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### Problems Faced by MGNREGS Beneficiary's Wage Payment through Bank Account

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#### ABSTRACT

“Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is considered as one of the best programme. It enacted the National Rural Employment Guarantee Act (NREGA) on February 2, 2005 launched by central government of India with main objective of creating sustainable livelihood for rural poor by linking the benefits of the scheme with the participation. The scheme is also meant to uplifting economically, financially, politically, aiming to reduce migration and assets creation in rural areas so that all rural poor get more empowerment in the country, thereby improving their standard of living and this scheme is the biggest poverty alleviation programme in the world. This scheme started with an initial outlay of ₹11,300 crore in the year 2006-07, ₹34,000 crore in 2014-15, ₹38,500 in 2015-16, and presently the government sanctioned ₹42,000 crore for 2017-18. But, even after sanctioning the huge amount of fund for the scheme, still in India both rural poverty and unemployment have grown in a record manner during last few decades and the women who participated in this scheme are facing lot of problems/obstacles like delay in wage payment through banks, demonetization, stress on job and health related issues”. Particularly in Vellore district there are 743 panchayats in 20 blocks and nearly 73,280 women workers were registered so far and nearly ₹100 crore of wage payment not yet paid to beneficiaries through Aadhar linked nationalized bank accounts. By keeping this in mind, this paper going to address the problems related to wages payment to the beneficiaries through bank and demonetization of currency in India by entitled “Problems faced by MGNREGS beneficiary's wage payment through bank” in Katpadi, in Vellore district of Tamil Nadu.

**Keywords:** MGNREGS, problems, beneficiary, wage payment, government scheme, bank account.

## 1. INTRODUCTION

“The National Rural Employment Guarantee Act (NREGA) is landmark in the history of independent India. This act was re-named in 2009 and now called Mahatma Gandhi National Rural Employment Guarantee Act. “The main aim of this scheme is to enhance livelihood security of the household in rural areas of the country by providing at least one hundred days of guaranteed employment in every financial year of every household whose adult member volunteer to do the unskilled work”. Initially implemented in the 200 districts of the country first launched on February 2, 2006 from Anantapuri District of Andhra Pradesh. Now this scheme Completed ten years of implementation in the country on February 2, 2015. The main objectives of the scheme Provide, on demand, not less than 100 days to unskilled manual work in a financial year to every household in rural areas. Create productive assets of prescribed quality and durability through wage employment and strengthen the livelihood resource base of the rural poor proactively. Funding Pattern of the scheme is central government provides 75% and state government provide 25% of fund.

## 2. MGNREGA SCHEME IN VELLORE DISTRICT

On third stage April 1<sup>st</sup>, 2008 the Mgnrega scheme was initially started in Vellore district. The scheme covered 20 blocks in Vellore district namely Kandili, Tiruppathur, Jolarpet, Alangayam, Natranpalli, Madhanur, Peranambattu, Anaicut, Gudiyattam, K.V. Kuppam, Katpadi, Vellore, Kaniyambadi, Walajapet, Sholinghur, Arcot, Timiri, Kaveripakkam, Arakkonam and Nemile. The researcher selected to study in Katpadi block only. The following Table 1 represents the number of person days generated by women in MGNREGA.

**Table 1**  
**Number of Person days Generated by Women in MGNREGA in South India**

<i>S.No.</i>	<i>State</i>	<i>Person days generated (in lakh) 2011-12 2012-13 2013-14</i>		
1	Andhra Pradesh	15.70	16.15 (2.86)	15.09 (-6.56)
2	Karnataka	3.15	2.41 (-23.49)	2.87 (19.08)
3	Kerala	5.75	6.59 (14.60)	6.95 (5.46)
4	Tamilnadu	21.09	25.60 (21.38)	26.53 (0.36)
5	Pondicherry	0.085	0.061 (-28.23)	0.062 (1.63)

Source: <http://nrega.ni>

From the above Table 1, it is representing women participation in MGNREGA scheme Tamilnadu, south india. Tamilnadu have more women participation is persondays generated in 2011-12, 21.09 and 2012-13, 25.60 and 2013-14, 26.53 lakhs compared to other states. Like Andhra Pradesh, Karnataka, Kerala, Pondicherry.

## 3. SALIENT FEATURES OF THE ACT

Under the Act, each household is entitled to a 100 days of employment every year. A job card is to be issued within 15 days of registration. Job card forms the basis of identification for demanding employment.

Work is provided within 5 kilometers of the village. "Priority is given to women, such that at least one-third of the beneficiaries under the scheme are women". Efforts should be made to increase participation of the single and disabled women. For all works taken up by the Gram Panchayats, the cost of material component including the wages of the skilled and semi-skilled workers shall not exceed forty per cent at the Gram Panchayat level.

### **Permissible Works under the Act**

- Work includes like water conservation and harvesting.
- Drought proofing including afforestation.
- Land development, flood control and rural connectivity.
- Development of waste lands to bring it under cultivation.

