



# IMPACT OF NREGS ON RURAL EMPLOYMENT AND POVERTY ALLEVIATION

(A Study on Anantapur District; A.P)

**Dr.P. Gopal Naik**

Teacher, A.P. Model School, Ramagiri Mandal, Anantapuramu district, (A.P); India.

## ABSTRACT

### KEYWORDS:

beneficiaries, guaranteed employment, NREG, rural community, rural development

*Rural economy is the backbone of the Indian Economy- Gandhiji.*

*Direct participation of the people in the development activities' improves accountability and transparency in the process of identification of beneficiaries. Though the Indian economy is the 11<sup>th</sup> largest economy in the world in terms of GDP and the 4<sup>th</sup> by purchasing power parity till there is existing 27 percent of poverty, of these 75 percent are in the rural India. The NREGS stands as a crucial pathway for reducing rural poverty and achieving human development. NREG scheme is now seen as one of the most promising types of intervention to reduce poverty and empower rural folk by providing 100 days guaranteed employment. The present attempt is made to study the impact of NREGS on provision of employment and income generation of rural poor in Anantapur district, Andhra Pradesh. It found that there is positively significant impact of NREGS on rural poverty alleviation by providing employment and income generation opportunities in the study area. The impact NREG Scheme is higher on female than the male labour.*

## INTRODUCTION

Ever since the independence of the country, rural development and alleviation of poverty have been given utmost priority in plans for all round development of rural areas. Planning and development policies for the eradication of poverty in rural areas have started since the inspection of the five years plans. Every plan document, right from the First Five year plan, has spelt out the philosophy, the scheme contents and the financial allocations for the different schemes including those meant for providing the basic minimum services for the rural community. In every five years plan new strategies were formulated to attain rural development, these efforts in these ten Five year plans period yielded some positive results.

Empowerment provides legitimacy and social justice for human development. Empowerment of rural means "creating economic opportunities, self reliance, social and legal awareness, self confidence and positive attitude among rural people". It enables rural people to face any situation and to participate in the development activities of the nation. Some steps were taken by the government towards upliftment of rural people.

Transforming the face of rural India will begin as the historic bill (NREGS) to provide 'guaranteed employment' passed in the Parliament in the year 2005. After, the scheme was named as 'Mahatma Gandhi National Rural Employment Guarantee Scheme'.

The Scheme is being implemented from March 2006 in selected 200 districts, which were most back ward where high levels of under employment and seasonal migration prevailed in the country. The major objective of the scheme is to provide additional wage employment, food security and to develop infrastructure in rural areas. The primary objectives of National Rural Employment Guarantee Scheme (NREGS) is to enhance the livelihood security of the poor households living in the rural areas by providing at least one hundred days of guaranteed wage employment in unskilled manual work to their adult members. Adult members of the eligible household would be required to register themselves with the local Gram Panchayats and would be issued with job cards.

Registered job-seekers can apply for work under the EGS. Then have to be offered work within 15 days of receipt of such application. Wages for work done have to be paid preferably on a weekly basis, in any case not later than a fortnight, in presence of the community. The schemes is legalized in the sense that right to work has been for the first time recognized and if not provided legal remedy can be taken which makes the scheme a class by itself at least one member of every house hold in the village assured of livelihood in the form of useful employment for at least 100 days during the year with assured wage rate of Rs.80 per day, as for the possible work has to be provided within a radius of 5 kilometers of the applicant's village

If work is not offered to an eligible job seekers within the prescribed time limit of 15 days he/she will be entitled to unemployment allowance first 30 days 25 percent of wage rate for rest of the days 50 percent of wage rates for which legal guarantee is given. Works which create durable community assets in the villages are to be taken up machines and engagement of contractors has been completely prohibited in any works under this scheme. Gram Panchayat play a pivotal role in implementation of this scheme central government will spend Rs.100 crores for every district in a year. Regarding financing the NREGS, the central and the respective state governments burdened the scheme in the ratio of 90:10 respectively. In the first instance under the NREGS, a person earns at least Rs. 8000 during a year.

Under the NREGS the job seeker himself has to work and development of the village for the welfare of the people. Meeting the basic livelihood concerns, the person has to depend up on himself or herself, with of course the employment opportunity guaranteed now by the NREGS, in case of the other things like creation of infrastructure facilities, development of the villages and taking-up the well fare measures like provision of infrastructure facilities, development of land for agricultural purpose, digging of ponds, roads and abolition of child labour etc., the government plays its role in the form of NREGS.

