

## MGNREGA – A STEP TOWARDS INCLUSIVE GROWTH

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### **Abstract:**

About three-fourths of the SCs live in rural areas, where the main source of livelihood is either farming, wage labour or some kind of non-farm business. In 2000, only 16 percent of all SC households cultivated land as owner-cultivator as against 41 percent among non-SC/ST households. Only 12 percent carryout some kind of business, which indicates access to capital. Taking both farm and non-farm activities, only about 28 percent of rural households had got some access to capital assets as compared to 56 percent for non-SC/ST households. Inadequate access to agricultural land and capital leaves no option to SC workers except to resort to manual wage labour; consequently, it leads to enormously high-level of (manual) wage labour among the SCs, that is, 61 percent as compared to only one-third for others in rural areas. Among them, in urban areas, one-third was casual labourers as against only 7 percent among the non-SC/STs. The unemployment rate (based on current daily status) in 2000 were two times higher among the SCs (5.5%) as compared with non-SC/STs. With higher incidence of wage labour, associated with high rate of under-employment, the SCs tend to suffer from low income and greater level of poverty. In 2000, about 38 percent of SC households were below the poverty line in rural areas as compared to only less than 20 percent among non-SC/STs households. The incidence of poverty was as high as 50 percent among agricultural labour as against 40 percent among nonagricultural

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labour. In urban areas also, the poverty among SCs was about 38 percent, which was much higher as compared with 19 percent for non-SC/STs. Along with the general population, the percentage of both SCs living below the poverty line has indicated a declining trend from 1993-94 to 1999-2000. The need for special attention for SCs welfare and development was realized that the Scheduled Castes suffer from the dual disabilities of severe economic exploitation and social discrimination. While they constitute 16.2 per cent of the total population of the country, their proportion is much larger – more than twice in the poverty groups of the country, most of the Scheduled Castes are below the poverty-line. Accordingly, thrust has to be on the economic development of the Scheduled Castes.

In respect of the Scheduled Castes the strategy is to take up programmes for the Scheduled Castes in different occupational categories, especially poverty groups. The Scheduled Castes are mostly landless labourers, marginal and small farmers, leather workers, fishermen, artisans like weavers and those who follow strenuous occupations like rickshaw pullers, cart pullers, etc. The approach is to reach the flow of benefits to the Scheduled Castes through individual family and group-oriented programmes. For this, new need-based programmes require to be taken up and existing programmes re-oriented to suit the specific developmental requirements and handicaps of the Scheduled Castes in different occupational groups (Planning Commission, 2006). One such programme focusing on unskilled based wage-employment is Mahatma Gandhi National Rural Employment Guarantee Act, 2005, (MGNREGA) which was enacted on 7th September 2005. The Act provide for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household. The Act has focused on SC/ST households. Special efforts have been taken to see that SC/ST households get representation; provided job cards; facilitated to apply for job and provided job under the scheme (MRD, 2010).

The impact of the various developmental programmes is to be gauged from the perceptible improvement in the socio-economic status of the SC/ST beneficiaries. The present study is rather a comprehensive inquiry into the problems faced by the SC/ST beneficiaries of Mahatma Gandhi National Rural Employment Guarantee Act. The programme of this sort has to be evaluated based on the problems faced by the SC/ST beneficiaries while availing the assistance. For this, the current study aims to address the above stated issues through primary

data. This will enable the policy makers to make suitable changes if any needed to make it a realistic programme. To find out the impact of the programme primary data was collected from 100 SC/ST beneficiaries of the programme. As no such study has been carried out in Tirupur District, this research will be of great value to the officials, planners and policy makers in identifying the crucial areas of development of beneficiaries in rural areas. The objectives of the study are

- To analyze the socio economic conditions of the beneficiaries.
- To examine the benefits received by the beneficiaries
- To study the problems faced by the beneficiaries.

### Hypotheses:

The men beneficiaries and women beneficiaries did not differ significantly in their monthly income and expenditure.

### Methodology:

The sample unit consists of 100 sample respondents, out of which 50 are men and 50 are women beneficiaries of SC/ST community. Only those who were working in MGNREGA in uthukuli Panchayat of Tirupur district were selected. Convenience sampling technique was adopted in the selection of sample units. The responses were elicited through a detailed interview schedule personally administered. Discriminant analysis was used.