### **Wage Payment through Bank Account**

- Beneficiaries getting wages weekly base
- Wage payment has to be mandatorily through beneficiaries' bank account only.
- Social Audit has to be done by at least six months once.
- MGNREGS provides the money in the hands of poor, particularly women directly without any middle man, even their husbands were not have the rights to receive it.

## **4. REVIEW OF LITERATURE**

Anindita Adhikari, Kartika Bhatia (2010) stated that direct transfer of wages into workers' bank accounts is a substantial protection against embezzlement, provided that banking norms are adhered to and that workers are able to manage their own accounts. Respondents had a fairly positive attitude towards bank payments, and an interest in learning how to use the banking system. Venu Babu and Sudhakar (2014) found that the women participating in the scheme said they had become less dependent on their husband for money. The scheme provide wage amount through beneficiaries bank account, so there is impact and through this scheme women get monitory benefit and also they are independent in their life. Krishnan and Balakrishnan (2014) have found that the MGNREGA provides the money in the poor people's bank account, particularly women directly without any middle man, even their husbands were not have the rights to receive it. Sourav Das (2014) did performance audit and found that the rural unemployment reduced because of implementation of MGNREGA. Many agricultural lands turned into settlement because of the scheme and unemployment is reducing both rural and urban area. Arulselvam and Deepika (2014) pointed out that women workers are not aware about income generating programmes which could help better in their socio-economic lot.

## **5. RESEARCH GAP**

Based on the literature review, it is observed that only few studies have been done in India and even fewer in Tamil Nadu but no studies were conducted on this area in Vellore district, Tamilnadu by MGNREGA

scheme wage payment through beneficiaries' bank account. Identifying this gap, the researcher chose the present research topic entitled “**Problems faced by MGNREGS beneficiary’s wage payment through bank account**” katpadi block, Vellore district, Tamilnadu.

## 6. STATEMENT OF THE PROBLEM

MGNREGA programme came as a solution to rural unemployment. The MGNREGA beneficiaries faced various problems for wage payment through bank account. It was found that the bank employees were not helping the MGNREGA account holders to operate their bank account, and supervisors were not a helping hand in operating the bank account, wage payment not paid on time, withdraw and deposit money take more time so wasting the time, very difficult to fill withdrawal slip because printed in English, beneficiaries facing problem in getting cash in small denomination. After Nov 8<sup>th</sup> 2016 Demonetisation forced the beneficiaries to withdraw our wage payment. Such a restriction affected their basic needs. It was hard to survive with such a small amount.

### Research Objectives

1. To study the demographic profile of the respondents in Katpadi, Vellore district, Tamil Nadu.
2. To identify problems faced by MGNREGS beneficiary’s wage payment through bank account.

### Hypothesis

**H<sub>0</sub>1:** There is no significant relationship between Problems faced by MGNREGS beneficiary’s wage payment through bank account with Bank employee not helping to operate MGNREGA Account.

## 7. RESEARCH METHODOLOGY

This study is descriptive in nature and the data was collected from primary and secondary data. Researcher has meet to MGNREGA beneficiaries and collect the information through schedule questionnaires using likert’s scale ranging from 5 strongly agree to 1 strongly disagree. Secondary data was collected published works in the form of books, articles, and official websites. 100 samples out of 360 populations from Katpadi block were collected as samples for this study and simple random sampling method was used. Sampling research tools frequency distribution and regression was used to analyze the objective of the study by using SPSS software.

## 8. DATA ANALYSIS AND INTERPRETATION

### Demographic profile-Percentage Analysis

The data pertaining to demographic profile of the respondents were presented in Table 2.

**Table 2**  
**Demographic Profile**

<i>Demographic variables</i>	<i>Category</i>	<i>Frequency</i>	<i>Percentage</i>
Gender	Male	48	48
	Female	52	52
	Total	100	100

*Problems Faced by MGNREGS Beneficiary's Wage Payment through Bank Account*

<i>Demographic variables</i>	<i>Category</i>	<i>Frequency</i>	<i>Percentage</i>
Age	21-30	2	2
	31-40	10	10
	41-50	33	33
	Above 50	55	55
	Total	100	100
Educational Qualification	Illiterate	61	61
	SSLC	39	39
	Plus two	0	0
	Degree	0	0
	Total	100	100
Native	Rural	73	73
	Semi urban	27	27
	Urban	0	0
	Total	100	100
Family income per month (in Rs.)	1000-2000	57	57
	2000-3000	43	43
	3000-4000	0	0
	4000-5000	0	0
	Total	100	100

*Source:* Author's findings

### **Interpretation**

From the above Table 2, it is showed that 48% of the respondents are male and the remaining 52% of the respondents are female. 2% of the respondents age between 21 - 30years, 10% of the respondents between age group 31-40, 33% of the respondents age 41-50 years, 55% of the respondents are above 50 age. 61% of the respondents are Illiterate and remaining 39% of the respondents are SSLC. 73% of the respondents are rural background and 27% of the respondents are semi urban background. 57% of the respondent's income level is 1000-2000 rupees and 43% of the respondent's income range is 2000-3000 rupees.