Rural indebtedness in India today is in such a situation that whatever that is earned under the NREGS is likely to be swindled or grabbed from the earners by the money lenders not-with standing the fact that it is disbursed through post offices and banks. Perhaps in anticipation of their likely earring capabilities under the NREGS, the prospective income earners might have all ready committed their future earnings for the present loans! Until and unless the transformation is coming from within to the ultimate results appears to be bleak under the said two schemes. Then there is another danger. The person may just get Rs.80 per day under the NREGS and may not involve much himself or herself in any usefully and meaning full work at on especially when he has all ready committed his future earnings for the money lender.

### A Collision of Drought

Anantapur district, which is located in the Rayalaseema region, is the driest of all the drought prone districts of Andhra Pradesh. In the district it is clearly estimated that the drought visits at least thrice in a decade. The irrigation commission and central commissions has been identified the whole district as drought-prone. A single dry crop (groundnut) is raised under rain fed conditions in most part of the districts. Agriculture is the main stay of the economy of the district. The work force engaged in agriculture in more than three-fourth that of the total work force, the demand for labor in agriculture sector is highly uncertain and seasonal. During drought, migration of labor is very common. Unceasing drought conditions are creating an ecological imbalance and convert the district into a desert. Drought prone areas are more vulnerable to denude the forests and exhausting the natural resources like water, soil, minerals etc. By result the Rivers and other streams dry up. Consequently the underground water tables vanish and the area under irrigation declined. The instant result is the decrease in agricultural production. The decrease in agricultural production and the increase in population create the food problem. Additionally the people especially agricultural labor and farmers, in the drought-prone area founded that their lives are 'rigorous and

not bearing' and they are becoming deprived class in the district.

### NEED OF THE STUDY

In spite of the many schemes undertaken for the betterment of rural development, it is only the NREGS (National Rural Employment Guarantee Scheme) that has mobilized the rural folk involvement and gained widespread support both in rural areas. The present study is a humble attempt evaluating impact of NREGS on provision of employment in Anantapur District, which is one of the backward districts in India. Anantapur District has been purposefully selected on the ground that it is in Andhra Pradesh and attracted the attention of educationalists, policy makers, developmental agencies and voluntary organizations for its successful implementation of the NREG Scheme. The study has tried to discuss the concept of rural empowerment and contemplated the essence of rural poverty through the NREG scheme and its principles. The full benefit of development can only be realized with the participation of rural person. Therefore, the present study, in this context is relevant and appropriate. Besides, no study of this kind was made on Anantapur district.

### OBJECTIVES

The following are main objectives of the present study.

- i. To study the employment trends in the implementation of NREGS, and
- ii. To study the impact of NREGS on employment and income generation in rural areas of Anantapur district, Andhra Pradesh.
- iii. To suggest certain measures for strengthening of the NREGS in general and specific in Anantapur district for increasing the provision of employment at rural India.

### METHODOLOGY AND DATA

To fulfill the first objective, the trends in generation of employment after implementation of NREGS it was drawn line graphs.

It was fulfilled the above objective by using the paired t-test statistic.

There are some situations, which we have dependent samples. Two samples are said to be dependent when the elements in one sample are related to those in the other in any significant or some meaningful manner.

For example:- efficiency of drugs before and after its use (or) effect on sales of a product before and after advertisement.

In analyzing the effects, we often use paired t-test statistic. The test statistic is

$$|t| = \frac{\bar{d}}{S.D/\sqrt{n-1}} \sim t_{[n-k]}$$

Where,  $d$  = the difference between paired samples

$\bar{d}$  = the mean differences

$\sigma$  = the standard deviation of difference.

To analyse the effect of NREG Scheme on employment and income generation at rural 'Before and After' approach was used with the help of paired t-test to test the increment in employment and income generation is 'either significant or insignificant'.

The present study is depended only on both primary and secondary data. The required primary data has been collected randomly with help of stratified random sample technique. Since, the research area consists of three revenue

divisions, three mandals form each division and two villages from each mandal has been selected for eliciting the opinion, performance and their attitude towards employment and income generation of rural folk with special reference to the NREG Scheme. From each village 10 members were interviewed for data collection and taken division-wise average for convenient analysis. Since, the most of beneficiaries do not maintain proper accounts and most of them are illiterates and they are possibilities of statistical and hence data collected would only be in approximation to actual facts. The secondary data was collected from office of the Project Director, NREG scheme, Office of the Collector, Anantapur for the year 2015-16. The study was limited to three selected divisions only in the district.

