tamil Nadu and reveals that the MGNREGA beneficiaries get 100 days of employment in the year. T. Haque (2011) observed that MGNREGA continually employs rural people over time, but the average person-days employment is much lower than that entitled 100 days in most cases. Sudarshan and Agrawal (2017) highlighted the impact of MGNREGA in improving the socio-economic status of the rural poor in the Jodhpur district of Rajasthan and observed that MGNREGP generates multiple benefits in creating employment and overall development of the rural area. Praduman and Joshi (2013) study reveals that MGNREGA benefited 22.5% of rural households by providing average employment for about 43 days. Saswati Das (2016) shows that the scheme does not provide even the required 100 days but only about 42 days on average. Kumar et al. (2013) shows that MGNREGA provided an average number of 45 person days of employment. Kumar et al. (2020) pointed out that the scheme positively impacts on employment opportunities, wage, and income generation after the implementation of MGNREGA. Balasubramaniam et al. (2022) examined the impact and assessment of the attainment of social status by MGNREGA beneficiaries in Tamil Nadu. They showed that MGNREGA beneficiaries get 100 days of employment in the year. Khan and Saxena (2017) studied the economic impact of MGNREGA in the Pilibhit district of Uttar Pradesh and found that MGNREGA positively impacted rural people through employment generation in rural areas. Naikoo and Thakur (2017) concluded that Scheme improves the overall quality of life by providing employment opportunities. S.K Swain (2021) highlighted that the MGNREGS directly helped 40.26% of job searchers. However, MGNREGS is not successful in providing 100% employment for those job seekers who are interested in doing unskilled manual work. Vinod Kumar's (2013) study shows that most families got employment and more than one member. Malangmeih et al. (2014) observed that MGNREGA did not discriminate based on caste, tribe, and gender in providing employment, and average man-days of employment increased. **Pamecha and Sharma** (2015) Examine the socioeconomic effects of the MGNREGA Scheme on the beneficiaries in the district of Dungarpur. The findings of the research show that the programme has impacted the beneficiaries' lives. **Prasanna et al.** (2015) Analyse the actual impact of MGNREGA on creating jobs and the financial inclusion of the rural poor in Tamil Nadu, India, especially women, SC, and ST populations. **Reddy et al.** (2016) conducted the study in the Kalaburagi District of Karnataka

State and pointed out that the socio-economic impact of the scheme on change in income, savings pattern, and extent of employment after the scheme's implementation points out that participation in the MGNREGA increases with an increase in income in fully implemented MGNREGA villages compared to partially implemented MGNREGA villages. **Baruah and Radkar (2017)** The majority of persons demanding MGNREGA jobs are from poorer, less fortunate areas and households. Low income, substandard living conditions, social backwardness, low literacy rates, and the lack of a reliable source of income have all been found to be important factors in deciding MGNREGA registration. **Kumar Dey (2016)** examined the creation of jobs and asset building through MGNREGA and observed that the Act's inability to generate enough jobs made households unable to profit from its availability of employment benefits. For obvious reasons, the State's record in giving households 100 days of employment is not entirely adequate. **Choudhary Rekha (2021)** Analysis of MGNREGA's impacts on employment and migration in the Jodhpur district of Rajasthan. Although MGNREGA has decreased migration due to distress, it hasn't fully realised its potential. Due to higher pay with the establishment of MGNREGA, more women are now working. Due to the scheme, non-agricultural and construction salaries increased. **Biswas(2015)** examines the Impact of MGNREGA on Employment Generation and Asset Creation in Rural India and highlights that the plan has generated significant employment possibilities in rural India, according to data analysis, but has not recently demonstrated any forward-moving tendencies. Even while women's engagement is trending desirably, it has not successfully brought socially excluded families, particularly Scheduled Tribes, into the mainstream. **Deka & Panda (2015)**. Conducted the study on Employment generation and social capital formation: A study of the impact of MGNREGA in Assam and found out that the MGNREGA programme has a significant positive influence on both of the most crucial dimensions—employment and the creation of social capital—according to an impact assessment of the program's effects on these two factors. This supports the development in the livelihood security of the underprivileged and marginalized in a very apparent way. **Alam and Alam. (2014)** studied Good governance and employment generation through MGNREGA and observed that MGNREGA had reduced poverty by boosting wage rates and expanding employment options. Moreover, finally, economic decentralization has improved the participatory democracy process. Also, by allowing the Panchayati Raj Institutions (PRIs), rural impoverished classes, communities, and civil society organizations substantial roles. **P. Kumar (2018)** Conducted a study on employment generation under MGNREGA spatial and temporal performance across the state and find out that, on average,