### Findings:

The socio economic conditions of the MGNREGA beneficiaries are given in the following Table – 1. In the case of women beneficiaries, about 90% were married but for men it was only 48%. All the beneficiaries belong to the Hindu community. All the men and women beneficiaries belonged to SC and ST category. Both the men and women beneficiaries under study were illiterate. Men beneficiaries belonged to the age group of 19 to 55 years but for women beneficiaries it was 22 to 58 years. The mean age of the men and women beneficiaries was 31 and 37 years respectively. Entire men beneficiaries and 98% women beneficiaries were from nuclear family.

After joining MGNREGA, for both men beneficiaries and women beneficiaries the average family monthly income increased. The average family monthly income of the men beneficiaries before joining the scheme was Rs.3512 but after joining the scheme it was Rs.5934 but the family monthly income of women beneficiaries was Rs.3802 and Rs.5954 respectively. The monthly income of the sample households of the women beneficiaries exceeded that of the men beneficiaries. Based on 't' test, it was found that before and after joining MGNREGA there was significant difference in the mean income earned by the households among both men beneficiaries(16.595) and women beneficiaries(10.256). The mean monthly income of the households of the men beneficiaries was not significantly different from that of the households of the women beneficiaries either before joining MGNREGA (1.254) or after joining MGNREGA (0.060).

TABLE - 1

## SOCIO-ECONOMIC CHARACTERISTICS OF THE BENEFICIARIES (IN %)

Variables		Men (%)	Women (%)
Marital status	Married	48	90
	Unmarried	52	0
	Widow	0	10
Type of family	Nuclear	100	98
	Joint	0	2
Age	Mean	31	37
Income – Before MGNREGA (Rs.)	Mean	3512	3802
Income – After MGNREGA(Rs.)	Mean	5934	5954
Expenditure – Before MGNREGA(Rs.)	Mean	1534	1726
Expenditure – After MGNREGA(Rs.)	Mean	2737	2998
Savings – Before MGNREGA(Rs.)	Mean	146.50	174
Savings – After MGNREGA(Rs.)	Mean	554	184.50
Debt – Before MGNREGA(Rs.)	Mean	1130	1030
Debt – After MGNREGA(Rs.)	Mean	2911	6070

Source: Calculations based on primary data

In the case of expenditure, after joining MGNREGA, the average monthly expenditure of the sample households of the men beneficiaries was Rs. 2737 which was lower than that of the women beneficiaries, where it was Rs. 2998. Before joining MGNREGA the average monthly expenditure was Rs. 1534 and Rs. 1726 respectively. Based on 't' test it was concluded that before and after joining MGNREGA there was significant difference in the average expenditure of the households of the men(11.093) and women(10.077) beneficiaries. Among the men beneficiaries and women beneficiaries, there was no significant difference in the mean expenditure of sample households either before joining MGNREGA (1.809) or after joining MGNREGA (1.292). It can be concluded the MGNREGA beneficiaries were benefitted due to the job provided for a period of 100 days with the daily wage of Rs.98/-. Wages were provided in the form of cash. Around 22% women and 59% men beneficiaries worked for more than 100 days. Through patta scheme all the beneficiaries under the study received 1.75 to 3 cents of land with house from the government.

Before joining MGNREGA, about 40% and 42% of men and women beneficiaries saved but after joining MNREPG, the percentage increased to 80 and 74 respectively. Before and after joining MGNREGA, the average savings of the women increased from Rs.174/- to Rs.184-50 but for men beneficiaries, it was Rs146-50 to Rs.554/- respectively. But the debt level of the beneficiaries increased, in the case of men beneficiaries 54% had debt, but it increased to 74% after joining MGNREGA. The loan was got from money lenders for hospital purpose, to purchase gold, to buy house and vehicle. The average debt increased from Rs.1,130/- to Rs.2,911/-. About 62% of the women beneficiaries had debt but after joining MGNREGA the percentage was 96. The average debt increased from Rs.1,030/- to Rs.6,070/- respectively. Similar to men, the women got loan for purchasing gold, furniture and for educating the children. Due to a security in the job, the beneficiaries had a tendency to get loan to rise up their standard of living. However, MGNREGA had raised the economic conditions of the rural poor. Similar study by Ashok Pankaj(2008) revealed that though the average number of employment days provided per households was relatively low, the scheme has been able to generate some impact on the livelihood conditions of the beneficiaries. The most obvious impact was that the income from NREGA has contributed to about 8 per cent of the total annual income of the households in Bihar and to about 2 per cent in Jharkhand. The relatively high share of NREGA in the total income of