**ANALYSIS**

In spite of the many schemes undertaken for the betterment of rural development, it is only the NREGS (National Rural Employment Guarantee Scheme) that has mobilized the rural folk involvement and gained widespread support in rural areas. To analyse the effect of NREG Scheme on employment and income generation at rural ‘Before and After’ approach was used with the help of paired t-test to

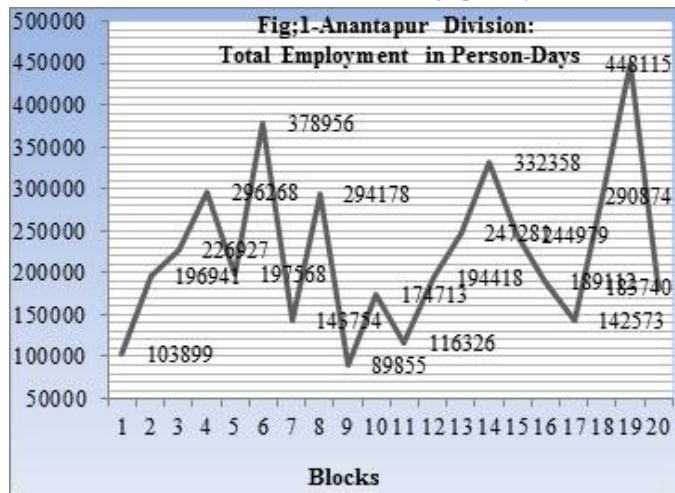
test the increment in employment and income generation is ‘either significant or insignificant’. For the convenient study revenue division-wise study was conducted.

**Division-wise the Trends in Employment Generation of NREG Scheme**

The main strategy of the NREG Scheme is to provide employment and improve the earning ability. The impact of NREG Scheme on employment generation of rural folk is very high. The divisional variation in terms of employment generation is not significant in the study area.

**Anantapur Division:** The block level average employment generation of NREG Scheme in Anantapur division (20 blocks) is shown in the below figure-1.

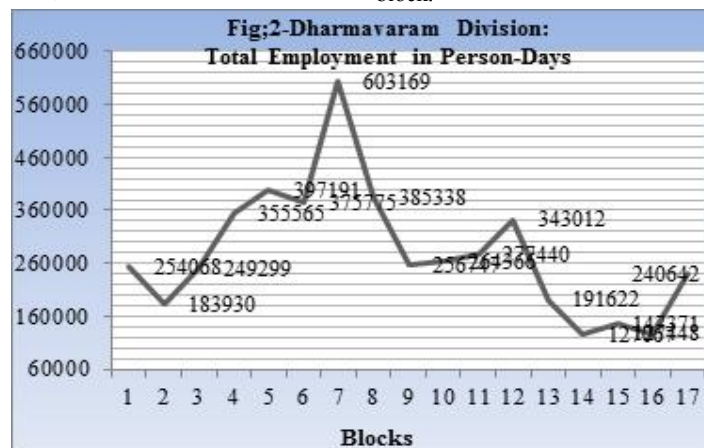
There is highest provision of person-days are in Vajrakarur block (448115 days) as followed by Singanamala (378956 days), Guntakal (332358 days) and lowest (89855 days) provision of person-days are occurred in Tadipatri block. The amount paid as wages is also in Vajrakarur block (Rs. 44553306), as followed by Guntakal (Rs.35142548), Atmakur (Rs.34636303) and the lowest paid through the NREG Scheme (Rs.9047845) is also in Tadipatri block. The rural labours are getting above Rs.80 as average wage per day.



**Dharmavaram Division:** The block level average employment generation of NREG Scheme in Dharmavaram division (17 blocks) shown in the below figure-2.

In Kalyandurg block the total amount paid as wages for rural labour is highest (Rs. 62986047) as followed by Beluguppa (Rs.43154056), C.K Palle (Rs.40601040), Kanaganapalle (Rs.405561811) and Kanekal block