people got the job only 45 days as against guaranteed hundred days of employment and SCs, STs, and Women got the employment under MGNREGA 27,22, and 48% percentage respectively.<sup>10</sup> **Chahal and Kumar**(2020) Studied the impact of MGNREGA on employment generation in Haryana. They found that MGNREGA plays an important role in employment generation in Haryana and provides social security and helps rural development. **Vasudevan et al.** (2020) Examine the MGNREGA in the Times of COVID-19 and Beyond: Can India do More with Less and pointed out that MGNREGA fails to provide adequate assured minimum of employment for those who demand in most rural areas. **S .Singh** Study highlighted that MGNREGA in the Bundelkhan region of Madhya Pradesh does not provide a minimum of hundred days of assured employment and approximately 39 % of employment given through MGNREGA.

### **3. Objectives of the Study:**

The study has the following objectives:

1. To analyze the extent of employment generation in Uttar Pradesh.
2. To highlight the Issues and Challenges of MGNREGS in providing employment in U.P

### **4. Methodology and Sources of Data:**

A Longitudinal research design/ descriptive research design is adopted to conduct the study in which the researcher attempted to examine employment generation trends through MGNREGS in Uttar Pradesh. The study is based on secondary data that has been collected from various sources like the Ministry of Rural Development, MGNREGS website. and the same has been presented adequately.

### **5. Importance of the Study:**

Uttar Pradesh (U.P) is the largest state in terms of population. Almost (16.5%) population of the country lives in U.P (Census, 2011), and (29.43%) population lives below the poverty line (Census, 2011), so it becomes essential that the most effective program, known as MGNREGS, is appropriately implemented in the state so people can get employment and ultimately reduce the poverty line and enhance the living standard of rural people and achieved the development of the rural economy.

## 6. Results and Discussion:

The study covers the following key aspects of the employment generation trends of the Mahatma Gandhi National Rural Employment Guarantee Scheme [MGNREGS] in Uttar Pradesh. The key aspects are employment demanded by households, and employment offered to households status, SCs, and STs employment status, and examine the employment status of Disabled persons.

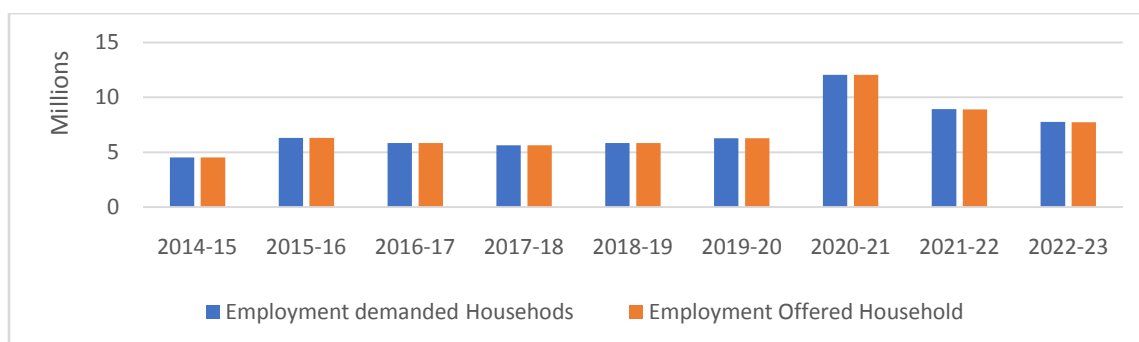
**Table 1: Employment Demanded and Employment Offered (In Lakh)**