### **Problems Faced by MGNREGS Beneficiary's Wage Payment through Bank Account - Regression Analysis**

The data pertaining to Problems Faced by MGNREGS Beneficiary's Wage Payment through Bank Account respondents were presented in Table 3.

Problems Faced by MGNREGS Beneficiary's Wage Payment through Bank Account were analysed by computing correlation co-efficient and results presented Table-3. The result shows that value is ( $R = 0.551$ ), Value indicating a strong correlation between the independent variables (difficult to open bank account, no help in hand supervisor, difficult to submit many forms, wage payment not paid in time, withdraw and deposit money take more time, very difficult to fill withdrawal slip printed in English, savings bank account with insurance facilities not available, facing problem in getting cash, like to get my wage paid through bank account) and the dependent variable (bank employee not helping to operate MGNREGA account).

**Table 3**  
**Model Summary**

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.551 <sup>a</sup>	.304	.234	1.035

**ANOVA<sup>a</sup>**

<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig</i>
1	Regression	42.096	9	4.677	4.366	.000 <sup>b</sup>
	Residual	96.414	90	1.071		
	Total	138.510	99			

**Co-efficient**

<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>T</i>	<i>Sig</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
(Constant)	1.267	1.700		.746	.458
Very difficult to open bank account	0.056	0.132	0.048	0.428	0.670
No helping hand from MGNREGA supervisor to operate bank account	0.223	0.111	0.226	2.008	0.048
Difficult to submit too many form	0.252	0.176	0.218	1.430	0.156
Wage payment on MGNREGA not paid on time	-0.635	0.270	-0.267	-2.350	0.021
Withdraw and deposit money take more time	0.509	0.194	0.277	2.618	0.010
Very difficult to fill withdrawal slip	0.273	0.173	0.245	1.581	0.117
Savings bank account with insurance facilities not available	-0.049	0.174	-0.027	-0.279	0.781
Facing problem in getting my cash in small denomination	-0.029	0.142	-0.022	-0.201	0.841
I like to get my wage paid through bank account	0.085	0.117	0.073	0.723	0.471

*Dependent Variable:* Bank employee not helping to operate MGNREGA account.

*Source:* Primary data

The coefficient of determination ( $R^2 = 0.304$ ) indicating that the independent variables have the ability to explain 30.4% of the change in the dependent variable (bank employee not helping to operate MGNREGA account).

The researcher were found the important independent variable is subject to no helping hand from MGNREGA supervisor to operate bank account (P value is 0.048 which is less than the hypothetical value 0.05 at 5% level of significant) wage payment not paid on time (P value is 0.021 which is less than the hypothetical value 0.05 at 5% level of significant) withdraw and deposit money take more time (P value is 0.010 which is less than the hypothetical value 0.05 at 5% level of significant) the result of the statistical analysis refers to the Acceptance of Ho1 There is a significant relationship between Problems faced by MGNREGS beneficiary's wage payment through bank account with Bank employee not helping to operate MGNREGA Account.

Very difficult to open bank account, (P value is 0.670 which is higher than the hypothetical value 0.05 at 5% level of significant). Difficult to submit too many forms, (P value is 0.156 which is higher than the hypothetical value 0.05 at 5% level of significant). Very difficult to fill withdrawal slip because printed in English, (P value is 0.117 which is higher than the hypothetical value 0.05 at 5% level of significant). Savings bank account with insurance facilities not available, (P value is 0.781 which is higher than the hypothetical value 0.05 at 5% level of significant). Facing problem in getting my cash in small denomination, (P value is 0.841 which is higher than the hypothetical value 0.05 at 5% level of significant). Like to get my wage paid through my bank account, (P value is 0.471 which is higher than the hypothetical value 0.05 at 5% level of significant) the result of the statistical analysis not accepted Ho1 There is no significant relationship between Problems faced by MGNREGS beneficiary's wage payment through bank account with Bank employee not helping to operate MGNREGA Account.

## 9. CONCLUSION

The scheme Mahatma Gandhi National Rural Employment Guarantee Act is improving the standard of living in rural people. More than 1,17,700 beneficiaries get employment opportunities through the scheme in Vellore district. Most of the respondents say that operating bank account is very tough because the bank employee and MGNREGA Supervisor are not helping them operate the MGNREGA account. Another issue is that the wages are not created on time and it is also difficult to withdraw and deposit money. So the Mahatma Gandhi NREGA wage payment through bank is difficult for the illiterate beneficiaries. Through this study it is suggested that the government should conduct awareness programmes for the beneficiaries of rural area and teach them to operate the MGNREGA account.

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