



AN EMPIRICAL STUDY ON MGNREGS WITH SPECIAL REFERENCE TO RAYALASEEMA REGION OF ANDHRA PRADESH

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Abstract

Mahatma Gandhi national rural employment guarantee act (MGNREGS) implemented by ministry of rural development (MoRD) is the flag ship programme of the government that touches live of the poor and promotes inclusive growth. the main objective of this paper is to review the performance of MGNREGA. The paper also explains the objectives, features, permissible works under this act funding pattern of MGNREGA.

1.Introduction

Ever increasing in population in developing countries particularly India needs intensive use of both natural and human resources. In recent years, utilization of human resources has gained much attention all over the world particularly developing countries like India in term with the increasing it's population. In backward regions where employment opportunities for the people working in agriculture sector are not guaranteed, skills up graduation and employment security support are needed to get minimum assured employment for the people working in non-farm sector. Minimum person days of employment during non-agricultural seasons should be provided and some constitutional provision should be made more effective to that extent. Optimal utilisation of these provisions for creation of employment is a vital strategy for retaining the labor in rural areas and use them for farm activities during peak agricultural seasons. It is more so in back ward regions like Rayalaseema in Andhra Pradesh. Which is consisting rain shadowed pockets. Such an effort can result in bringing radical transformation of unproductive masses into more productive masses by engaging them in profitable ventures and solve the labor problem in agriculture and allied sectors in these regions. As a large segment of population particularly weaker sections in the backward regions are illiterates and economically poor should be made access to employment opportunities through strategic way of undertaking wage employment generating activities and creating permanent and community based assets in rural areas. It should by also be aimed that utilisation of assets so created as basic infrastructure facilities for further development of the village.

Implementation of Mahathma Gandhi National Rural Employment Guarantee Scheme (APMGNREGS) in Andhra Pradesh is a huge employment generation programme taken sup as per the National Rural Employment Guarantee Act-2005 (Act No.42 of 2005). This Act is to provide enhancement of employment security of the poor households in rural areas in the country by providing at least hundred days of guaranteed wage employment in every financial year for every poor household, whose adult members volunteer to do unskilled manual work. This programme is considered as a popular scheme got laurels from rural India as the rural workers are ascertaining their right to work. Consequent upon the passing of the Rural Employment Guarantee Act on 7th September 2005, the National Rural Employment Guarantee Scheme was launched on 2nd February 2006 in Bandlapalli village of Anantapur District of Andhra Pradesh and was declared launched this scheme in 200 districts in the country on the same day with a view to extend it to all other districts within five years time, its renamed as MGNREGS from 02-10-2009.



The most backward 200 districts that were notified under the MGNRGP on second February 2006, additional 130 districts were notified in the financial year 2006-2007. The remaining 266 districts have been notified on 28th September 2007, where the scheme had come in to effect from first April 2008.

The implementation of this program had generated wage employment for 2.10 crore rural households in the first phase during 2006-07, creating 90.50 crore person days of employment. Out of total number of workers engaged in this program 60 per cent are Scheduled Castes and Scheduled Tribes remaining 40 per cent are Backward Castes and other General Social categories irrespective of the social categories 40 per cent women also were provided employment.

The program has created durable community based assets through 8,00,000 different works. Out of them nearly 54 per cent are water harvesting structures. During 2007-08 year wage employment was provided for 2.57 crore households as against the employment demanded by 2.60 crore households. At present the program guide lines also permit to take up works pertaining to land development, horticulture, plantation and minor irrigation works in the lands owned by BPL families were linking the wage employment opportunities through land based activities. As a result there is a reduction in distress migration and increase in land productivity. equality of wages irrespective of gender and financial stability through employment opportunity strangled the traditional supremacy of feudalism thus championing economic equality and social empowerment. The mate system in this program, in implementation of this scheme is developing new political scenario in rural areas, realizing Gandhian ideal of popular democracy and people leadership. Issuing the Job Card, maintenance of Muster Roles, Check Measurement, Account Pay Order etc, are the technical jargons in the program implementation which have become popular among common man. This program implementation is enriched by technical, administrative and social systems like Electronic fund transfer system, Call center system, Vigilance system, Quality control wings and Social audit. These are also aiming at improving the transparency and accountability at all levels of program implementation.

Despite all above measures have been taken still there are some practical problems at implementation level and there is wide scope for improvement by plugging the gaps and strictly adhering the provisions in the act of 2005 in right spirit. in view of the above the proposed study is designed to identify different problems in encountered by the implementing missionary, the labor employed in the program activities and farmers in the rural areas. this study is also aiming to make appropriate suggestions for better implementation of the scheme based on the research findings. The present study is an example in this direction.