Year	Employment Demanded		Employment Offered	
	Households	Persons	Households	Persons
2014-15	45.31	55.97	45.28	55.92
2015-16	63.1	82.03	63.04	81.93
2016-17	58.35	74.82	58.27	74.71
2017-18	56.43	71.70	56.33	71.56
2018-19	58.34	73.18	58.27	73.09
2019-20	62.65	78.54	62.59	78.46
2020-21	12.05	15.67	12.05	15.66
2021-22	89.16	11.23	89.12	11.22
2022-23	77.52	94.12	77.43	94.00

**Source:** Ministry of Rural Development

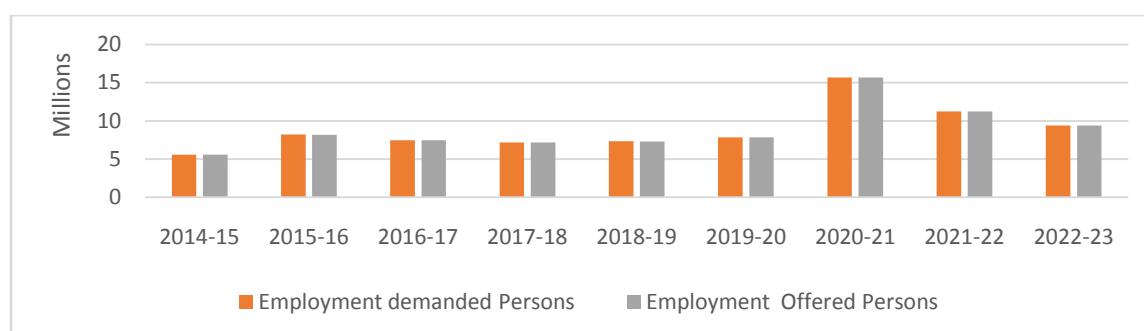
Table 1 shows that 45.31 lakh households in 2014-15 applied for MGNREGS jobs in rural areas and 45.28 lakh households got the job through MGNREGS. 63.10 lakh households in 2015-16 applied and 63.07 lakh household got the job and through the Figure-1 shows that at the time of Covid 19, it provided the highest employment of 12.58 crore people in 2020-21 applied for job and 12.52 crore households got the job and 89.16 lakh people registered in 2021-22 and 89.12 lakh households got the job and 77.52 lakh household registered 2022-23 and 77.43 lakh household got the job during covid it continuously provides the better employment in comparison of other normal years as indicate the bar graph 1 and 2 shows.

**Figure 1: Employment Demanded Households and Employment Offered Households**



**Source:** Ministry of Rural Development

**Figure 2: Employment Demanded Persons and Employment Offered Persons**



**Source:** Ministry of Rural Development

As the Figure-2 shows that 55.97 lakh persons demanded employment in 2014-15 and 55.92 lakh persons offered the job. 82.03 lakh people demanded jobs in 2015-16, and 81.93 lakh people got offered jobs. Highest number of persons, 15.67 lakh applied for the job in 2020-21, and 15.66 lakh people got the job, which continuously decreases as the data shows that 11.23 lakh people applied in 2021-22 and 11.22 lakh people got the job 9.41 lakh people applied for job in 2022-23 and 9.400 lakh people got the job.

