

IMPACT OF MGNREGP ON THE ECONOMIC CONDITIONS OF THE RURAL BENEFICIARIES

*Dr. Lourdes Poobala Rayen M.Com., M.Phil., MBA, Ph.D
Associate Professor of Commerce,
St. Xavier's College [Autonomous]
Palayamkottai – 627 002
&

*Rev. Fr. S. John Vasantha Kumar M.Com., M.Phil., MBA.,[Ph.D]
Assistant.Professor of Commerce
Ananda College, Devakottai – 630 303
Sivagangai Dist, Tamil Nadu

Abstract

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. Far from creating dependency, this program offers a social protection which increases both on-farm and off-farm activities strengthening the livelihoods and lifting the scale of incomes to the rural households. It is said that around 800 million people continue to suffer from chronic hunger in the world. Almost one billion continue to remain trapped in extreme poverty. Economic growth in agriculture has been pivotal in driving down the rates of hunger and poverty. But even then it is not inclusive. Many of the developing countries, they have established social protection measures namely offering people regular and continuous financial support or in-kind support or making an access to the self-help programs – on the understanding that they are essential as a front-line measures for driving off the poverty and hunger. This paper made an attempt to analyse the impact of MGNREGA on the economic conditions of the rural poor people for whom it is intended to.

Key words: Livelihood security, on-farm and off-farm activities, social protection, front-line measures, chronic hunger, driving-down the hunger and poverty.

Introduction

The global world remembers every year on the 16th October as the World Food day. The world has bountiful reasons to celebrate. In fact, as a global community the world has envisioned real progress in combating the global hunger and poverty in recent periods. The United Nation's Food and Agriculture Organization has been harvested the results of the Millennium Development Goal target of halving the presence of un-nourishment and undernourishment latest by 2015. A majority of the countries i.e. 72 out of the 129 countries have reached the Millennium Development goals. The portion of people in the developing counties living in the extreme poverty has drastically reduced from 43 per cent to 17 per cent from the year 1990 to the current year.

It is evident that the most of the world's poor and hungry belong to the rural families. They do depend on agriculture only for their daily meals and even their livelihoods. They come under the category of farmers, rural labors, and they have pressed upon the survival. They do adopt low-risk, low-return, low-investment approaches to the income generation, under-invest in academics and health of their children along with their dependents. At times, they are forced to dispose off their small pieces of lands, unable to provide a quality but professional education. Hence, they do send their children to the work, and reduce the intake of food even.

Objectives

The main objective of this study is to analyze the economic impact of MGNREGP towards the beneficiaries in Sivagangai District, Tamil Nadu, and South India.

Methodology

This is an empirical study based on survey. The relevant primary data were collected from the beneficiaries from January to March 2015 through the well-structured interview schedule. Sample of 530 beneficiaries were selected randomly covering the entire Sivagangai district. Analysis were made with the help of SPSS package

Economic status of beneficiaries

Economic growth provides the necessary resources to combat against the poverty. It was considered to be the most important poverty alleviation measure. It is the reason why for many decades the poverty was considered as a purely economic problem. The logic of the many of the

economists was that of economic growth automatically would take a lead to the elimination of poverty in the developing countries.

The economic status of the respondents has been examined with the help of number of earning members per family, monthly income, monthly expenditure and monthly savings. The earning members in the family in the present study are confined to 1 to 2, 3 to 4, 5 to 6 and above 6. The distribution of respondents based on the earning members is shown in Table 1.

Table 1
Earning Members in the Family among the Respondents

Sl. No.	Earning Members in a Family	No. of Respondents		Total with percentage
		Male	Female	
1	1 to 2	61(53.98)	155(37.17)	216 (40.75)
2	3 to 4	26(23.01)	139(33.33)	165 (31.13)
3	5 to 6	19(16.81)	84(20.14)	103 (19.43)
4	Above 6	7(6.19)	39(9.35)	46 (8.68)
Total		113(100)	417(100)	530(100)

Source: Primary data *Figures in parenthesis shows the percentage

The Table 1 reveals that 40.75 per cent of the respondents are having 1 to 2 earning members in their family. It is followed by 3 to 4 earning members which constitute 31.13 per cent. It is evident that majority (40.75 per cent) of the families are having 1 to 2 earning members in their family. The analysis of earning members in the family in relation to gender reveals that majority (53.98 per cent) of the male respondents are having 1 to 2 members in their family whereas among the female respondents majority (37.17 per cent) of them are having 1 to 2 members in their family.