Historical background of employment generation programmes for Rural People.

Discussion

A major criticism of the MGNREGA is that a lot of money disbursed by the government gets siphoned off by middlemen, thus leaving a number of MGNREGA workers either with unpaid wages or less than standard wages. Another criticism of NREGA is that it is making agriculture less profitable. Landholders often oppose it on these grounds. The big farmer's point of view can be summed up as follows: landless labor are lazy and they don't want to work on farms as they can get money without doing anything at NREGA worksites; farmers may have to sell their land, thereby laying foundation for the corporate farming.

Such a study would be able to point out on the functioning of the scheme, the actual result against the expected result, the problems that are being faced in implementation of program and so on. This study

has tried to do that. MNREGA has completed its twelve years; rarely any of the studies have attempted to look into the actual performance and its contribution towards long term development and sustained employment generation in the villages of Andhra Pradesh.

The main focus of the study is on analyzing the socio-economic impact of Mahatma Gandhi National Rural Employment Guarantee Scheme. More specifically, the study seeks to:
 Critically analyze the impact of Mahatma Gandhi National Rural Employment Guarantee Scheme on Employment, Income and Expenditure

The research methodology has been used to find out the impact of MGNREGS on poverty, income and employment. This research focuses on impact of MGNREGS on socio-economic conditions of workers in Gudur manadal of Kurnool district, Andhra Pradesh. The sample size for the study is 120 on simple random sample method.

For analysing the findings and to draw the inferences, the statistical and mathematical tools have been used like Mean Average, Chi square test and Paired T Test etc.

Impact of MNREGS on Family Income, Savings and Expenditures

One of the major purposes of the MGNREGS is to increase the family earnings of the poor households in the rural areas. For analyzing the impact, the responses of sample beneficiaries have been obtained such as income, savings, expenditure, expenditure pattern etc. on three-point scale i.e., increased significantly, increased moderately and no change. The findings regarding the impact of MGNREGS on income, savings and expenditures have been depicted in the table 1, and described as follows:

Impact on Income: After the implementation of the scheme, average family income of the sample respondents is found to have increased, as about 31.66 per cent of the people reported to have seen significant increase and 63.34 per cent reported a moderate increase in their family income. Very few (5 per cent) experienced no change in family income.

Impact on Savings: Workers' household savings are also expected to increase with the additional flow of income to these households. Table 1 show that 25 per cent workers strongly accepted that savings has increased considerably and 65 per cent respondents agreed as moderate increase in savings. Very insignificant number of respondents (10 per cent) considered no change in savings.

Table 1: Impact of MGNREGS on Income, Savings and Expenditure

Sl. No.	Particulars	Significantly Increased		Increased moderately		No Change	
		No. of respondents	%	No. of respondents	%	No. of Respondents	%
1	Impact on Family Income	38	31.66	76	63.34	06	5.00
2	Impact on Savings	30	25.0	78	65.0	12	10.0
3	Impact on Expenditure	28	23.34	48	40.0	44	36.66
4	Impact on Expenditure Pattern						
A	Food	33	27.5	65	54.17	22	18.33
B	Education	19	15.83	31	25.83	70	58.34

C	Fuel/Electricity	16	13.33	06	5.00	98	81.67
D	Health Expenditure	33	27.5	44	36.66	43	35.84
E	Clothing	27	22.5	28	23.33	65	54.17
F	Debt repayment	02	1.67	106	88.33	12	10.0

Impact on Expenditure: It seems to be a positive impact on household expenditures as 23.34 percent beneficiaries reported significant increase in expenditure, while 40 per cent felt moderate increase in expenditure. However, 36.66 percent perceived no change. But overall impact can be taken as encouraging.

Impact on Expenditure Pattern: It was mostly observed that with the increase in income and expenditure pattern i.e., the distribution of expenditure on various items, also changes. This is evident from the study also. As the increase in MNREGS income is not so high to change the expenditure pattern of the households, so no effect in case of some items were observed.

(a) Expenditure on Food Items: 27.5 percent household responded that their expenditure on food items has increased significantly, while 54.17 per cent indicated that it has increased to some extent, but 18.33 percent felt no change in expenditure on food items. However, the findings revealed maximum increase of expenditures in case of food items.

(b) Impact on Educational Expenditure: Increase in Enrolment of children in schools was observed significantly by 15.83 percent and moderate increase by 25.83 percent of respondents. 58.34 percent respondents replied with no change in enrolment of children. It can't be supposed as negative, because to Andhra Pradesh government's scheme like mid-day meal programme had already increased enrolment in schools.

