



IMPACT OF MGNREG SCHEME ON FAMILY EARNINGS
OF RURAL HOUSE HOLDS —A STUDY ON GUNTUR
DISTRICT OF A.P.

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ABSTRACT

Higher standards of living as well as of development opportunities for all, stemming from the greater resources generated by economic growth are the ultimate objectives of development policy of the country. This implies the need to bridge regional, social and economic disparities, as well as the empowerment of the poor and marginalized, especially women, to make the entire development process more inclusive. Implementation of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and several other such poverty alleviation programs are to be viewed only in this backdrop. In this paper an attempt is made to review the progress and performance of the MGNREGS at the all India level in general and A.P. (Guntur District) in particular. To test and analyse the above, the survey was conducted, questionnaire method using interview schedule was adopted for data collection and statistical tools were used for analysis. Data is interpreted and ideas for better implementation of the programs are suggested the conclusion.

KEY WORDS: Poverty, Households Employment, Poverty Alleviation, Expenditure patterns.

1. INTRODUCTION

The relatively high growth of population and labour force has led to enlarge unemployment and under employment from one plan period to another. Five year plans aim at bringing employment into sharper focal point with the goal of reducing unemployment to a negligible level. As the workforce continues to grow, the earning

situation becomes more acute not only for the landless, who always lacked the possibility of subsistence farming, but gets worse also for those owning land (Ravi Shamika, Engler Monika 2009). Labour intensive rural public works programs have emerged as an important mechanism for alleviating mass unemployment, under employment and



poverty. The Mahatma Gandhi National Rural Employment Guarantee scheme (MGNREGS) is expected to bring about drastic changes in the

rural economy. The scheme is poised to make a great impact on the households to bring them out of poverty trap (Samarthan, 2010).

Table 1: Performance of MGNREGS at a Glance in A.P.

Items	2013-14	Cumulative Since Inception
Total expenditure (Rs. in Lakhs)	3,24,609.30	27,75,396.64
Wage Employment provided to House Holds (Nos)	53,89,894	93,74,212
Wage Employment provided to individuals (Nos)	93,96,151	1,89,07,662
Wage Employment provided to Men (Nos)	41,98,507	88,67,009
Wage Employment provided to Women (Nos)	51,97,644	1,00,40,653
Wage Employment provided to SC individuals (Nos)	23,21,119	47,96,159
Wage Employment provided to ST Individuals (Nos)	13,45,020	25,92,918
Total Number of person days generated	22,39,94,853	2,08,84,05,189
Total Number of person days generated to SC	52415889 (23.4%)	518815069.5 (24.84%)
Total Number of person days generated to ST	31260481(13.96%)	312109370 (14.94%)
Average Wage rate per day per person (Rs)	112.32	95.83

Source: www.mgnrega.com

The performance of MGNREGS from its inception at Andhra Pradesh is presented in Table.1. The information presented in the table reveals that the cumulative spending on MGNREGS in A.P. from its inception is Rs.27, 75,396.64 Lakhs. About 1.89 Crore households have been provided employment of which 1.01 Crore (53 percent) were availed of by women, 0.47 Crores (25 percent) by SCs and 0.26 Crore (14 percent) by STs with an average wage rate per day per person Rs.95.83/-. It may be noted from this table that the program is implemented in a very successful manner for upliftment of rural poor especially women.

2. REVIEW OF LITERATURE

Pankaj K. Ashok (2008) in his study on impact assessment of MGNREGS in Bihar and Jharkhand reported that even though the average number of employment days provided per households is relatively low in both the states, the scheme has able to generate some impact on the livelihood conditions of the beneficiaries.

Jaffer P.C (2008) while studying the impact of MGNREGS in Gulbarga District of Karnataka explained that the scheme has a positive impact on the household income level. A majority of the beneficiaries reported increase in their consumption, health expenditures and savings.

National Federation of Indian Women (2008) reveals that the one of the positive impacts left by the program was that 80 percent of the

respondents in Bangripasi said that they found works of MGNREGS beneficial both at the level of economic gains and community asset creation.

Roy Sanjoy (2009) vision is that the impact of MGNREGS on villages of Tripura is immense and multi dimensional. On one hand, it has lessened the incidence of poverty among the villagers, on the other hand it has emboldened the confidence of total skilled labours and women and most particularly the aged women and widows who could hardly go out of villages for searching a work and have it.