Weekly family income among the respondents

The wage under this program is dispersed once a week. The weekly wages received by the beneficiaries are used for meeting their family expenditure. The distribution of the respondents according to their weekly family income is presented in Table 2.

Table 2
Weekly Family Income Among the Respondents

Sl. No	Weekly Family Income(in Rs)	Number of Respondents		Total with percentage
		Male	Female	
1	Up to 500	11(9.73)	11(2.64)	22 (4.15)
2	501 to 700	20(17.70)	76(18.23)	96 (18.11)
3	701 to 900	21(18.58)	119(28.54)	140 (26.42)
4	901 to 1100	27(23.90)	123(29.50)	150 (28.30)
5	Above 1100	34(30.09)	88(21.10)	122 (23.02)
Total		113(100)	417(100)	530(100)

Source: Primary data *Figures in parenthesis shows the percentage

Table 2 reveals that majority (28.30 per cent) of the beneficiaries are earning Rs. 901 to 1100 per week as their family income which is followed by 26.42 per cent of the families whose weekly income is Rs. 701 to 900. The highest weekly family income of above Rs.1100 is earned by 23.02 per cent of beneficiaries. It is evident that majority (28.30 per cent) of the beneficiaries are earning Rs. 901 to 1100 per week as their family income. Analysis of weekly family income according to gender reveals that majority (30.09 per cent) of the male respondents are having weekly family income of above Rs.1100 whereas majority (29.50 per cent) of the female respondents are having weekly family income of Rs.901 to 1100.

Weekly Family Expenses among the Respondents

It shows the family expenses made by the respondents during the period of one week. The weekly family expense among the respondents in the present study is confined to up to Rs.300, Rs.301 to 500, and Rs.501 to 700, Rs.701 to 900 and above Rs.900. The distributions of respondents based on the weekly family expenses are shown in Table 3

Table 3**Weekly family expenses among the respondents**

Sl. No	Weekly Family Expenses (in Rs)	Number of Respondents		Total
		Male	Female	
1	Up to 300	17(15.04)	25(6.0)	42(7.92)
2	301 to 500	26(23.01)	68(16.31)	94(17.74)
3	501 to 700	23(20.35)	117(28.06)	140(26.42)
4	701 to 900	31(27.43)	126(30.22)	157(29.62)
5	Above 900	16(14.17)	81(19.41)	97(18.30)
Total		113(100)	417(100)	530(100)

Source: Primary data

*Figures in parenthesis shows the percentage

Table 3 presents the weekly family expenses among the respondents. 29.62 per cent of the respondents are spending Rs.701 to 900. Among the male respondents 27.43 per cent of them are spending Rs.701 to 900. Among the female respondents 30.22 per cent of the respondents are spending Rs.701 to 900. Table 3 reveals that irrespective of gender, majority of the respondents are spending Rs.701 to 900 in a week.

Weekly Family Saving among Respondents

It represents the total family savings among the respondents during a week. The weekly family savings among the respondents is confined to up to Rs.100, Rs.101 to 200, Rs.201 to 300, Rs.301 to 400, above Rs.400 and nil. The distribution of respondents based on their family savings per week given in Table 4

Table 4**Weekly Family Saving among Respondents**

Sl. No	Weekly Family Savings (in Rs)	Number of respondents in		Total
		Male	Female	
1	Up to 100	10(8.85)	19(4.56)	29(5.47)
2	101 to 200	19(16.81)	28(6.71)	47(8.87)
3	201 to 300	26(23.01)	46(11.03)	72(13.58)
4	301 to 400	24(21.24)	134(32.13)	158(29.81)
5	Above 400	26(23.01)	176(42.21)	202(38.11)
6	Nil	8(7.08)	14(3.36)	22(4.15)
Total		113(100)	417(100)	530(100)

Source: Primary data

*Figures in parenthesis shows the percentage

Table 4 shows the distribution of respondents according to weekly family savings. It reveals that 38.11 per cent of the respondents are having above Rs.400 as their family saving. The analysis of weekly family savings reveals in relation to gender reveals that 23.01 per cent of the male respondents are having the weekly family savings of above Rs.400 and another 23.01 per cent of the male respondents are having the weekly family savings of Rs.201 to 300. Among the female respondents 42.21 per cent of them are having the weekly family savings of above Rs.400. The analysis reveals that the weekly savings among the female respondents are higher than that of the male respondents.