(c) Impact on Fuel and Electricity: Most of the respondents didn't felt a major change in fuel and electricity as 13.33 per cent and 5 per cent graded it as significant and moderate increase, while 81.67 percent feels no change.

(d) Impact on Health Expenditure: The employment generation has increased their income and now the workers have more money in hand. Hence, they are able to spend somewhat on the health of their family members by going to the town for better treatment. The additional income, especially payments in cash for the daily wages, immensely helps poor families to spend it on health issues. (PACS 2007). The findings reveal the significant increase by 27.5 percent households, moderate increase by 36.66 percent respondents on health expenditure, while 35.84 per cent experienced no change in expenditure on health.

(e) Impact on Clothing: No change in expenditure on clothing was experienced by majority (54.17 per cent) of the workers. However less than 50 percent respondents observed significant change (22.5 per cent) or moderate change (23.33 per cent) in expenditure on clothing.

(f) Impact on the Repayment of Debt: 1.67 percent workers perceived that the income received through the scheme has significantly increased repayment of loan, 88.33 per cent agreed that it has reduces their liability moderately. Very few workers (10 per cent) felt that income received through the scheme has not helped at all in reducing their household indebtedness. In fact, most of the respondents replied that with extra earnings from MNREGS, their main priority is to repay the loan and this income has helped in fulfilling this priority.

Test of Hypothesis

H_0 : There is no significant impact of MGNREGS on Income, Expenditure and Savings of the sample respondents

H_A : There is significant impact of MGNREGS on Income, Expenditure and Savings of the sample respondents

The details of Hypothesis testing are as follows:

The survey included taking the views of households regarding impact of MGNREGS on issues like savings, expenditure on various essential components like food, education, clothing etc.

- I. The response was categorized as ‘Significant increase’, ‘Moderate increase’ and ‘No change’. The numbers indicated under each category in the Table 1 is the number of respondents in that category.
- II. To verify the significance of the MGNREGS impact on income, saving and expenditure, Pearson chi-squared statistical instrument, χ^2 (test) has been used, where the numbers listed in each category is considered as the observed frequency.

Table 2: Chi Square Test for Impact of MNREGS on Income, Expenditure and Savings

Sl. No.	Particulars	χ^2 Value	Df	P Value	Remarks
1	Impact on Family Income	321.015	2	< .001	Moderate Increase
2	Impact on Savings	264.298	2	< .001	Moderate Increase
3	Impact on Expenditure	48.736	2	< .001	Moderate Increase
4	Impact on Expenditure Pattern				
A	Food	145.784	2	< .001	Moderate Increase
B	Education	192.147	2	< .001	Moderate Increase
C	Fuel/Electricity	652.14	2	< .001	No Change
D	Health Expenditure	14.201	2	0.0045	No Change
E	Clothing	89.193	2	< .001	No Change
F	Debt repayment	726.98	2	< .001	Moderate Increase

Since no presumptions were there regarding the views and preferences of the sample households, therefore, assume that there is an equal probability that a respondent will lie in any of the three categories. Thus, the expected frequency is taken as the sample size divided by 3 for each category i.e., 40.

Decision Rule: Reject H_0 if p- value is < 0.05 asymp. Sig (2 sided);

It is clear that calculated value of χ^2 is greater than p value, therefore null hypothesis, that there is no significance of divergence between observed frequency and expected frequency is rejected.

From the above statistical analysis we can state that-

There is moderate increase in income, savings and expenditure due to MNREGS as per the responses of the subjects.

If analyzed about expenditure pattern, then no change can be stated on expenditure on fuel/ electricity, health and clothing while moderate increase has been found on food, education and debt repayment.

We can conclude by saying that impact of MGNREGS is moderate rather than significant.

5. Conclusion

Villagers consider MGNREGA as promising to be a boon for improving rural livelihood. The workers regarded MGNREGA income as a substantial supportive income supplementing other sources of irregular earnings. Provision of job within the village is very much encouraging to villagers. MGNREGA also ensured gender equality in rural Andhra Pradesh. The program employed a very good proportion of scheduled caste and backward caste people. Financial inclusion strategies like bank account opening for MGNREGS beneficiaries has resulted in multiplier effects of savings, financial safety, hassle free wage disbursements and ease of money withdrawal.

The scheme was successful enough in raising the level of employment and income of the rural households, thereby enhancing their purchasing power. It has substantially increased their credit worthiness. Workers get commodities on credit from the nearby grocery shops because sellers are aware of the assured income from MGNREGA. The MGNREGA earnings were spent on everything from food items to the payment of old debts. Some repairs and maintenance on their homes was also financed. MGNREGA has benefited the social and financial status of the poor households.

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