Nair, Sreedharan and Anupkumar (2009) Studied in three gram panchayats of Kasaragod District and workers regarded MGNREGS income as a substantial supportive income supplementing other sources of irregular earnings. Due to MGNREGS, women have also started shouldering household expenses and responsibilities.

3. OBJECTIVES

- 1) To study the Socio - economic profile of the respondents in the select area
- 2) To analyse the impact of MGNREGS on family income, savings and expenditure of the respondents in the select area.
- 3) To Suggest measures to improve the efficacy and efficiency of the systems and processes and ensure sustainable impact of the scheme on the people's livelihood

3.1. HYPOTHESIS

H_{0i}: There is no significance of divergence between observed and expected frequencies (related to income, expenditure and savings).

H_{A1}: There is significance of divergence between observed and expected frequencies (related to income, expenditure and savings).

Test applied: Chi-square test.

4. RESEARCH METHODOLOGY

For the study, data was collected from both primary sources as well as secondary sources. The secondary data were collected from the various journals, books, periodicals and web. The primary data has been collected through a self well thought-out feedback form, including both open and close ended questions. The questionnaire was controlled upon purposively selected beneficiaries and stakeholders of the scheme. Interview schedule was the essential and most significant instrument used during the data collection. It helped in gathering the beneficiary's purpose and thoughts etc.

The Guntur District for appraisal of MGNREGS was selected in consultation with the government officials, based on the criteria that district which has experienced significant good impact under MGNREGS in terms of no.of mandays of employment generated. The sample size was 530 in number. For analyzing the findings and to draw the inferences, the statistical tools have been used like percentage method and chi-square test etc.,

5. LIMITATIONS OF THE STUDY

Government Schemes in the past have not given so considerable experience, so it makes most of the people to think MGNREGS in the same

category of previous scheme. Therefore, the opinion given by beneficiaries may be the expression of past initiatives taken.

6. MGNREGS – MAIN PROVISIONS

The MGNREGS(2005) is a distinguished piece of legislation under which local administrations are legally bound to provide work on demand to any worker, who applies for work within 15 days. It is a national law funded largely by the Central Government and implemented in all states, which creates a justifiable "Right to Work" for all rural households atleast for 100 days in each financial year. One third of the workers shall be women and are paid wages on par with men. There are a series of safeguards mandated by the Act. Muster rolls are supposed to be maintained at the worksite and displayed at the panchayat office. Payments are to be made in public in presence of all the labour. Such measures are proclaimed to maintain transparency, accountability and eliminate corruption in the operation of the scheme.

The Act aims to achieve twin objectives of rural development and employment. The stipulates that work must be targeted toward a set of specific rural development activities, such as after conservation and harvesting, afforestation, rural connectivity, flood control and protection such as construction and repair of embankments, etc. Digging of new tanks/ponds, percolation tanks and construction of small check dams are also given importance. Work includes land leveling, tree plantation, etc.,. First a proposal is given by the Panchayats to the block office and then the office decides whether the work should be sanctioned.

7. DATA ANALYSIS AND FINDINGS

Table 2. Socio –Economic Profiles of the Respondents

Gender	N	%	Age of the Respondents	N	%
Male	260	49	Below 30 years	118	22
Female	270	51	30-40 years	224	42
Educational Qualifications			41-50 years	141	27
Illiterate	118	22	Above 50 years	47	09
Lower Primary	212	40	Family Size		
Upper Primary	141	27	1-2 Members	94	18
Secondary	59	11	3-4 Members	330	62
Caste			5-6 Members	106	20
Scheduled Caste	212	40	Annual Income		
Scheduled Tribe	177	33	Rs.10,000/- to Rs.20,000/-	130	24
Backward Caste	106	20	Rs.20,001/- to Rs.30,000/-	295	56
Others	35	07	Above Rs.30,000/-	105	20

Source: Computed.

Table. 2 describes the socio- economic profile of the respondents. Out of 530 respondents, 260 are male and 270 are female. 118 members belong to the age group of below 30 years, 224 members are in the 30- 40 age group, 141 members are in 41-50 years of age group and remaining 47 members are having more than 50 years of age. With regard to educational qualification 118 members are illiterates, 212 members have lower primary level of education, 141 members have studied upto upper primary level and the remaining 59 members have secondary level of education. Out of total respondents 212 members belongs to Scheduled Caste, 177 members belong to Scheduled Tribes, 106 members belong to Backward Caste and

the remaining 35 members belong to the other backgrounds. In the case of family size 94 respondents is 1-2 members in their family, 330 respondents with 3-4 members in their family and remaining 106 respondents are having 5-6 members in their family. 130 members annual income lies in between Rs. 10000/- to Rs.20000/-, 295 members annual income lies in between Rs.20,001/- to Rs.30,000/- and the remaining 105 members annual income exceeds Rs.30,000/-. It may be noted from this table that an overwhelming respondents belong to weaker section i.e. SC, ST,BC (93percent) have benefited under this scheme. Among these categories women (51percent) are ahead in availing the program when compare to their counter parts of males.