Mode of Savings among the Respondents

The mode of savings represents how the respondents are saving their money. It is equally important to study the mode of saving with the amount of savings. The mode of savings in the presents study are confined to post office, banks, LIC, Chit funds, Sangam and others. The distribution of respondents on the basis of their mode of savings is given in Table 5

Table 5**Mode of Savings among the Respondents**

Sl. No	Mode of Savings	Number of Respondents		Total
		Male	Female	
1	Post office	16(15.24)	59(14.64)	75(14.76)
2	Bank	38(36.19)	123(30.52)	161(31.69)
3	LIC	4(3.81)	37(9.18)	41(8.07)
4	Chit fund	32(30.48)	102(25.31)	134(26.38)
5	Sangam	9(8.57)	63(15.63)	72(14.17)
6	Others	6(5.71)	19(4.71)	25(4.92)
Total		105(100)	403(100)	508(100)

Source: Primary data *Figures in parenthesis shows the percentage

The above Table shows the distribution of respondents on the basis of mode of savings used by the respondents in the study area. Table 5 reveals that 31.69 per cent of the respondents are using the banks to save their savings. Next to banks 26.38 per cent of the respondents are saving their money through chit funds. The analysis of different mode of savings in relation to the gender reveals that 36.19 per cent of the male respondents are using the bank for saving their money. Among the female respondents 30.52 per cent of the respondents are saving their money through bank. It is evident from Table 5 that irrespective of the gender of the respondents' majority of the respondents are using banks and chit funds to save their money.

Economic impact of NREGS among the Respondents

The economic impact of NREGS explains the economic upliftment of respondents due to the NREGS. It is measured with the help of five variables. The respondents are asked to rate these variables at five point scale. The mean score of the variables in economic impact among the male and female respondents have been computed separately along with its 't' statistics. The results are given in Table 6

Table 6**Impact of NREGS on the Economic Conditions of Respondents**

Sl. No	Variables in Economic Impact	Mean Scores		't' statistics
		Male	Female	
1	Enhances the family income	3.3044	3.7903	-2.1887*
2	Reduces the movement to other places in search of employment	3.2089	3.8607	-2.4669*
3	Basic needs are met	3.2446	3.8117	2.5904*
4	Domestic needs are comfortably fulfilled	3.1173	3.8084	-2.7343*
5	Needs of parents /aged parents are taken care.	3.0118	3.7889	-2.6069*

*significant of five per cent level

The highly viewed variables in economic impact by the male respondents are 'enhanced the family income' and 'basic need are met' since their mean scores are 3.3044 and 3.2446 respectively. Among the female respondents, these are 'reduction in the movement to other towns' and 'basic needs are met' since their mean scores are 3.8607 and 3.8117 respectively. Regarding the view on variables in economic impact the significant difference among the male and female respondent have been seen in the case of all five variables since their respective 't' statistics are significant at five per cent level.

Reliability of Variables included in the Economic Impact

The score of the five variables in the economic impact have been included for confirmatory factor analysis in order to examine the reliability and validity of variables in it. It results in standardized factor loading of the variables in it. Its 't' statistics, composite reliability and average variance extracted. The overall reliability of variables in economic impact has been measured with the help of Cronbach alpha. The results are shown in Table 7

Table 7**Reliability and Validity of Variables in Economic Impact**

Sl. No	Variables in Economic Impact	Standardized factor loading	't' statistics	composite reliability	Average variance extracted
1	Basic need are met	0.8449	3.3844	0.7211	53.34
2	The need of the parents / aged parents are taken care of	0.8243	3.2088		
3	Enhances the family Income	0.7909	2.9344		
4	Domestic needs are completely fulfilled	0.7511	2.6489		
5	Reduces the movement to other places in search of Employment.	0.6809	2.3911		

Cronbach alpha:0.7549

The standardized factor loading of the variables in economic impact are ranging from 0.6809 to 0.8449 which reveals the content validity. The significance of 'F' statistics of the standardized factor loading of the variables in it reveals the convergent validity. It is also proved by the composite reliability and average variance extracted since these are greater than its standard minimum of 0.50 and 50.00 per cent respectively. The included five variables in economic impact explain it to an extent of 75.49 per cent since its Cronbach alpha is 0.7549.