the beneficiary household in spite of the low number of employment days in Bihar (and also in Jharkhand) was because of the very low income base of the households. The beneficiaries in both the states used their earnings from the NREGA to spend mostly on food and daily consumption items. The share of food and daily consumption items was 67.30 per cent in Bihar and 71 in Jharkhand. Apart from food and other daily consumption items, most of the beneficiaries used their income from the NREGA for meeting the expenditure on healthcare, education, repayment of loans and the purchase of household durables. The NREGA has also played a role in the reduction of indebtedness among the beneficiary households. For instance, 38 per cent of the beneficiary households were indebted in 2006 in Bihar; this figure came down to 31.37 per cent in 2008, signifying a reduction of seven percentage points within two years of implementation. In the case of debt the current study showed a change in the trend, where the number of beneficiaries who raised loan increased.

#### **Problems at work spot:**

Narayanasamy and Boraian, 2009, in their study revealed that the women have reported certain specific problems during the focus group discussion. They were not able to strictly follow the time schedule as they have responsibilities at home, a few were not accustomed to hard physical work, tools are not women friendly, toilets are not made available at certain worksites, women above the age of 50 found it hard to put up with the work under NREGS and they had also come across with location specific problems.

Therefore, an analysis of the various problems faced by the women at work spot becomes essential. The respondents were asked to indicate if they had faced any problem during the course of work. The problems identified were: (1) hard work, (2) hours of work, (3) travel, (4) no basic facilities, (5) delay in wage, (6) less work days, (7) low wages, (8) health hazard, (9) delay in getting job, and (10) corruption. The workers in the selected sample were asked to indicate the extent of conflict in each of the above problems as 'fully agree', 'agree', 'neutral', 'disagree' and 'fully disagree'. The responses were given weights as +2, +1, 0, -1 and -2 respectively.

Discriminant analysis was carried out to find out the factors which discriminate the men and women beneficiaries in their problems faced. The beneficiaries were divided into two groups. Group I, consists of beneficiaries who were in the higher problem group that is the problem score of the beneficiaries was above the average. Group II consists of those beneficiaries who belonged

to the lower problem group that is the problem score of the beneficiaries was below the average. From the estimated linear discriminant function, the relative importance of each variable was found using canonical discriminant function and is given in the following Table 2:-

**TABLE 2**  
**RELATIVE IMPORTANCE OF THE VARIABLES**

Variables	Male	Female	Total
Hard work	18.5	18.14	13.64
Hours of work	37.6	5.92	10.23
Travel	1.78	1.27	2.84
No basic facilities	0.02	0.84	1.14
Delay in wage	20.8	27.85	33.24
Less work days	1.53	0.76	2.84
Low wages	18.68	18.14	14.77
Health hazard	0.92	19.84	18.18
Delay in getting job	0.05	6.34	1.7
Corruption	0.09	0.89	1.42

Source: Calculations based on primary data.

Combining both male and female beneficiaries it was delay in wage, which had the highest discriminating power. More than 32 percent of the discrimination between the two groups of beneficiaries was due to this factor, since the beneficiaries wanted daily wages. Next to delay in wage, health hazard at work place (18.18 percent), low wages (14.77 percent) and hard work (13.64 percent) had the highest discrimination power. In the case of women beneficiaries, delay in wage had the highest discriminating power of more than 27 percent. Low wages and hard work had a greater discriminating power of more than 18 percent. Health hazard had the highest discrimination power of more than 19 percent. Among the men beneficiaries' hours of work (37.6 percent) had the highest discriminating power. Delay in

wage (20.8 percent), low wages (18.68 percent) and hard work (18.5 percent) had the highest discrimination in discriminating the beneficiaries. The problem of the beneficiaries is highly associated with delay in wage, low wage, health hazard and hard work. The analysis brings to light that the beneficiaries' health was affected since they worked in construction site and the wages were low when compared to the market rate.

### Conclusion:

The benefits of MGNREGA are reaching the rural area, which in turn will develop the rural areas in the long run. The scheme has an impact in raising the standards of living of the beneficiaries. Better minimum wage should be provided from time to time not only to check migration from rural areas but to cope up with soaring food prices. Wages should be provided through bank so as to inculcate the habit of savings among the beneficiaries.

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