Table.3 Impact of MGNREGS on Income, Savings and Expenditures

Sl.No	Particulars	Significantly increased		Increased moderately		No change	
		No. of Respondents	%	No. of Respondents	%	No. of Respondents	%
1	Impact on Family Income	169	31.89	345	65.09	16	3.02
2	Impact on Savings	141	26.60	342	64.50	47	8.90
3	Impact on Expenditure	108	20.38	231	43.59	191	24.70
4	Impact on Expenditure Pattern						
A	Food	140	26.42	298	56.23	92	17.30
B	Education	77	14.54	134	25.29	319	60.10
C	Fuel/Electricity	49	9.25	23	4.35	458	86.40
D	Health Expenditure	142	26.79	185	34.91	203	38.30
E	Clothing	112	21.12	134	25.20	284	53.50
F	Debt Repayment	03	0.56	461	86.99	66	12.40

Source: Primary Data

The findings regarding the impact of MGNREGS on income, savings and expenditures have been depicted in the table no.3 and described as follows.

After implementation of the scheme, average family income of the sample respondents is found to have increased, as about 31.89 percent of the people reported to have seen significant increase and more than 65 percent reported a moderate increase in their family income. Very few (3%) experienced no change in family income. It was found that more than 90%(26.6% +64.5%) respondents have reported an increase in their household savings. Very insignificant number of respondents (8.9%) considered no

change in savings. It seems to be a positive impact on house hold expenditure as 20.38% beneficiaries reported significant increase in expenditure, while 43.59% felt moderate increase in expenditure. It clearly shows that there is a significant change in income, saving and expenditures.

To verify the significance of the MGNREGS impact on income, savings and expenditure, Pearson Chi-squared statistical instrument (X^2) test has been used, where the numbers listed in each category is considered as the observed frequency. Table.4 summarizes the results of Chi-Square tests conducted in pursuit of this hypothesis. The degree of freedom is 2 and X^2 value of each parameter is given in the table. no.4

Table 4. Chi-Square test for measuring the impact of MGNREGS on Income , Expenditure and Savings.

S.No	Particulars	X^2 Value	Df	P Value	Remarks
1	Impact on Family Income	304.007	2	<0.001	Moderate increase
2	Impact on Savings	257.324	2	<0.001	Moderate increase
3	Impact on Expenditure	44.625	2	<0.001	Moderate increase
4	Impact on Expenditure Pattern				
A	Food	131.677	2	<0.001	Moderate increase
B	Education	181.127	2	<0.001	Moderate increase
C	Fuel/Electricity	673.07	2	<0.001	No change
D	Health Expenditure	11.128	2	<0.0036	No change
E	Clothing	99.124	2	<0.001	No change
F	Debt Repayment	698.106	2	<0.001	Moderate increase

- Since no presumptions were there regarding the views and preferences of the sample households, we therefore, assume that there is an equal probability that a respondents 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. 176.7.
- Decision Rule: Reject H_0 if p-value is <0.05 asymp.Sig(2 sided); It is clear that calculate value of X^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 MGNREGS as per the responses of the subjects.

- If analysed 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.

8. CONCLUSION

Based on evaluation carried out at field level, it can be inferred that MGNREGS holds the key to the development of country's vast rural population. The program deemed to have huge potential in empowering rural communities. The program is capable to enhance income level, food security and livelihood security of rural poor on a sustainable manner. Further, MGNREGS brought very positive changes in respect of employment, income, wage-rates and food security. It boosted village economy and found beneficial to rural poor.



9. SUGGESTIONS

1. Timely wage payment
2. Re-designing wage structure
3. Unemployment Allowance
4. Upward Revision of limit of 100 days employment for household
5. Seasonality- based work plan
6. Capacity Building of Stakeholders
7. Transparency and Accountability
8. Active Involvement of Line Departments in Scheduling and execution of works at various stages.

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