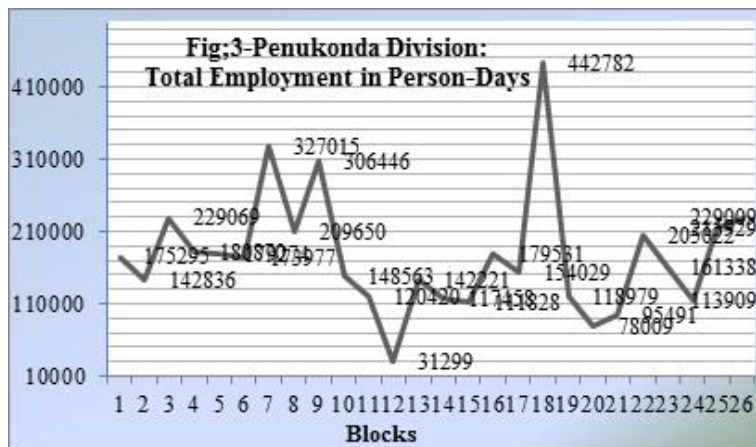
(Rs.13213822) is received lowest amount under the NREG Scheme. All blocks also get above Rs.80 as average wage per day. Whereas, the total employment provided under the scheme is highest (603169 days) in Kalyandurg block as follows Kanaganapalle (397191 days), Beluguppa (385338 days) and the least provision is in D.Hirehal (127067 days) block.



**Penukonda Division:** The block level average employment generation of NREG Scheme in Penukonda division (26 blocks) is shown in the below figure-3.

here is highest provision of person-days are in Mudigubba block (442782 days) as followed by Madakasira (327015 days), Gudibanda (306446), Roddam (229069 days)

and lowest (31299 days) provision of person-days are occurred in Hindupur [R] block. The amount paid as wages is also in Mudigubba block (Rs. 45441323), as followed by Guntakal (Rs. 35876360), Madakasira (Rs. 34664569) and the lowest paid through the NREG Scheme (Rs. 3533425) is also in Hindupur [R] block. The rural labours are getting above Rs.80 as average wage per day in this division also.



### DIVISION-WISE YEARLY EMPLOYMENT GENERATION OF NREG SCHEME

The main strategy of the NREG Scheme is to provide guaranteed employment and improve the earning ability of the rural folk. The impact of NREG Scheme on employment generation for rural folk is very high.

The divisional variation in terms of employment generation is not significant in the study area. The average employment generation of NREG Scheme in the study area is shown in the below table-1.

**Table-1 Division-wise Yearly Employment Generation before and after Implementation of NREG Scheme**

Sl.	Division	Employment Status (in person-days)				Employment Increment (in person-days)		t-test	
		Before Implementation		After Implementation		Male	Female	Male	Female
		Male	Female	Male	Female				
1.	Anantapur	177	152	282	246	105	94	Both are significant at 0.10 % probability level.	
2.	Dharmavaram	182	159	295	254	103	95		
3.	Penukonda	169	153	283	251	114	98		

The above table shows that the average male employment generation after implementation of NREG Scheme is higher in Dharmavaram division (295 days) as followed by Penukonda division (283 days), Anantapur division (282 days). There is a significant increase in employment generation through NREG Scheme in the study area. So, the above analysis shows that the impact NREG Scheme on male employment generation is positively significant in the study area. On the other hand, female employment generation after implementation of NREG Scheme there is 94, 95 and 98 days

of employment increased in Anantapur, Dharmavaram and Penukonda divisions respectively. So, this increment is also positively significant at 0.10 percent probability level in the study area.

### INCOME OF THE RURAL LABOUR BEFORE AND AFTER IMPLEMENTATION OF NREG SCHEME

Monthly income of the rural male and female labour was analysed to ascertain, whether there is any improvement in the income of the labour at rural folk after implementation of the NREG Scheme.



**Table-2 Monthly Income of Rural Male and Female Labour before and after Implementation of NREG Scheme**

Sl.	Division	Income Status (in Rs.)				Increment in Income (in Rs.)		t-test	
		Before Implementation		After Implementation		Male	Female	Male	Female
		Male	Female	Male	Female				
1.	Anantapur	730	440	1880	1640	1150	1200	Both are significant at 0.05% probability level.	
2.	Dharmavaram	750	460	1960	1690	1210	1230		
3.	Penukonda	710	420	1870	1670	1160	1250		

The above table shows that before implementation of the NREG scheme, there male labours were getting income Rs.730, Rs.750 and Rs.710 per month in Anantapur, Dharmavaram and Penukonda divisions respectively. But after implementation of the scheme same are monthly getting Rs.1880, Rs.1960 and Rs.1870 in the respective divisions. On the other hand female labours were getting Rs.440, Rs.460 and Rs.420 as monthly income Anantapur, Dharmavaram and Penukonda division respectively. Whereas, after implementation of the scheme the income of the same is increased to Rs.1640, Rs.1690 and Rs.1670 in the respective divisions. The increment in monthly income of the male after implementation of the scheme is Rs.1150, Rs.1210 and Rs.1160. The increment in female monthly income is Rs.1200, Rs.1230 and Rs.1250 in the respective above divisions. These increments were tested by t-test statistics and found that both male and female income increments are significant at 0.05 percent probability level. So it is drawn that the impact of the NREG scheme is positively significant and poverty is reducing at rural areas due to implementation of the scheme.