**Table 2: Number of SCs and STs Households Provided Employment**

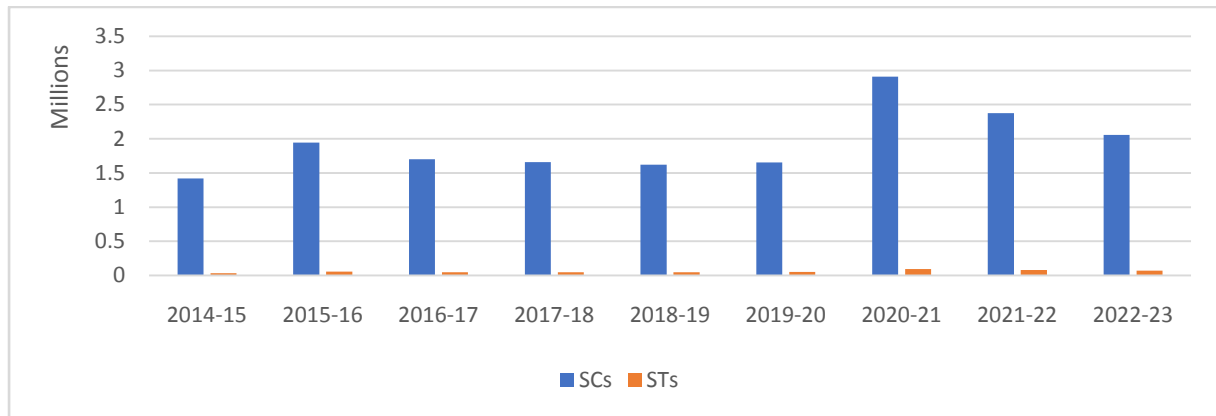
Year	SCs	STs
2014-15	1421923	34697
2015-16	1945311	54972
2016-17	1700361	48752
2017-18	1657452	49128
2018-19	1623340	49171
2019-20	1652386	53263
2020-21	2910679	91726

2021-22	2374902	81465
2022-23	2054910	68056

**Source:** Ministry of Rural Development

Table 2 shows that 14.21 lakh SCs households and 34.69 thousand STs households got employment in 2014-15. 19.45 lakh SCs households and 54.79 thousand STs households got jobs in 2015-16. 29.10 lakh SCs population 91.72 thousand STs population provided employment in 2020-21, which is the highest employment. 23.74 lakh SCs households and 81.46 thousand STs households got employment in 2021-22. 20.54 lakh SCs households and 68.05 thousand STs households got the job in 2022-23.

**Figure 3: SCs and STs Employment Status**



**Source:** Ministry of Rural Development

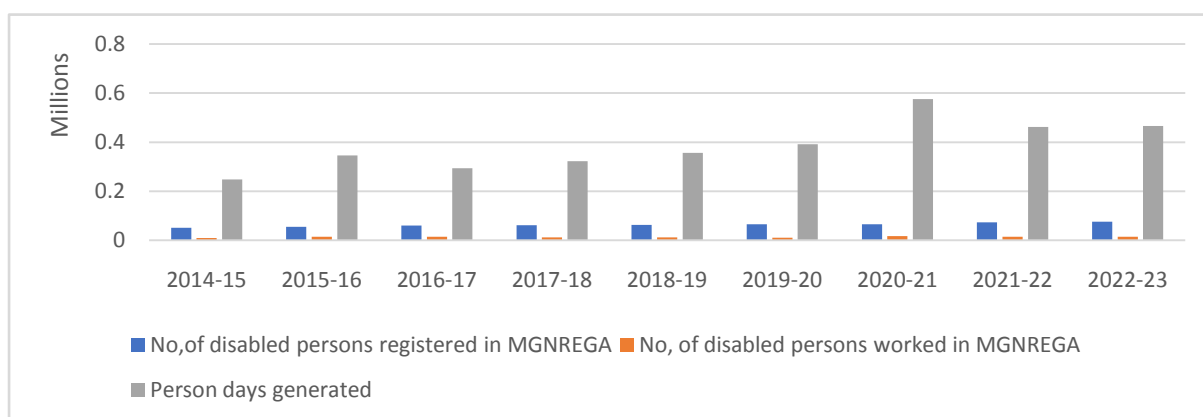
**Table 3: Disabled Persons Employment Status**