Level of Economic Impact among the Respondents

The level of economic impact among the respondents has been measured by the mean score of variable in it. In the present study, the score on economic impact is confined to less than 2.00, 2.00 to 3.00, and 3.01 to 4.00 and above 4.00. The distribution of respondents on the basis of their score on economic impact is shown in Table 8

Table 8**Score on the Level of Economic Impact among the Respondents**

Sl. No	Level of Economic Impact	Number of Respondents		Total
		Male	Female	
1	Less than 2.00	22(19.47)	36(8.63)	58(10.94)
2	2.01 - 3.00	31(27.43)	96(23.02)	127(23.96)
3	3.01-4.00	34(30.09)	168(40.29)	202(38.11)
4	Above 4.00	26(23.01)	117(28.06)	143(26.98)
Total		113(100)	417(100)	530(100)

Table 8 shows the level of economic impact among the respondents. It reveals that the level of impact of most (38.11 per cent) of the respondents is 3.01 to 4.00. The analysis of level of economic impact in relation to gender reveals that the majority (30.09 per cent) of the male respondents are having 3.01 to 4.00. Among the female respondents the level of economic impact of most (40.29 per cent) of them is 3.01 to 4.00. The analysis reveals that the level of economic impact is higher among the female respondents than among the male respondents.

Findings about the Economic Impact of MGNREGP

- The analysis of earning members in the family in relation to gender reveals that majority (53.98 per cent) of the male respondents are having 1 to 2 members in their family whereas among the female respondents majority (37.17 per cent) of them are having 1 to 2 members in their family.
- Analysis of weekly family income according to gender reveals that majority (30.09 per cent) of the male respondents are having weekly family income of above Rs.1100 whereas majority (29.50 per cent) of the female respondents are having weekly family income of Rs.901 to 1100.
- The study reveals that irrespective of gender, majority of the respondents are spending Rs.701 to 900 in a week.
- The analysis of weekly family savings reveals in relation to gender reveals that 23.01 per cent of the male respondents are having the weekly family savings of above Rs.400 Among the female respondents 42.21 per cent of them are having the weekly family savings of above Rs.400. The

analysis reveals that the weekly savings among the female respondents are higher than that of the male respondents.

- The analysis of different mode of savings in relation to the gender reveals that 36.19 per cent of the male respondents are using the bank for saving their money. Among the female respondents 30.52 per cent of the respondents are saving their money through bank. Irrespective of the gender of the respondents' majority of the respondents are using banks and chit funds to save their money.
- The highly viewed variables in economic impact by the male respondents are 'enhanced the family income' and 'basic need are met' since their mean scores are 3.3044 and 3.2446 respectively. Among the female respondents, these are 'reduction in the movement to other towns' and 'basic needs are met' since their mean scores are 3.8607 and 3.8117 respectively.
- The analysis of level of economic impact in relation to gender reveals that the majority (30.09 per cent) of the male respondents are having 3.01 to 4.00. Among the female respondents the level of economic impact of most (40.29 per cent) of them is 3.01 to 4.00. The level of economic impact is higher among the female respondents than among the male respondents.

Conclusion

It is obvious and vivid that NREGS program has enormously developed a viable economic independence to the beneficiaries by developing the quality of life associated with the improved purchasing power, status of the family. It also provides the beneficiaries the feeling of enhanced recognition with economic output and merger quantum of savings too. The program has bestowed an opportunity in developing a cordial relationship both in the work place and domestic grounds too. It is also a much appreciated program on the part of the beneficiaries since it has improved a considerable scale of meeting the family needs and family savings as well.

References:

01. Dr. Charles Irudayam, "Towards an Ethical Framework for Poverty Reduction "ISPCK, New Delhi, 2010
02. Dr. Victor Louis Anthuvan, "The Dynamics and the impact of Globalization" Amirtham Publications, Madurai, 2006
03. Nithya, "Movement Building-through right to food campaign, National Commission for Justice, Peace and Development, Catholic Bishops' Conference of India, New Delhi, 2010.

04. Tanveer Ahmad Dar, Right to food, Commission for Justice, Peace and Development, Catholic Bishops' Conference of India, New Delhi, 2012.

Web sources:

05. www.nrega.nic.in
06. <http://tnrd.gov.in/schemes/nrega.html>.
07. http://www.cbsaindira.org/files/primers_manuals/11th%20five%20year%20plan.pdf
08. planningcommission.gov.in/reports/generep/rep_NREGA_03-08-20.pdf
09. <http://indiatoday.intoday.in/article/Print.jsp?aid=62423>
10. <http://indiatoday.intoday.in/article/Print.jsp?aid=62423>
11. http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/genricdocument/wcms_184878.pdf
12. www.ijept.org
13. <http://www.odi.org.uk/publications/5124-gender-indiasocial-protection-mgnrega>
14. www.journalshub.com