### ACHIEVEMENTS OF DWCRA PROGRAMME

The rural folk in Andhra Pradesh are better placed compared to all India. The potential of the rural people at present is not fully tapped and utilized for the community.

*NREG Scheme as a Rural Empowerment Mechanism:* This Scheme aims at enhance development orientation on various aspects of rural development. It is found that labours because of their attachment with the NREG Scheme made them to realize various developmental activities, realized the importance of education to children, visualized money is important to lead comfortable life, and status in life, able to know and recognize that money should not be unnecessarily be wasted but they saved to meet future contingency, keep the importance of social harmony, and programmes which are aimed for economic development of people should be implemented, enabled them to welcome and accept change in life. It is also noticed that plans and policies rather should be framed keeping in view the general interest of the community than simply limiting to the development of a particular caste or type. It clearly indicates about rural empowerment.

*Change in Socio-economic Status:* The study on socio-economic factors revealed that nearly 85.9 percent of women labour involved in the NREG Scheme. It clearly indicates that families of the women labour below poverty line were more attracted towards this Scheme and gained socio-economic status in the society.

*Economic development:* Economic development is the most crucial pre-requisite for social development, particularly

among rural people. And in the study, it was proved that a majority of rural, who is holding job card of NREG Scheme, improved their economical status by guaranteed income generating activities.

*Participation in Community Development:* In the present study it was found that 85 percent of the rural labours were involved in other community developmental activities i.e., family welfare schemes, social security pension scheme, Indhiramma Padhakam etc. Hence, it can be concluded that NREG Scheme that involved in community development has interaction with all sections of society and gained the experience of predicted attitude of political people, aware of general problems of rural. Since, NREG Scheme is a dynamic Scheme, which its success depends upon functional effectiveness of officials.

### SUMMARY AND CONCLUSION

A number of schemes have been introduced in the country right from community development scheme till to National Rural Employment Guarantee Scheme for alleviating poverty in rural areas.

There must be a monitoring cell appointed by the central government with its wings at all district headquarters to look into the affairs of NREGS. Without interfering much, it should help the NREGS in call of any trouble

Development has to encompass all aspects of improvement in the quality of the life economic betterment of people and social transformation. Development can be attained when people participate effectively. Peoples participation should be encouraged owing to the fact that people in villages know their needs better then governments officials. People participations should be in decision making, planning, formulating strategy, implementation, follow up for sharing the benefits of development.

Direct participation of the people in the development activities improves accountability and transparency in process of identification of beneficiaries. Development schemes should be designed taking in to consideration of the local needs and aspirations. One of the important obstacles in achieving desired results in rural development is most of the people are unaware of development schemes initiated by the government. Therefore, steps should be initiated to sensitize the people about development schemes which help them to avail rural development schemes. Hence, there is dire need to take all these measures to foster rural development.

### REFERENCES

1. P. Vigna Raja, Susil Sirivardhn, "Propoor Planning through social mobilization in South Asia", Vikas publishing House, New Delhi, 1998.

2. Tirthankar Roy, "Rethinking Economic Change in India, Labour and Livelihood", Routledge group publication, 2005.
3. Radha Krishna and Sovan Roy, Handbook of Poverty; Perspectives, Policies and Schemes", Oxford University Press, 2005.
4. 1993 "Report of the Expert Group on Estimation of Proportion and Number of Poor", Perspective Planning Division, Planning Commission, New Delhi.
5. Dev. S. Mahendra and C Ravi (2007), "Poverty and inequalities: All India and States, 1983-2005" in Economic and Political Weekly, Vol.XLIII, No.6, Feb.2007.
6. Dhillon, D.S and S. Hangra(1995): peoples participation in rural development schemes kurukshetra, Vol, xi, iii, no.4.
7. Government of India. Annual report 2001-02, ministry of rural development, new Delhi.
8. Maheswari, S.R (2001): "Rural Development in India". Retrospect and prospect (1947-1998) in Ramesh arora ed, people-centered governance Aalekh publishers, Jaipur.
9. Singh, R.P(1999): Strategies for rural prosperity: Some policy interventions yojana, June.
10. Vidyathan (2001): "Poverty and Development Policy" Economic and Political Weekly vol. XXXVI, no.21.