Year	No. of Disabled persons registered in MGNREGA	No. of Disabled persons worked in MGNREGA	Person days generated in the financial year
2014-15	51125	9143	248036
2015-16	55412	14020	345866
2016-17	59550	13819	294236
2017-18	61242	12130	321925
2018-19	62839	11336	356175
2019-20	64610	10997	391632
2020-21	64772	17435	575630
2021-22	73259	14068	462350

*Source:* Ministry of Rural Development

Table 3 shows the number of disabled people employed through MGNREGA and indicates that 51.1 thousand people registered for jobs in 2014-15, 9.1 thousand people got the job, and 24.8 thousand person days were generated, and it continuously increased to 55.4 thousand people registered, and 13.8 thousand people got the job and 34.5 thousand person days generated in 2015-16 and the highest number of people got the job at the time of covid-19, 64.7 thousand people registered for the job and 17.4 thousand people got the job and 57.5 thousand person-days generated in 2020-21.

**Figure 4: Disabled Persons Employment Status**



*Source:* Ministry of Rural Development

## 7. Issues and Challenges:

**Low ratio of disabled participation.** As the study shows that negligible percentage of disabled persons provided employment, 9.14 thousand only provided employment in 2014-15, and 14.03 thousand were employed in 2022-23.

**Low ratio of SCs and STs proportion in employment.** 14.21 lakh SCs and 34.67 thousand STs were employed in 2014-2015, and the highest 29.10 lakh SCs and 91.72 thousand STs employed in 2020-21. And a meager number of employment increases.

**Low ratios of employment offered.** Not a very attractive employment provided to households during covid-19 provided the highest employment; after that, it decreased.

## 8. Conclusion:

This study has analyzed the trend of employment generation in Uttar Pradesh using secondary data and examined the Number of people who got employment from 2014-15 to

2022-23 through MGNREGS and shows that 45.28 lakh people got the job offered in 2014-15 and it continuously increases during the covid -19 period it provided the highest employment, 12.05 crore people got the job in 2020-21 .89.12 people got the job in 2021-22, and 77.43 lakh people got the job 2022-23. The study also examined SCs and STs employment status from 2014-15 to 2022-23 and showed that 14.21lakh SCs and 34.69 thousand STs population got the job in 2014-15.19.45 lakh SCs population 54.97 STs population got the job in 2015-16, and highest number of people got the job SCs and STs population got the job at the time of covid-19. It is 29.10 lakh SCs and 53.26 thousand STs population got the job in 2020-21. 23.74 lakh SCs and 81.46 thousand STs population got the job in 2021-22. 20.54 lakh SCs and 68.05 STs got the job in 2022-23. The study has examined the number of disabled persons provided employment and shows that 9.14 thousand people got the job in 2014-15. 13.81 thousand people got the job in 2015-16 .12.13 thousand people got the job in 2016-17, and it continuously increases to 17.43 thousand people got the job in 2020-21, 14.06 thousand people got the job in 2021-22, and 14.03 thousand people got the job in 2022-23. It concluded that the majority of people got the job at the time of covid -19, and it showed 12.05 crore people got a job in 2020-21 which is the highest. Approximately 17.43 thousand disabled persons got the job in 2020-21 and it is the highest and number of SCs and STs who got the job is 29.10 lakh and 91.72 thousand in 2020-21, respectively. As the study shows that negligible percentage of disabled persons provided employment, 9.14 thousand only provided employment in 2014-15, and 14.03 thousand provided employment. It is found that 14.21 lakh SCs and 34.67 thousand STs were employed in 2014-15, and the highest, 29.10 lakh SCs and 91.72 thousand STs provided employment in 2020-21. And very low number of employment increases. Not a very attractive employment provided to the households during covid-19 provided highest employment after that, it decreased.

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