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Study shows rural job guarantee's positive impact on poor, women

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The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) helped lower poverty by 32 per cent between 2004-05 and 2011-12, lifting almost 14 million in this regard, says a recent survey by the National Council for Applied Economic Research and the University of Maryland.

The study involved 26,000 households and used data from the two rounds of the India Human Development Survey, 2004-5 and 2011-12.

In this period, though overall economic growth contributed in lowering poverty, so did the scheme, said Sonalde Desai, principal author of the study.

About 53 per cent of the workers employed were [women](#) and it contributed immensely in empowering them, the study showed. In 2004–05, rural women earned only 53p for each rupee earned by men. But, with implementation of the scheme in 2006, there was at least one job where men and women were paid equally.

“Is it any surprise that women’s participation has risen sharply and their share of work is nearly 53 per cent?” it said.

However, the numbers also show that the scheme is likely to have had a much smaller impact on the rural job market and on rural wages than commonly believed. At an all-India level, average days worked under the scheme was less than four. Overall, while the period saw a sharp rise in rural wages, [MGNREGS](#) played only a modest role, says the report.

It also says the positive effect is limited by very low access to work in some of the poorest states such as Bihar and Odisha.

Only 24.4 per cent of rural households participate in the scheme nationwide and nearly 70 per cent of interested households cannot participate due to lack of work. Most important, about 70 per cent of households below the poverty line do not participate.

In states with strong programmes, such as Chhattisgarh, nearly 60 per cent of the [poor](#) participate in MGNREGS infrastructure projects. By contrast, in states with weak programmes such as Bihar, barely 11 per cent of poor households participate, the study showed.

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